SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 5052

(SENATE AUTHORS: REST)

DATE	D-PG	OFFICIAL STATUS
04/09/2026	7941	Introduction and first reading Referred to Taxes
05/04/2026	9333a	Comm report: To pass as amended
	9703	Second reading See HF2438

A bill for an act

relating to taxation; modifying individual income and corporate franchise taxes, property taxes, sales and use taxes, excise taxes, local government aids, tax increment financing provisions, local sales and use taxes, mining and mineral taxes, public finance provisions, and other miscellaneous taxes and tax-related provisions; providing for certain federal conformity; modifying and providing for income tax credits and subtractions; modifying and providing for property tax exemptions and classifications; providing for certain sales tax exemptions; establishing a social media tax; authorizing and modifying local sales taxes; establishing seasonal tax base replacement aid and federal enforcement reimbursement aid; modifying and providing for various local government aids; establishing and modifying various programs; modifying and clarifying certain definitions; establishing a Hennepin County health care tax; establishing a tax on amounts acquired by fraud; modifying the allocation of production tax proceeds; making related clarifying and technical changes; requiring and modifying reports; modifying and canceling appropriations; appropriating and transferring money; amending Minnesota Statutes 2024, sections 16A.726; 41A.30, subdivisions 1, 2, 7; 116U.27, subdivisions 1, 4, 5; 123B.53, subdivision 1; 123B.535, subdivision 1; 126C.17, by adding a subdivision; 168E.09, subdivision 2, by adding a subdivision; 270B.14, subdivision 3, by adding a subdivision; 270B.15; 270C.055, by adding a subdivision; 270C.07; 270C.08; 270C.085; 270C.56, subdivision 1; 272.01, subdivision 2; 272.02, subdivision 101, by adding subdivisions; 273.032; 273.111, subdivision 9; 273.124, subdivision 14; 273.13, subdivision 34; 289A.02, subdivision 7; 289A.08, subdivision 7; 289A.40, subdivision 1; 289A.60, subdivision 6; 290.01, subdivisions 19, 29, 31; 290.0132, subdivision 11; 290.0137; 290.0681, subdivisions 3, 4; 290.0683, subdivisions 1, 3; 290.0921, subdivision 3; 290.0922, subdivisions 2, 3; 290.62; 290.92, by adding a subdivision; 290A.03, subdivision 15; 291.005, subdivision 1; 295.52, subdivision 5; 295.75, subdivision 11, by adding a subdivision; 295.81, by adding a subdivision; 297A.993, subdivision 4; 297A.994, subdivision 4; 297B.03; 297H.01, subdivisions 2, 8; 298.225; 298.227; 298.28, subdivisions 2, 3, 4, 7a, 8, 9a, 9b, 11, by adding a subdivision; 298.282, subdivision 1; 383A.80, subdivision 4; 383B.80, subdivision 4; 428B.02, subdivision 4; 462A.40, subdivision 3; 469.060, subdivision 3; 469.171, subdivisions 1, 4, 6a; 469.1731, subdivision 1; 469.176, subdivision 2; 473.756, by adding a subdivision; 473.757, subdivisions 1, 2, 3, 4, 7, 8, 9, 10, 11, by adding subdivisions; 473.759, subdivision 3; 477A.011, subdivision 34, by adding a subdivision; 477A.23, subdivision 6; 477A.35, subdivisions 4, 6; 477A.36, subdivisions 4, 5a, 6; Minnesota Statutes 2025 Supplement, sections 41A.30,

subdivision 5; 41B.0391, subdivisions 2, 4, 6a; 116U.27, subdivision 2; 126C.13, subdivision 4; 268.19, subdivision 1; 273.13, subdivisions 22, 23; 295.81, subdivision 10; 297A.75, subdivisions 1, 2, 3; 297A.94; 299C.061, subdivision 6; 299C.76, subdivision 1; 477A.35, subdivision 5; 477A.36, subdivision 5; Laws 1986, chapter 400, section 44, as amended; Laws 1993, chapter 375, article 9, section 46, subdivisions 2, as amended, 2b, as added, 3, as amended, 5, as amended; Laws 1996, chapter 471, article 2, section 30, subdivision 5, as amended; Laws 1998, chapter 389, article 8, sections 36; 37, subdivision 2, as amended; Laws 2005, First Special Session chapter 3, article 5, section 38, as amended; Laws 2006, chapter 259, article 3, sections 9, subdivision 4, by adding subdivisions; 10, subdivisions 3, as amended, 4, as amended, 5, as amended; Laws 2019, First Special Session chapter 6, article 6, sections 17, subdivisions 1, 3, 4, by adding a subdivision; 28, subdivisions 3, 4, by adding a subdivision; Laws 2021, First Special Session chapter 14, article 8, section 5, subdivisions 2, as amended, 3, as amended; article 9, sections 9; 11; Laws 2023, chapter 64, article 5, section 25, subdivision 1; Laws 2025, First Special Session chapter 13, article 5, section 11, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 116J; 270C; 290; 295; repealing Minnesota Statutes 2024, sections 272.02, subdivisions 31, 64; 272.029, subdivision 7; 273.11, subdivisions 19, 20; 273.1315, subdivision 1; 273.1385; 273.25; 273.65; 273.66; 273.67; 274.07; 289A.12, subdivision 15; 290.06, subdivision 29; 297A.68, subdivision 37; 428B.02, subdivision 7; 469.310; 469.311; 469.312; 469.313; 469.314; 469.315; 469.316; 469.317; 469.318; 469.3181; 469.319; 469.3191; 469.3192; 469.3193; 469.320; 469.3201; 477A.085; 477A.18; 477A.30, subdivision 8.

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

ARTICLE 1
FEDERAL UPDATE

Section 1. Minnesota Statutes 2024, section 289A.02, subdivision 7, is amended to read:

Subd. 7. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through May 1, 2023, except the sections of federal law in section 290.0112 shall also apply.

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

Sec. 2. Minnesota Statutes 2024, section 290.01, subdivision 19, is amended to read:

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

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

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

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

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

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

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

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

(f) The Internal Revenue Code of 1986, as amended through May 1, 2023, applies for taxable years beginning after December 31, 1996, except the sections of federal law in section 290.0112 shall also apply.

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

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

subdivision 9, is only allowed on the composite tax computation to the extent the electing partner would have been allowed the subtraction.

(i) In the case of a qualifying entity electing to pay the pass-through entity tax under section 289A.08, subdivision 7a, "net income" means the qualifying owner's share of federal adjusted gross income from the qualifying entity modified by the additions provided in section 290.0131, subdivisions 5, 8 to 10, 16, and 17, and the subtractions provided in: (1) section 290.0132, subdivisions 3, 9, 27, and 28, to the extent the amount is assignable or allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction allowed under section 290.0132, subdivision 9, is only allowed on the pass-through entity tax computation to the extent the qualifying owners would have been allowed the subtraction. The income of both a resident and nonresident qualifying owner is allocated and assigned to this state as provided for nonresident partners and shareholders under sections 290.17, 290.191, and 290.20.

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

Sec. 3. Minnesota Statutes 2024, section 290.01, subdivision 31, is amended to read:

Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through May 1, 2023, except the sections of federal law in section 290.0112 shall also apply. Internal Revenue Code also includes any uncodified provision in federal law that relates to provisions of the Internal Revenue Code that are incorporated into Minnesota law.

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

Sec. 4. **[290.0112] CONFORMITY TO CERTAIN FEDERAL TAX CHANGES.**

Subdivision 1. **Adopting Internal Revenue Code changes.** For the purposes of this chapter, "Internal Revenue Code," as defined in section 290.01, subdivisions 19 and 31, includes the sections of federal law specified in this section as enacted or amended through March 1, 2026.

Subd. 2. **One Big Beautiful Bill Act, 2025.** "Internal Revenue Code" includes the following provisions in Public Law 119-21:

(1) section 70301;

(2) section 70307;

(3) section 70404;

(4) section 70405;

(5) section 70434; and

(6) section 70603.

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

Sec. 5. Minnesota Statutes 2024, section 290A.03, subdivision 15, is amended to read:

Subd. 15. **Internal Revenue Code.** "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through May 1, 2023, except the sections of federal law in section 290.0112 shall also apply.

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

Sec. 6. Minnesota Statutes 2024, section 291.005, subdivision 1, is amended to read:

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

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

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

(3) "Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended through May 1, 2023, except the sections of federal law in section 290.0112 shall also apply.

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

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

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

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

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

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

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

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

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

For a nonresident decedent with an ownership interest in a pass-through entity with assets that include real or tangible personal property, situs of the real or tangible personal property, including qualified works of art, is determined as if the pass-through entity does

not exist and the real or tangible personal property is personally owned by the decedent. If the pass-through entity is owned by a person or persons in addition to the decedent, ownership of the property is attributed to the decedent in proportion to the decedent's capital ownership share of the pass-through entity.

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

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

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

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

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

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

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

ARTICLE 2
INCOME AND CORPORATE FRANCHISE TAXES

Section 1. Minnesota Statutes 2024, section 41A.30, subdivision 1, is amended to read:

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

(b) "Aircraft" has the meaning given in section 296A.01, subdivision 3.

(c) "Aviation gasoline" has the meaning given in section 296A.01, subdivision 7.

(d) "Commissioner" means the commissioner of agriculture.

(e) "Jet fuel" has the meaning given in section 296A.01, subdivision 8.

(f) "Qualifying taxpayer" means a taxpayer, as defined in section 290.01, subdivision 6, that is engaged in the business of:

(1) producing sustainable aviation fuel; or

(2) blending sustainable aviation fuel with aviation gasoline or jet fuel.

(g) "Sustainable aviation fuel" means liquid fuel that:

(1) is derived from:

(i) biomass, as defined in section 41A.15, subdivision 2e, that is produced in the United States, provided that any agricultural feedstocks are from planted crops and crop residue harvested from agricultural land cleared or cultivated any time prior to December 19, 2007, that is either actively managed or fallow;

(ii) gaseous carbon oxides; or

(iii) hydrogen that has a carbon intensity not greater than four kilograms of carbon dioxide equivalent per kilogram of hydrogen produced;

(2) is not derived from palm fatty acid distillates; and

(3) achieves at least a 50 percent life cycle greenhouse gas emissions reduction in comparison with petroleum-based aviation gasoline, aviation turbine fuel, and jet fuel as determined by a test that shows:

(i) that the fuel production pathway achieves at least a 50 percent life cycle greenhouse gas emissions reduction in comparison with petroleum-based aviation gasoline, aviation turbine fuel, and jet fuel utilizing the most recent version of Argonne National Laboratory's Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies (GREET) model that accounts for reduced emissions throughout the fuel production process; or

(ii) that the fuel production pathway achieves at least a 50 percent reduction of the aggregate attributional core life cycle emissions and the positive induced land use change values under the life cycle methodology for sustainable aviation fuels adopted by the International Civil Aviation Organization with the agreement of the United States.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2024, for sustainable aviation fuel sold after June 30, 2025.

Sec. 2. Minnesota Statutes 2024, section 41A.30, subdivision 2, is amended to read:

Subd. 2. **Tax credit establishment.** (a) A qualifying taxpayer may claim a tax credit against the tax due under chapter 290 equal to $1.50 for each gallon of sustainable aviation fuel that is:

(1) produced in Minnesota or blended with aviation or gasoline or jet fuel in Minnesota, provided that carbon oxides sequestered as part of the production process are not used as a tertiary injectant in a qualified enhanced oil recovery project; and

(2) sold in Minnesota to a purchaser who certifies that the sustainable aviation fuel is for use as fuel in an aircraft departing from an airport in Minnesota.

(b) The credit may be claimed only after approval and certification by the commissioner and is limited to the amount stated on the credit certificate issued under subdivision 3. A qualifying taxpayer must apply to the commissioner for certification and allocation of a credit in a form and manner prescribed by the commissioner.

(c) A qualifying taxpayer may claim a credit for blending or producing sustainable aviation fuel, but not both. If sustainable aviation fuel is blended with aviation gasoline or jet fuel, the credit is allowed only for the portion of sustainable aviation fuel that is included in the blended fuel.

(d) If the amount of credit that the taxpayer is eligible to receive under this section exceeds the liability for tax under chapter 290, the commissioner of revenue must refund the excess to the taxpayer.

(e) Subject to the commissioner's certification, a qualifying taxpayer may claim a supplemental tax credit against the tax due under chapter 290 equal to the rate of $0.02 per gallon for each additional whole percentage carbon intensity reduction beyond 50 percent, but capped at $2.00 per gallon.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2024, for sustainable aviation fuel sold after June 30, 2025.

Sec. 3. Minnesota Statutes 2025 Supplement, section 41A.30, subdivision 5, is amended to read:

Subd. 5. **Allocation limits.** (a) Subject to additional rollover allocation as provided in paragraph (b), for tax credits allowed under subdivision 2, the commissioner must not issue credit certificates for more than ~~$11,600,000~~ $36,900,000 in total, allocated as follows:

(1) $7,400,000 for fiscal year 2025; ~~and~~

(2) $2,100,000 for ~~each of~~ fiscal ~~years~~ year 2026 ~~and 2027~~;

(3) $7,400,000 for fiscal year 2027;

(4) $5,300,000 for fiscal year 2028; and

(5) $2,100,000 for each fiscal year from 2029 through 2035.

(b) Any portion of a fiscal year's credits that is not allocated by the commissioner does not cancel and may be carried forward to subsequent fiscal years until ~~all credits have been allocated~~ the entire allocation has been made, except that the commissioner must not issue any credit certificates for fiscal years beginning after June 30, ~~2030~~ 2035, and any unallocated amounts cancel on that date.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2025.

Sec. 4. Minnesota Statutes 2024, section 41A.30, subdivision 7, is amended to read:

Subd. 7. **Expiration.** This section expires for taxable years beginning after December 31, ~~2030~~ 2035.

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

Sec. 5. Minnesota Statutes 2025 Supplement, section 41B.0391, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

(1) the owner of the agricultural land; or

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

(g) For a sale to a limited land access farmer, the credit rate under paragraph (a), clause (1), is 12 percent rather than eight percent.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2025.

Sec. 6. Minnesota Statutes 2025 Supplement, section 41B.0391, subdivision 4, is amended to read:

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

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

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

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

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

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

(b) The certification of a beginning farmer or an owner of agricultural assets under this section is valid for the year of the certification and the two following years, after which time the beginning farmer or owner of agricultural assets must apply to the authority for recertification.

~~(c) For credits for owners of agricultural assets allowed under subdivision 2, the authority must not allocate more than $6,500,000 for taxable years beginning after December 31, 2022, and before January 1, 2024, and $4,000,000 for taxable years beginning after December 31, 2023. The authority must allocate credits on a first-come, first-served basis beginning on January 1 of each year, except that recertifications for the second and third years of credits under subdivision 2, paragraph (a), clauses (1) and (2), have first priority. Any amount authorized but not allocated for taxable years ending before January 1, 2023, is canceled and is not allocated for future taxable years. For taxable years beginning after December 31, 2022, any amount authorized but not allocated in any taxable year does not cancel and is added to the allocation for the next taxable year. For each taxable year, 50 percent of newly allocated credits must be allocated to limited land access farmers. Any portion of a taxable year's newly allocated credits that is reserved for limited land access farmers that is not allocated by September 30 of the taxable year is available for allocation to other credit allocations beginning on October 1.~~

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2025.

Sec. 7. Minnesota Statutes 2025 Supplement, section 41B.0391, subdivision 6a, is amended to read:

Subd. 6a. **Report to legislature.** (a) No later than ~~February~~ March 1 each year the Rural Finance Authority, in consultation with the commissioner of revenue, must provide a report to the chairs and ranking minority members of the legislative committees having jurisdiction over agriculture, economic development, rural development, and taxes, in compliance with sections 3.195 and 3.197, on the beginning farmer tax credits under this section.

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

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

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

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

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

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

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

(6) data on the number of beginning farmers by geographic region, including:

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

(ii) to the extent available, the number of beginning farmers who are limited land access farmers~~; and~~.

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

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

(1) the number and amount of credits issued;

(2) the geographic distribution of credits;

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

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

EFFECTIVE DATE. This section is effective for reports due for credits issued for taxable years beginning after December 31, 2025.

Sec. 8. Minnesota Statutes 2024, section 116U.27, subdivision 1, is amended to read:

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

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

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

(d) "Below-the-line crew position" means a position that handles the technical execution of film production, including camera operators, sound technicians, grips, electricians, and other specialized crafts positions.

~~(d)~~ (e) "Credit certificate" means a certificate issued by the commissioner upon receipt and approval of the cost verification report in subdivision 4, paragraph (e).

~~(e)~~ (f) "Director" means the director of Explore Minnesota.

~~(f)~~ (g) "Eligible production costs" means eligible production costs as defined in section 116U.26, paragraph (b), clause (1), incurred in Minnesota that are directly attributable to the production of a film project in Minnesota.

~~(g)~~ (h) "Film" has the meaning given in section 116U.26, paragraph (b), clause (2).

(i) "Key creative role" means a project director, producer, showrunner, editor, actor, writer, director of photography, production designer, cinematographer, or equivalent project role.

(j) "Minnesota script or screenplay production" means a script or screenplay created by a Minnesota resident that is produced into a film.

~~(h)~~ (k) "Project" means a film, including television programming:

(1) that includes the promotion of Minnesota;

(2) for which the taxpayer has expended at least ~~$1,000,000~~ $400,000 in any consecutive 12-month period beginning after expenditures are first paid in Minnesota for eligible production costs; and

(3) to the extent practicable, that employs Minnesota residents.

~~Television commercials are exempt from the requirement under clause (1).~~

Project also includes a television commercial or Minnesota script or screenplay production for which the taxpayer has expended at least $150,000 in any consecutive 12-month period beginning after expenditures are first paid in Minnesota for eligible production costs and, to the extent practicable, that employs Minnesota residents.

~~(i)~~ (l) "Promotion of Minnesota" or "promotion" means visible display of a static or animated logo, approved by the director, that promotes Minnesota within its presentation in the end credits for the life of the project.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2026.

Sec. 9. Minnesota Statutes 2025 Supplement, section 116U.27, subdivision 2, is amended to read:

Subd. 2. **Credit allowed.** (a) A taxpayer is eligible for a credit up to ~~25~~ 40 percent of eligible production costs paid in any consecutive 12-month period as described in subdivision 1~~, paragraph (h)~~. A taxpayer may only claim a credit if the taxpayer was issued a credit certificate under subdivision 4.

(b) A taxpayer is eligible for an additional five percent credit totaling up to 45 percent if the project meets the requirements of paragraph (a), and:

(1) employs a Minnesota resident in a key creative role;

(2) films outside of the seven-county metropolitan area, as defined in section 473.121, subdivision 2; or

(3) hires a majority of Minnesota residents in below-the-line crew positions.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2026.

Sec. 10. Minnesota Statutes 2024, section 116U.27, subdivision 4, is amended to read:

Subd. 4. **Applications; allocations.** (a) To qualify for a credit under this section, a taxpayer must submit to the director an application for a credit in the form prescribed by the director, in consultation with the commissioner of revenue.

(b) Upon approving an application for a credit that meets the requirements of this section, the director shall issue allocation ~~certificates~~ letters that:

(1) verify eligibility for the credit;

(2) state the amount of credit anticipated for the eligible project, with the credit amount up to ~~25~~ 45 percent of eligible project costs; and

(3) state the taxable year in which the credit is allocated.

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

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

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

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2026.

Sec. 11. Minnesota Statutes 2024, section 116U.27, subdivision 5, is amended to read:

Subd. 5. **Report required.** By ~~January 15, 2025~~ March 1, 2027, and each year thereafter, the commissioner of revenue, in consultation with the director, must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development and taxes. The report must comply with sections 3.195 and 3.197, and must detail the following:

(1) the amount of credit certifications issued annually;

(2) the number of applications submitted, the number of allocation ~~certificates~~ letters issued, the amount of allocation ~~certificates~~ letters issued, the number of reports submitted upon completion of a project, and the number of credit certificates issued;

(3) the types of projects eligible for the credit;

(4) the total economic impact of the credit in Minnesota, including the calendar year over calendar year percentage changes in the number of jobs held by Minnesota residents in businesses having a primary North American Industry Classification System code of 512110 as reported to the commissioner, for calendar years ~~2019~~ 2027 through ~~2023~~ 2030;

(5) the number of taxpayers per tax type which are assignees of credit certificates under subdivision 3;

(6) annual Minnesota taxes paid by businesses having a primary North American Industry Classification System code of 512110, for taxable years beginning after December 31, ~~2018~~ 2026, and before January 1, ~~2024~~ 2031; and

(7) any other information the commissioner of revenue, in consultation with the director, deems necessary for purposes of claiming and administering the credit.

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

Sec. 12. Minnesota Statutes 2024, section 290.0132, subdivision 11, is amended to read:

Subd. 11. **National Guard and reserve compensation.** (a) Compensation paid to members of the Minnesota National Guard, the National Guard of a neighboring state, or other reserve components of the United States military for active service, including compensation for services performed under the Active Guard Reserve (AGR) program, is a subtraction.

(b) For purposes of this subdivision, ~~"active service" means~~ the following terms have the meanings given:

(1) ~~state active service as defined in section 190.05, subdivision 5a, clause (1)~~ "active service" means:

(i) service or duty on behalf of the state or neighboring states in case of actual or threatened public disaster, war, riot, tumult, breach of the peace, resistance of process, or whenever called upon in aid of state civil authority;

(ii) service or duty under United States Code, title 32, as amended through December 31, 1983, and travel to or from that service or duty; or

(iii) service performed under section 190.08, subdivision 3; and

(2) ~~federally funded state active service as defined in section 190.05, subdivision 5b, and includes service performed under section 190.08, subdivision 3~~ "neighboring state" means North Dakota, South Dakota, Iowa, or Wisconsin.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2025.

Sec. 13. Minnesota Statutes 2024, section 290.0681, subdivision 3, is amended to read:

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

(b) Upon approving an application for credit, the office shall issue allocation certificates that:

(1) verify eligibility for the credit or grant;

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

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

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

(c) The office, in consultation with the commissioner, shall determine if the project is eligible for a credit or a grant under this section and must notify the developer in writing

of its determination. Eligibility for the credit is subject to review and audit by the commissioner.

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

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

EFFECTIVE DATE. This section is effective retroactively for projects for which an allocation certificate was issued after June 30, 2021.

Sec. 14. Minnesota Statutes 2024, section 290.0681, subdivision 4, is amended to read:

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

(2) The credit amount equals the federal credit allowed for the project.

(3) The grant amount equals 90 percent of the federal credit allowed for the project.

(b) The recipient of a credit certificate may assign the certificate to another taxpayer before the first one-fifth payment is claimed, which is then allowed the credit under this section or section 297I.20, subdivision 3. Before the payment is claimed but after the first assignment, the first assignee may assign the credit certificate in whole to a second assignee. An assignment is not valid unless the assignee notifies the commissioner within 30 days of the date that the assignment is made. The commissioner shall prescribe the forms necessary for notifying the commissioner of the assignment of a credit certificate and for claiming a credit by assignment. The original credit certificate recipient and each assignee must file a return with the commissioner for the taxable year that the project is placed in service.

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

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

EFFECTIVE DATE. This section is effective for applications for allocation certificates submitted after June 30, 2026.

Sec. 15. Minnesota Statutes 2024, section 290.0683, subdivision 1, is amended to read:

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

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

(c) "Greater Minnesota" means the area of Minnesota located outside of the metropolitan area.

(d) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

~~(c)~~ (e) "Minnesota housing tax credit contribution account" or "account" means the account established in section 462A.40.

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

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

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2026.

Sec. 16. Minnesota Statutes 2024, section 290.0683, subdivision 3, is amended to read:

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

(b) For each taxable year, the agency must reserve 50 percent of credits for contributions to qualified projects located in greater Minnesota. Any portion of a taxable year's credits reserved for contributions to qualified projects located in greater Minnesota that is not allocated by the agency by September 30 of each year is available for allocation to credit applications for contributions to other qualified projects beginning on October 1.

~~(b)~~ (c) The aggregate amount of tax credits allowed to all eligible contributors is limited to $9,900,000 annually.

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

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

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2026.

Sec. 17. Minnesota Statutes 2024, section 290.92, is amended by adding a subdivision to read:

Subd. 32. **Nonconformity to certain worker classification rules.** For purposes of employee classification under this section, "Internal Revenue Code" does not include section 530 of Public Law 95-600, as amended.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2026.

Sec. 18. Minnesota Statutes 2024, section 462A.40, subdivision 3, is amended to read:

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

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

(1) an individual who or an individual whose immediate family member made a contribution to the account in the current or prior taxable year and received a credit certificate;

(2) an individual who or an individual whose immediate family member owns the housing for which the grant or loan will be used;

(3) an individual who meets the following criteria:

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

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

(4) an individual who meets the following criteria:

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

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

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

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

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

(3) meets the following criteria:

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

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

(d) For purposes of this subdivision, "immediate family" means the taxpayer's spouse, parent or parent's spouse, sibling or sibling's spouse, or child or child's spouse. For a married couple filing a joint return, the limitations in this subdivision apply collectively to the taxpayer and spouse.

(e) Before applying for a grant or loan, all recipients must sign a disclosure that the disqualifications under this subdivision do not apply. The Minnesota Housing Finance Agency must prescribe the form of the disclosure. The Minnesota Housing Finance Agency may rely on the disclosure to determine the eligibility of recipients under paragraph (a).

(f) The agency may award grants or loans to a city as defined in section 462A.03, subdivision 21; a federally recognized American Indian Tribe or subdivision located in Minnesota; a Tribal housing corporation; a private developer; a nonprofit organization; a housing and redevelopment authority under sections 469.001 to 469.047; a public housing authority or agency authorized by law to exercise any of the powers granted by sections 469.001 to 469.047; or the owner of the housing. The provisions of subdivision 2, and

paragraphs (a) to (e) and (g) of this subdivision, regarding the use of funds and eligible recipients apply to grants and loans awarded under this paragraph.

(g) Except for projects receiving funding under section 462A.39, eligible recipients must use the funds to serve households that meet the income limits as provided in section 462A.33, subdivision 5.

ARTICLE 3
PROPERTY TAXES

Section 1. Minnesota Statutes 2024, section 272.01, subdivision 2, is amended to read:

Subd. 2. **Exempt property used by private entity for profit.** (a) When any real or personal property which is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association, or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to:

(1) property leased or used as a concession in or relative to the use in whole or part of a public park, market, fairgrounds, port authority, economic development authority established under chapter 469, municipal auditorium, municipal parking facility, municipal museum, or municipal stadium;

(2) property of an airport owned by a city, town, county, or group thereof which is:

(i) leased to or used by any person or entity including a fixed base operator; and

(ii) used as a hangar for the storage ~~or~~, repair, or manufacture of aircraft or to provide aviation goods, services, or facilities to the airport or general public;

~~the exception from taxation provided in this clause does not apply to:~~

~~(i) property located at an airport owned or operated by the Metropolitan Airports Commission or by a city of over 50,000 population according to the most recent federal census or such a city's airport authority; or~~

~~(ii) hangars leased by a private individual, association, or corporation in connection with a business conducted for profit other than an aviation-related business;~~

(3) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport;

(4) except as provided in paragraph (f), property constituting or used as a passenger check-in area or ticket sale counter, boarding area, or luggage claim area in connection with a public airport but not the airports owned or operated by the Metropolitan Airports Commission or cities of over 50,000 population or an airport authority therein. Real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes is not exempt;

(5) property leased, loaned, or otherwise made available to a private individual, corporation, or association under a cooperative farming agreement made pursuant to section 97A.135; ~~or~~

(6) property leased, loaned, or otherwise made available to a private individual, corporation, or association under section 272.68, subdivision 4~~.~~; or

(7) property owned by a nonprofit conservation organization that is leased, loaned, or otherwise made available to a private individual, corporation, or association for grazing activities that further the nonprofit conservation organization's conservation objectives for the property, as documented in the organization's management or restoration plan.

(c) Except as provided in paragraph (f), the exception from taxation provided in paragraph (b), clause (2), does not apply to:

(1) property located at an airport owned or operated by the Metropolitan Airports Commission or by a city of over 50,000 population according to the most recent federal census or such a city's airport authority; or

(2) hangars leased by a private individual, association, or corporation in connection with a business conducted for profit other than an aviation-related business.

~~(c)~~ (d) Taxes imposed by this subdivision are payable as in the case of personal property taxes and shall be assessed to the lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county, and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

~~(d)~~ (e) The tax on real property of the federal government, the state or any of its political subdivisions that is leased, loaned, or otherwise made available to a private individual,

association, or corporation and becomes taxable under this subdivision or other provision of law must be assessed and collected as a personal property assessment. The taxes do not become a lien against the real property.

(f) Property of an airport that is:

(1) located at an airport owned or operated by a city of over 50,000 but under 150,000 in population according to the most recent federal census or such a city's airport authority;

(2) not owned or operated by the Metropolitan Airports Commission; and

(3) used as a hangar for the storage, repair, or manufacture of aircraft or to provide aviation goods, services, or facilities to the airport or general public, or used as a passenger check-in area or ticket sale counter, boarding area, or luggage claim area, shall have the tax imposed by this subdivision calculated as follows: for property taxes payable in 2027 through 2038, the net tax capacity of such property shall be reduced by 50 percent.

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2027. For assessment year 2026 only, an exemption application under this section must be filed with the county assessor by July 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 272.02, subdivision 101, is amended to read:

Subd. 101. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

(1) is located in a city of the first class with a population less than 100,000 as of the 2010 federal census;

(2) was on January 1, 2016, and is for the current assessment, owned by a federally recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota; and

(3) is used exclusively as a medical clinic or for a parking lot used exclusively to serve the medical clinic.

(b) Property that qualifies for the exemption under this subdivision is limited to no more than ~~two contiguous~~ five parcels and structures that do not exceed, in the aggregate, 30,000 square feet. Property acquired for single-family housing, market-rate apartments, agriculture, or forestry does not qualify for this exemption. The exemption created by this subdivision expires with taxes payable in ~~2028~~ 2038.

EFFECTIVE DATE. This section is effective beginning with assessment year 2027.

Sec. 3. Minnesota Statutes 2024, section 272.02, is amended by adding a subdivision to read:

Subd. 109. **Electric generation facility; personal property.** (a) Notwithstanding subdivision 9, clause (a), attached machinery and other personal property that are part of an electric generation facility with more than 40 megawatts and less than 50 megawatts of installed capacity and that meet the requirements of this subdivision are exempt from taxation and payments in lieu of taxation. The facility must:

(1) be designed to utilize natural gas as a primary fuel;

(2) be owned and operated by a municipal power agency as defined in section 453.52, subdivision 8;

(3) be located within 1,000 feet of an existing natural gas pipeline;

(4) satisfy a resource deficiency identified in an integrated resource plan filed under section 216B.2422;

(5) be located outside of the metropolitan area as defined in section 473.121, subdivision 2; and

(6) have received, by resolution, the approval of the governing bodies of the city and county in which the facility is located for the exemption of personal property provided in this subdivision.

(b) Construction of the facility must have commenced after January 1, 2026, and before January 1, 2030. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2029.

Sec. 4. Minnesota Statutes 2024, section 272.02, is amended by adding a subdivision to read:

Subd. 110. **Certain property owned by an Indian Tribe.** (a) Property is exempt that:

(1) is located in a city with a population greater than 12,400 but less than 12,800 according to the 2020 federal census;

(2) was on January 1, 2026, and is for the current assessment, owned by a federally recognized Indian Tribe, or its instrumentality, that is located within the state; and

(3) is used to store medical clinic equipment and materials.

(b) Property that qualifies for exemption under this subdivision is limited to one parcel. Any portion of the property used for housing, parking facilities, agriculture, or forestry does not qualify for this exemption.

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2027. For assessment year 2026 only, an exemption application under this section must be filed with the county assessor by July 1, 2026.

Sec. 5. Minnesota Statutes 2024, section 273.124, subdivision 14, is amended to read:

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

(1) the parcel on which the house is located is contiguous on at least two sides to (i) agricultural land, (ii) land owned or administered by the United States Fish and Wildlife Service, or (iii) land administered by the Department of Natural Resources on which in lieu taxes are paid under sections 477A.11 to 477A.14 or section 477A.17;

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

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

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

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

~~(b)(i)~~ (b)(1) Agricultural property shall be classified as the owner's homestead, to the same extent as other agricultural homestead property, if all of the following criteria are met:

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

~~(2)~~ (ii) the owner, the owner's spouse, or grandparent, a grandchild, child, stepchild, sibling, ~~or~~ uncle, aunt, nephew, niece, parent, or stepparent of the owner or of the owner's spouse, is actively farming the agricultural property, either on the person's own behalf as an individual or on behalf of a partnership operating a family farm, family farm corporation, joint family farm venture, or limited liability company of which the person is a partner, shareholder, or member;

~~(3)~~ (iii) both the owner of the agricultural property and the person who is actively farming the agricultural property under ~~clause (2)~~ item (ii), are Minnesota residents;

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

~~(5)~~ (v) neither the owner nor the person actively farming the agricultural property lives ~~farther than four townships or cities, or a combination of four townships or cities, from the agricultural property, except that if the owner or the owner's spouse is required to live in employer-provided housing, the owner or owner's spouse, whichever is actively farming the agricultural property, may live more than four townships or cities, or combination of four townships or cities from the agricultural property~~outside the county where the agricultural property is located, or lives outside a county that is adjacent to the county where the agricultural property is located.

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

~~(ii)~~ (2) Property containing the residence of an owner who owns qualified property under clause ~~(i)~~ (1) shall be classified as part of the owner's agricultural homestead, if that property is also used for noncommercial storage or drying of agricultural crops.

~~(iii)~~ (3) As used in this paragraph, "agricultural property" means class 2a property and any class 2b property that is contiguous to and under the same ownership as the class 2a property.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Homestead treatment applies under this paragraph even if:

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

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

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

family farm venture, partnership, or limited liability company that is operating the farm; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) the owner notifies the county assessor that the relocation was due to the 2009 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in dwelling. Further notifications to the assessor are not required if the

property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

EFFECTIVE DATE. This section is effective beginning with assessment year 2027.

Sec. 6. Minnesota Statutes 2025 Supplement, section 273.13, subdivision 22, is amended to read:

Subd. 22. **Class 1.** (a) Except as provided in subdivision 23 and in paragraphs (b) and (c), real estate which is residential and used for homestead purposes is class 1a. In the case of a duplex or triplex in which one of the units is used for homestead purposes, the entire property is deemed to be used for homestead purposes. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first $500,000 of market value of class 1a property has a net classification rate of one percent of its market value; and the market value of class 1a property that exceeds $500,000 has a classification rate of 1.25 percent of its market value.

(b) Class 1b property includes homestead real estate or homestead manufactured homes used for the purposes of a homestead by:

(1) any person who is blind as defined in section 256D.35, or the person who is blind and the spouse of the person who is blind;

(2) any person who is permanently and totally disabled or by the person with a disability and the spouse of the person with a disability; or

(3) the surviving spouse of a veteran who was permanently and totally disabled homesteading a property classified under this paragraph for taxes payable in 2008.

Property is classified and assessed under clause (2) only if the government agency or income-providing source certifies, upon the request of the homestead occupant, that the homestead occupant satisfies the disability requirements of this paragraph, and that the property is not eligible for the valuation exclusion under subdivision 34.

Property is classified and assessed under paragraph (b) only if the commissioner of revenue or the county assessor certifies that the homestead occupant satisfies the requirements of this paragraph.

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first $50,000 market value of class 1b property has a net classification rate of 0.45 percent of its market value. The remaining

market value of class 1b property is classified as class 1a property, class 2a property, or class 4d(2) property, whichever is appropriate.

(c) Class 1c property is commercial use real and personal property that abuts public water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by the Department of Natural Resources, and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 250 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner, which includes a dwelling occupied as a homestead by a shareholder of a corporation that owns the resort, a partner in a partnership that owns the resort, or a member of a limited liability company that owns the resort even if the title to the homestead is held by the corporation, partnership, or limited liability company. For purposes of this paragraph, property is devoted to a commercial purpose on a specific day if any portion of the property, excluding the portion used exclusively as a homestead, is used for residential occupancy and a fee is charged for residential occupancy. Class 1c property must contain three or more rental units. A "rental unit" is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site equipped with water and electrical hookups for recreational vehicles. Class 1c property must provide recreational activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill or cross-country ski equipment; provide marina services, launch services, or guide services; or sell bait and fishing tackle. Any unit in which the right to use the property is transferred to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies for class 1c even though it may remain available for rent. A camping pad offered for rent by a property that otherwise qualifies for class 1c is also class 1c, regardless of the term of the rental agreement, as long as the use of the camping pad does not exceed 250 days. If the same owner owns two separate parcels that are located in the same township, and one of those properties is classified as a class 1c property and the other would be eligible to be classified as a class 1c property if it was used as the homestead of the owner, both properties will be assessed as a single class 1c property; for purposes of this sentence, properties are deemed to be owned by the same owner if each of them is owned by a limited liability company, and both limited liability companies have the same membership. The portion of the property used as a homestead is class 1a property under paragraph (a). The remainder of the property is classified as follows: the first ~~$600,000~~ $1,500,000 of market value is tier I, the next ~~$1,700,000~~ $3,000,000 of market value is tier II, and any remaining market value is tier III. The classification rates for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent; and tier III, 1.25 percent. Owners of real and personal property devoted to temporary and seasonal residential occupancy for recreation purposes in which all or a portion of the

property was devoted to commercial purposes for not more than 250 days in the year preceding the year of assessment desiring classification as class 1c, must submit a declaration to the assessor designating the cabins or units occupied for 250 days or less in the year preceding the year of assessment by January 15 of the assessment year. Those cabins or units and a proportionate share of the land on which they are located must be designated as class 1c as otherwise provided. The remainder of the cabins or units and a proportionate share of the land on which they are located must be designated as class 3a commercial. The owner of property desiring designation as class 1c property must provide guest registers or other records demonstrating that the units for which class 1c designation is sought were not occupied for more than 250 days in the year preceding the assessment if so requested. The portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5) other nonresidential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy for recreation purposes does not qualify for class 1c.

(d) Class 1d property includes structures that meet all of the following criteria:

(1) the structure is located on property that is classified as agricultural property under section 273.13, subdivision 23;

(2) the structure is occupied exclusively by seasonal farm workers during the time when they work on that farm, and the occupants are not charged rent for the privilege of occupying the property, provided that use of the structure for storage of farm equipment and produce does not disqualify the property from classification under this paragraph;

(3) the structure meets all applicable health and safety requirements for the appropriate season; and

(4) the structure is not salable as residential property because it does not comply with local ordinances relating to location in relation to streets or roads.

The market value of class 1d property has the same classification rates as class 1a property under paragraph (a).

EFFECTIVE DATE. This section is effective beginning with assessment year 2027.

Sec. 7. Minnesota Statutes 2025 Supplement, section 273.13, subdivision 23, is amended to read:

Subd. 23. **Class 2.** (a) An agricultural homestead consists of class 2a agricultural land that is homesteaded, along with any class 2b rural vacant land that is contiguous to the class 2a land under the same ownership. The market value of the house and garage and immediately

surrounding one acre of land has the same classification rates as class 1a or 1b property under subdivision 22. The value of the remaining land including improvements up to the first tier valuation limit of agricultural homestead property has a classification rate of 0.5 percent of market value. The remaining property over the first tier has a classification rate of one percent of market value. For purposes of this subdivision, the "first tier valuation limit of agricultural homestead property" and "first tier" means the limit certified under section 273.11, subdivision 23.

(b) Class 2a agricultural land consists of parcels of property, or portions thereof, that are agricultural land and buildings. Class 2a property has a classification rate of one percent of market value, unless it is part of an agricultural homestead under paragraph (a). Class 2a property must also include any property that would otherwise be classified as 2b, but is interspersed with class 2a property, including but not limited to sloughs, wooded wind shelters, acreage abutting ditches, ravines, rock piles, land subject to a setback requirement, and other similar land that is impractical for the assessor to value separately from the rest of the property or that is unlikely to be able to be sold separately from the rest of the property.

An assessor may classify the part of a parcel described in this subdivision that is used for agricultural purposes as class 2a and the remainder in the class appropriate to its use.

(c) Class 2b rural vacant land consists of parcels of property, or portions thereof, that are unplatted real estate, rural in character and not used for agricultural purposes, including land used for growing trees for timber, lumber, and wood and wood products, that is not improved with a structure. The presence of a minor, ancillary nonresidential structure as defined by the commissioner of revenue does not disqualify the property from classification under this paragraph. Any parcel of 20 acres or more improved with a structure that is not a minor, ancillary nonresidential structure must be split-classified, and ten acres must be assigned to the split parcel containing the structure. If a parcel of 20 acres or more is enrolled in the sustainable forest management incentive program under chapter 290C, the number of acres assigned to the split parcel improved with a structure that is not a minor, ancillary nonresidential structure must equal three acres or the number of acres excluded from the sustainable forest incentive act covenant due to the structure, whichever is greater. Class 2b property has a classification rate of one percent of market value unless it is part of an agricultural homestead under paragraph (a), or qualifies as class 2c under paragraph (d).

(d) Class 2c managed forest land consists of no less than 20 and no more than 1,920 acres statewide per taxpayer that is being managed under a forest management plan that meets the requirements of ~~chapter 290C~~ section 290C.02, subdivision 7, prepared by an approved plan writer as defined in section 290C.02, subdivision 2, ~~but~~ and is not enrolled

in the sustainable forest resource management incentive program. It has a classification rate of .65 percent, provided that the owner of the property must apply to the assessor in order for the property to initially qualify for the reduced rate and provide the information required by the assessor to verify that the property qualifies for the reduced rate. If the assessor receives the application and information before May 1 in an assessment year, the property qualifies beginning with that assessment year. If the assessor receives the application and information after April 30 in an assessment year, the property may not qualify until the next assessment year. The commissioner of natural resources must concur that the land is qualified. The commissioner of natural resources shall annually provide county assessors verification information on a timely basis. The presence of a minor, ancillary nonresidential structure as defined by the commissioner of revenue does not disqualify the property from classification under this paragraph. Notwithstanding any law to the contrary, managed forest land that is otherwise eligible to be classified as class 2c under this paragraph is eligible regardless of whether it is wholly or partially subject to a conservation easement.

(e) Agricultural land as used in this section means:

(1) contiguous acreage of ten acres or more, used during the preceding year for agricultural purposes; or

(2) contiguous acreage used during the preceding year for an intensive livestock or poultry confinement operation, provided that land used only for pasturing or grazing does not qualify under this clause.

"Agricultural purposes" as used in this section means the raising, cultivation, drying, or storage of agricultural products for sale, or the storage of machinery or equipment used in support of agricultural production by the same farm entity. For a property to be classified as agricultural based only on the drying or storage of agricultural products, the products being dried or stored must have been produced by the same farm entity as the entity operating the drying or storage facility. "Agricultural purposes" also includes (i) enrollment in a local conservation program or the Reinvest in Minnesota program under sections 103F.501 to 103F.535 or the federal Conservation Reserve Program as contained in Public Law 99-198 or a similar state or federal conservation program if the property was classified as agricultural (A) under this subdivision for taxes payable in 2003 because of its enrollment in a qualifying program and the land remains enrolled or (B) in the year prior to its enrollment, or (ii) use of land, not to exceed three acres, to provide environmental benefits such as buffer strips, old growth forest restoration or retention, or retention ponds to prevent soil erosion. For purposes of this section, a "local conservation program" means a program administered by a town, statutory or home rule charter city, or county, including a watershed district, water

management organization, or soil and water conservation district, in which landowners voluntarily enroll land and receive incentive payments equal to at least $50 per acre in exchange for use or other restrictions placed on the land. In order for property to qualify under the local conservation program provision, a taxpayer must apply to the assessor by February 1 of the assessment year and must submit the information required by the assessor, including but not limited to a copy of the program requirements, the specific agreement between the land owner and the local agency, if applicable, and a map of the conservation area. Agricultural classification shall not be based upon the market value of any residential structures on the parcel or contiguous parcels under the same ownership.

"Contiguous acreage," for purposes of this paragraph, means all of, or a contiguous portion of, a tax parcel as described in section 272.193, or all of, or a contiguous portion of, a set of contiguous tax parcels under that section that are owned by the same person.

(f) Agricultural land under this section also includes:

(1) contiguous acreage that is less than ten acres in size and exclusively used in the preceding year for raising or cultivating agricultural products;

(2) contiguous acreage that contains a residence and is less than 11 acres in size, if the contiguous acreage exclusive of the house, garage, and surrounding one acre of land was used in the preceding year for one or more of the following three uses:

(i) for an intensive grain drying or storage operation, or for intensive machinery or equipment storage activities used to support agricultural activities on other parcels of property operated by the same farming entity;

(ii) as a nursery, provided that only those acres used intensively to produce nursery stock are considered agricultural land; or

(iii) for intensive market farming; ~~or~~

(3) contiguous acreage that contains a residence and is less than 15 acres in size, if the contiguous acreage inclusive of the house, garage, and surrounding one acre of land was used in the preceding year for market farming and the owner provides the county assessor with the filed federal Schedule F (Form 1040) for the most recent completed tax year that reports gross income of at least $20,000~~.~~; or

(4) contiguous acreage that contains a farm winery licensed under section 340A.315.

For purposes of this paragraph, "market farming" means the cultivation of one or more fruits or vegetables or production of animal or other agricultural products for sale to local markets by the farmer or an organization with which the farmer is affiliated, and "contiguous

acreage" means all of a tax parcel as described in section 272.193, or all of a set of contiguous tax parcels under that section that are owned by the same person.

(g) Land shall be classified as agricultural even if all or a portion of the agricultural use of that property is the leasing to, or use by another person for agricultural purposes.

Classification under this subdivision is not determinative for qualifying under section 273.111.

(h) The property classification under this section supersedes, for property tax purposes only, any locally administered agricultural policies or land use restrictions that define minimum or maximum farm acreage.

(i) The term "agricultural products" as used in this subdivision includes production for sale of:

(1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing animals, horticultural and nursery stock, floriculture, fruit of all kinds, vegetables, forage, grains, bees, and apiary products by the owner;

(2) aquacultural products for sale and consumption, as defined under section 17.47, if the aquaculture occurs on land zoned for agricultural use;

(3) the commercial boarding of horses, which may include related horse training and riding instruction, if the boarding is done on property that is also used for raising pasture to graze horses or raising or cultivating other agricultural products as defined in clause (1);

(4) property which is owned and operated by nonprofit organizations used for equestrian activities, excluding racing;

(5) game birds and waterfowl bred and raised (i) on a game farm licensed under section 97A.105, provided that the annual licensing report to the Department of Natural Resources, which must be submitted annually by March 30 to the assessor, indicates that at least 500 birds were raised or used for breeding stock on the property during the preceding year and that the owner provides a copy of the owner's most recent schedule F; or (ii) for use on a shooting preserve licensed under section 97A.115;

(6) insects primarily bred to be used as food for animals;

(7) trees, grown for sale as a crop, including short rotation woody crops, and not sold for timber, lumber, wood, or wood products; ~~and~~

(8) maple syrup taken from trees grown by a person licensed by the Minnesota Department of Agriculture under chapter 28A as a food processor~~.~~; and

(9) wine for sale and consumption if production occurs on a farm winery licensed under section 340A.315.

(j) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

(1) wholesale and retail sales;

(2) processing of raw agricultural products or other goods;

(3) warehousing or storage of processed goods; and

(4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3), the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where floricultural, horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of floricultural, horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown floricultural, horticultural or nursery products does not qualify as an agricultural purpose.

"Floriculture," for the purposes of this paragraph, includes production of bedding and garden plants, foliage plants, potted flowering plants, and cut flowers.

(k) The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

(l) Class 2d airport landing area consists of a landing area or public access area of a privately owned public use airport. It has a classification rate of one percent of market value. To qualify for classification under this paragraph, a privately owned public use airport must be licensed as a public airport under section 360.018. For purposes of this paragraph, "landing area" means that part of a privately owned public use airport properly cleared, regularly maintained, and made available to the public for use by aircraft and includes runways, taxiways, aprons, and sites upon which are situated landing or navigational aids. A landing area also includes land underlying both the primary surface and the approach surfaces that comply with all of the following:

(i) the land is properly cleared and regularly maintained for the primary purposes of the landing, taking off, and taxiing of aircraft; but that portion of the land that contains facilities for servicing, repair, or maintenance of aircraft is not included as a landing area;

(ii) the land is part of the airport property; and

(iii) the land is not used for commercial or residential purposes.

The land contained in a landing area under this paragraph must be described and certified by the commissioner of transportation. The certification is effective until it is modified, or until the airport or landing area no longer meets the requirements of this paragraph. For purposes of this paragraph, "public access area" means property used as an aircraft parking ramp, apron, or storage hangar, or an arrival and departure building in connection with the airport.

(m) Class 2e consists of land with a commercial aggregate deposit that is not actively being mined and is not otherwise classified as class 2a or 2b, provided that the land is not located in a county that has elected to opt-out of the aggregate preservation program as provided in section 273.1115, subdivision 6. It has a classification rate of one percent of market value. To qualify for classification under this paragraph, the property must be at least ten contiguous acres in size and the owner of the property must record with the county recorder of the county in which the property is located an affidavit containing:

(1) a legal description of the property;

(2) a disclosure that the property contains a commercial aggregate deposit that is not actively being mined but is present on the entire parcel enrolled;

(3) documentation that the conditional use under the county or local zoning ordinance of this property is for mining; and

(4) documentation that a permit has been issued by the local unit of government or the mining activity is allowed under local ordinance. The disclosure must include a statement from a registered professional geologist, engineer, or soil scientist delineating the deposit and certifying that it is a commercial aggregate deposit.

For purposes of this section and section 273.1115, "commercial aggregate deposit" means a deposit that will yield crushed stone or sand and gravel that is suitable for use as a construction aggregate; and "actively mined" means the removal of top soil and overburden in preparation for excavation or excavation of a commercial deposit.

(n) When any portion of the property under this subdivision or subdivision 22 begins to be actively mined, the owner must file a supplemental affidavit within 60 days from the

day any aggregate is removed stating the number of acres of the property that is actively being mined. The acres actively being mined must be (1) valued and classified under subdivision 24 in the next subsequent assessment year, and (2) removed from the aggregate resource preservation property tax program under section 273.1115, if the land was enrolled in that program. Copies of the original affidavit and all supplemental affidavits must be filed with the county assessor, the local zoning administrator, and the Department of Natural Resources, Division of Land and Minerals. A supplemental affidavit must be filed each time a subsequent portion of the property is actively mined, provided that the minimum acreage change is five acres, even if the actual mining activity constitutes less than five acres.

(o) The definitions prescribed by the commissioner under paragraphs (c) and (d) are not rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do not apply.

EFFECTIVE DATE. This section is effective beginning with assessment year 2027.

Sec. 8. Minnesota Statutes 2024, section 273.13, subdivision 34, is amended to read:

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

(b)(1) For a disability rating of 70 percent or more, ~~$150,000~~ $175,000 of market value is excluded, except as provided in clause (2); and

(2) for a total (100 percent) and permanent disability, ~~$300,000~~ $350,000 of market value is excluded.

(c) If a veteran with a disability qualifying for a valuation exclusion under paragraph (b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the spouse holds the legal or beneficial title to the homestead and permanently resides there, the exclusion shall carry over to the benefit of the veteran's spouse until such time as the spouse remarries, or sells, transfers, or otherwise disposes of the property, except as otherwise provided in paragraph (n). Qualification under this paragraph requires an application under

paragraph (h), and a spouse must notify the assessor if there is a change in the spouse's marital status, ownership of the property, or use of the property as a permanent residence.

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

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

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

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

(h) To qualify for a valuation exclusion under this subdivision a property owner must apply to the assessor by December 31 of the first assessment year for which the exclusion is sought. Except as provided in paragraph (c), the owner of a property that has been accepted for a valuation exclusion must notify the assessor if there is a change in ownership of the property or in the use of the property as a homestead.

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

(j) For purposes of this subdivision:

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

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

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

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

(k) If a veteran did not apply for or receive the exclusion under paragraph (b), clause (2), before dying, or the exclusion under paragraph (b), clause (2), did not exist at the time of the veterans death, the veteran's spouse is entitled to the benefit under paragraph (b), clause (2), until the spouse remarries or sells, transfers, or otherwise disposes of the property, except as otherwise provided in paragraph (n), if:

(1) the spouse files a first-time application;

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

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

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

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

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

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

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

(n) A spouse who received the benefit in paragraph (c), (d), or (k) but no longer holds the legal or beneficial title to the property may continue to receive the exclusion for a property other than the property for which the exclusion was initially granted until the spouse remarries or sells, transfers, or otherwise disposes of the property, provided that:

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

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

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

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

(o) If a spouse had previously received the exclusion under paragraph (c) or (d) and the exclusion expired prior to taxes payable in 2020, the spouse may reapply under this section for the exclusion under paragraph (c) or (d).

EFFECTIVE DATE. This section is effective beginning with assessment year 2026.

Sec. 9. Minnesota Statutes 2024, section 469.171, subdivision 1, is amended to read:

Subdivision 1. **Authorized types.** (a) The following types of tax reductions or reimbursements may be approved by the commissioner for businesses located in a border city enterprise zone, after the governing body of the border city has designated an area or areas~~, each consisting of at least 100 acres, of the city not in excess of a total of 400 acres~~ in which the tax reductions may be provided:

(1) an exemption from the general sales tax imposed by chapter 297A for purchases of construction materials or equipment for use in the zone if the purchase was made after the date of application for the zone;

(2) a credit against the income tax of an employer for additional workers employed in the zone, other than workers employed in construction, up to a maximum of ~~$3,000~~ $5,000 per employee per year;

(3) an income tax credit for a percentage of the cost of debt financing to construct new or expanded facilities in the zone; ~~and~~

(4) a state paid property tax credit for a portion of the property taxes paid by a new commercial or industrial facility or the additional property taxes paid by an expansion of an existing commercial or industrial facility in the zone~~.~~; and

(5) reimbursement of land acquisition costs for business expansion within the zone if the municipality determines that expansion was necessary to prevent relocation outside the state.

(b) An application for a tax reduction or reimbursement under this subdivision may not be approved unless the governing body finds both: (1) that the construction or improvement of the facility is not likely to have the effect of transferring existing employment from a location outside of the municipality but within the state; and (2) that the facility is in compliance with all applicable municipal licensing and municipal regulatory requirements.

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

Sec. 10. Minnesota Statutes 2024, section 469.171, subdivision 4, is amended to read:

Subd. 4. **Restriction.** The tax reductions provided by this section shall not apply to (1) ~~a facility the primary purpose of which is one of the following: the provision of recreation or entertainment, or a private or commercial golf course, country club, massage parlor, tennis club, skating facility including roller skating, skateboard, and ice skating, racquet sports facility, including any handball or racquetball court, hot tub facility, suntan facility, or racetrack; (2)~~ property of a public utility; ~~(3)~~ (2) property used in the operation of a financial institution; ~~(4)~~ or (3) property owned by a fraternal or veterans' organization~~; or (5) a retail food or beverage facility operating under a franchise agreement that requires the business to be located in this state~~.

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

Sec. 11. Minnesota Statutes 2024, section 469.171, subdivision 6a, is amended to read:

Subd. 6a. **Additional border city allocations.** The commissioner may allocate $2,000,000 for tax reductions pursuant to subdivision 9 to border city enterprise zones. This money shall be allocated among the zones on a per capita basis. Tax reductions authorized by this subdivision may not be allocated to any property which is:

~~(1) a facility the primary purpose of which is one of the following: the provision of recreation or entertainment, or a private or commercial golf course, country club, massage parlor, tennis club, skating facility including roller skating, skateboard, and ice skating, racquet sports facility, including any handball or racquetball court, hot tub facility, suntan facility, or racetrack;~~

~~(2)~~ (1) property of a public utility;

~~(3)~~ (2) property used in the operation of a financial institution; or

~~(4)~~ (3) property owned by a fraternal or veterans' organization~~;~~.

~~(5) property of a retail food or beverage service business operating under a franchise agreement that requires the business to be located in the state.~~

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

Sec. 12. Minnesota Statutes 2024, section 469.1731, subdivision 1, is amended to read:

Subdivision 1. **Designation.** To encourage economic development, to revitalize the designated areas, to expand tax base and economic activity, and to provide job creation,

growth, and retention, the following border cities may designate, by resolution, areas of the city as development zones after a public hearing upon 30-day notice.

(a) The city of Breckenridge may designate all or any part of the city as a zone.

(b) The city of Dilworth may designate ~~between one and six areas of the city as zones containing not more than 100 acres in the aggregate~~ all or any part of the city as a zone.

(c) The city of East Grand Forks may designate all or any part of the city as a zone.

(d) The city of Moorhead may designate ~~between one and six areas of the city as zones containing not more than 100 acres in the aggregate~~ all or any part of the city as a zone.

(e) The city of Ortonville may designate ~~between one and six areas of the city as zones containing not more than 100 acres in the aggregate~~ all or any part of the city as a zone.

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

Sec. 13. **ONETIME INCREASE IN HOMESTEAD CREDIT REFUND.**

Subdivision 1. **Homestead credit refund.** For claims filed based on taxes payable in 2026, the commissioner shall increase by 12 percent the refund otherwise payable under Minnesota Statutes, section 290A.04, subdivision 2.

Subd. 2. **No notification of appeal rights.** In adjusting homestead credit refunds under this section, the commissioner is not required to provide information concerning appeal rights that ordinarily must be provided whenever the commissioner adjusts refunds payable under Minnesota Statutes, chapter 290A. Taxpayers retain all rights to appeal adjustments under this section.

Subd. 3. **Appropriation.** The amount necessary to make the payments required under this section is appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective only for refunds based on property taxes payable in 2026.

ARTICLE 4
SALES AND USE AND EXCISE TAXES

Section 1. **[295.90] SOCIAL MEDIA CONSUMER DATA COLLECTION TAX.**

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

(b) "Collects" means collects, engages, maintains, uses, processes, or shares.

(c) "Commissioner" means the commissioner of revenue.

(d) "Consumer" means an individual who establishes an account with a social media platform business or who accesses a social media platform through an account registered with a social media platform business and whose consumer data is collected by the social media platform business, regardless of whether the individual is charged for establishing the account.

(e) "Consumer data" means any information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked with a consumer, whether directly submitted to the social media platform business by the consumer or derived from other sources.

(f) "Minnesota consumer" means a consumer who is a resident of Minnesota.

(g) "Resident" has the meaning given in section 290.01, subdivision 7.

(h) "Social media platform" has the meaning given in section 325M.31, paragraph (j).

(i) "Social media platform business" means a for-profit entity that: (1) owns, controls, or operates a social media platform; and (2) collects consumer data in support of the entity's business activities.

Subd. 2. **Tax imposed.** A tax is imposed on social media platform businesses based on the number of Minnesota social media platform consumers from whom a social media platform business collects data within a month:

Minnesota consumers	Tax
Fewer than or equal to 100,000	Zero;
Over 100,000 but not more than 500,000	$0.50 per month on the number of Minnesota consumers over 100,000 but not more than 500,000;
Over 500,000 but not more than 1,000,000	$200,000 plus $0.70 per month on the number of Minnesota consumers over 500,000 but not more than 1,000,000; and
Over 1,000,000	$550,000 plus $0.90 per month on the number of Minnesota consumers over 1,000,000.

Subd. 3. **Business entities.** Business entities that are part of a controlled group of corporations as defined in section 1563(a) of the Internal Revenue Code shall be treated as a single entity for purposes of meeting the definition of a social media platform business under this section. The entities constituting the single taxpayer are jointly and severally liable for the tax.

Subd. 4. **Counting Minnesota consumers.** (a) A Minnesota consumer must be counted only once in the calculation of tax imposed under this section. Until the contrary is established, it is presumed that each account is an individual consumer. The burden of proving that multiple accounts are one consumer is on the social media platform business.

(b) The single member of a single member limited liability company must be treated as a consumer under this section.

(c) Until the contrary is established, it is presumed that a consumer whose information on record with or available to a social media platform business indicates a Minnesota home address, a Minnesota mailing address, or an internet protocol address connected with a Minnesota location is a Minnesota consumer for purposes of this section. The burden of proving that a consumer is not a Minnesota resident is on the social media platform business.

(d) A social media platform business and the commissioner may agree on a methodology for determining the number of Minnesota consumers for purposes of calculating the tax.

Subd. 5. **Credit against tax paid to another jurisdiction.** A social media platform business that has paid tax under this section may claim a credit against the tax paid with respect to a Minnesota consumer if another state imposes an excise tax identical to the tax imposed under this section with respect to the same consumer.

Subd. 6. **Record keeping.** A social media platform business must maintain records necessary to demonstrate compliance with this section or as required by the commissioner.

Subd. 7. **Administration.** Unless specifically provided otherwise, the audit, assessment, refund, penalty, interest, criminal penalty, enforcement, collection remedy, appeal, and administrative provisions of chapters 270C and 289A that are applicable to taxes imposed under chapter 297A apply to the tax imposed under this section.

Subd. 8. **Returns; payment of tax.** (a) On or before the 20th of the month following the month that tax liability is incurred under subdivision 2, a social media platform business must report the tax on a return prescribed by the commissioner and must remit the tax in a form and manner prescribed by the commissioner.

(b) A social media platform business that owes tax imposed under this section must file a return in subsequent months until it reports no tax liability for 12 consecutive months.

(c) Interest must be paid on an overpayment refunded or credited to the taxpayer from the date of payment of the tax until the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the due date of the return or the date of actual payment of the tax, whichever is later.

Subd. 9. **Deposit of revenues.** The commissioner must deposit the revenues, including penalties and interest, derived from the tax imposed under this section to the general fund.

Subd. 10. **Personal debt.** The tax imposed under this section, and interest and penalties imposed with respect to the tax, are a personal debt of the person required to file a return from the time that the liability for the tax arises, irrespective of when the time for payment of the liability occurs. The debt must, in the case of the executor or administrator of the estate of a decedent and in the case of a fiduciary, be that of the person in the person's official or fiduciary capacity only, unless the person has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the person is personally liable for any deficiency.

EFFECTIVE DATE. This section is effective for consumer data collected after December 31, 2026.

Sec. 2. Minnesota Statutes 2024, section 297A.994, subdivision 4, is amended to read:

Subd. 4. **General fund allocations.** ~~(a)~~ The commissioner must retain and deposit to the general fund the following amounts, as required by subdivision 3, clause (3):

(1) for state bond debt service support beginning in calendar year 2021, and for each calendar year thereafter through calendar year 2046, periodic amounts so that not later than December 31, 2046, an aggregate amount equal to a present value of $150,000,000 has been deposited in the general fund. To determine aggregate present value, the commissioner must consult with the commissioner of management and budget regarding the present value dates, discount rate or rates, and schedules of annual amounts. The present value date or dates must be based on the date or dates bonds are sold under Minnesota Statutes 2022, section 16A.965, or the date or dates other state funds, if any, are deposited into the construction fund. The discount rate or rates must be based on the true interest cost of the bonds issued under Minnesota Statutes 2022, section 16A.965, or an equivalent 30-year bond index, as determined by the commissioner of management and budget. The schedule of annual amounts must be certified to the commissioner by the commissioner of management and budget and the finance officer of the city;

(2) for the capital improvement reserve appropriation to the Minnesota Sports Facilities Authority beginning in calendar year 2021, and for each calendar year thereafter through calendar year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose in that calendar year under section 473J.13, subdivision 4;

(3) for the operating expense appropriation to the Minnesota Sports Facilities Authority beginning in calendar year 2021, and for each calendar year thereafter through calendar year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose in that calendar year under section 473J.13, subdivision 2;

~~(4) to capture increases in taxes imposed under the special law, for the benefit of the Minnesota Sports Facilities Authority, beginning in calendar year 2013 and for each calendar year thereafter through 2046, there shall be deposited to the general fund in proportionate periodic payments in the following year, an amount equal to the lesser of:~~

~~(i)(A) 50 percent of the difference, if any, by which the amount of the net annual taxes for the previous year exceeds the sum of the net actual taxes in calendar year 2011 plus $1,000,000, inflated at two percent per year since 2011, minus~~

~~(B) 25 percent of the difference, if any, by which the amount of the net annual taxes for the preceding year exceeds the sum of the net actual taxes in calendar year 2011 plus $3,000,000, inflated at two percent per year since 2011; or~~

~~(ii) the amount of the net annual taxes for the preceding year multiplied by three percent;~~ and

~~(5)~~ (4) if the bonds under Minnesota Statutes 2022, section 16A.965, are defeased, redeemed, or paid in full, the commissioner of management and budget and finance officer of the city must agree to a revised schedule of annual amounts under clause (1). The revised schedule of annual amounts must factor in a discount rate equal to zero percent and otherwise consistent with the methodology previously agreed upon by the parties.

~~(b) The Minnesota Sports Facility Authority must use the amounts available from the deposits under paragraph (a), clause (4), for capital repairs, replacements, and improvements for the stadium and stadium infrastructure.~~

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

Sec. 3. Minnesota Statutes 2024, section 297H.01, subdivision 2, is amended to read:

Subd. 2. **Commercial generator.** "Commercial generator" means any of the following:

(1) an owner or operator of a business, including a home-operated business, industry, church, nursing home, nonprofit organization that does not meet the criteria in subdivision 8, clause (4), school, or any other commercial or institutional enterprise that generates mixed municipal solid waste or nonmixed municipal solid waste; or

(2) any other generator of taxable waste that is not a residential generator defined in subdivision 8. A commercial generator does not include a self-hauler.

EFFECTIVE DATE. This section is effective for waste management services received after June 30, 2026.

Sec. 4. Minnesota Statutes 2024, section 297H.01, subdivision 8, is amended to read:

Subd. 8. **Residential generator.** "Residential generator" means any of the following:

(1) a detached single family residence that generates mixed municipal solid waste or nonmixed municipal solid waste;

(2) a person residing in a building or site containing multiple residences that generates mixed municipal solid waste, including apartment buildings, common interest communities, or manufactured home parks, where each residence is separately billed by the waste service provider;

(3) an owner of a building or site containing multiple residences or an association representing residences that generate mixed municipal solid waste or nonmixed municipal solid waste, including apartment buildings, condominiums, manufactured home parks, or townhomes where no residence is separately billed for such service by the waste management service provider and the owner or association is billed directly for the waste management services. A residential generator does not include a self-hauler.; or

(4) an organization exempt under section 501(c)(3) of the Internal Revenue Code whose primary mission is to receive donations for resale that receives donations for resale from a person or an entity listed in clauses (1) to (3).

EFFECTIVE DATE. This section is effective for waste management services received by a residential generator after June 30, 2026.

Sec. 5. Minnesota Statutes 2024, section 428B.02, subdivision 4, is amended to read:

Subd. 4. **Service charges; relationship to services.** (a) A municipality may impose a service charge on a business pursuant to this chapter for the purpose of providing activities and improvements that will provide benefits to a business that is located within the tourism improvement district and subject to the tourism improvement district service charge. Each business paying a service charge within a district must benefit directly or indirectly from improvements provided by a tourism improvement association, provided, however, the business need not benefit equally. Service charges must be based on a percent of gross business revenue, a fixed dollar amount per transaction, or any other reasonable method

based upon benefit and approved by the municipality. A business may, but is not required to, collect the service charge imposed by this section from the purchaser. If separately stated on the invoice, bill of sale, or similar document given to the purchaser, the service charge is excluded from the sales price for purposes of the tax imposed under chapter 297A.

(b) Service charges may be used to cover the costs of collections, as well as other administrative costs associated with operating, forming, or maintaining the district.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after June 30, 2025.

Sec. 6. Laws 2023, chapter 64, article 5, section 25, subdivision 1, is amended to read:

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a new water treatment plant and trunk water main improvements in the city of Ramsey are exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies, and equipment are purchased after December 31, 2022, and before July 1, 2027.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, ~~subdivision~~ subdivisions 1 and 1a, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2023~~, and before July 1, 2027~~.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 31, 2022, and before July 1, 2027.

Sec. 7. **BROWERVILLE PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the following projects in Independent School District No. 787, Browerville Public Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after December 1, 2023, and before January 1, 2026:

(1) renovations to the prekindergarten through grade 12 school building; and

(2) construction of a new gymnasium, classrooms, locker rooms, a wrestling and weight room, offices, and a stage.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivisions 1 and 1a, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 1, 2023, and before January 1, 2026.

Sec. 8. **CITY OF WOODBURY; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a water treatment facility and water tower, including water pipeline infrastructure and associated improvements funded by the city of Woodbury are exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies, and equipment are purchased after January 31, 2024, and before December 1, 2028.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivisions 1 and 1a, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after January 31, 2024, and before December 1, 2028.

ARTICLE 5
LOCAL SALES AND USE AND SPECIAL TAXES

Section 1. Laws 1986, chapter 400, section 44, as amended by Laws 1995, chapter 264, article 2, section 39, and Laws 2009, chapter 88, article 4, section 13, is amended to read:

Sec. 44. **DOWNTOWN TAXING AREA.**

If a bill is enacted into law in the 1986 legislative session which authorizes the city of Minneapolis to issue bonds and expend certain funds including taxes to finance the acquisition and betterment of a convention center and related facilities, which authorizes

certain taxes to be levied in a downtown taxing area, then, notwithstanding the provisions of that law "downtown taxing area" shall mean the geographic area bounded by the portion of the Mississippi River between I-35W and Washington Avenue, the portion of Washington Avenue between the river and I-35W, the portion of I-35W between Washington Avenue and 8th Street South, the portion of 8th Street South between I-35W and Portland Avenue South, the portion of Portland Avenue South between 8th Street South and I-94, the portion of I-94 from the intersection of Portland Avenue South to the intersection of I-94 and ~~the Burlington Northern Railroad tracks~~ Plymouth Avenue North, the portion of ~~the Burlington Northern Railroad tracks~~ Plymouth Avenue North from I-94 to ~~Main Street~~ the Mississippi River, from Plymouth Avenue North and the Mississippi River south to the Burlington Northern Railroad tracks and including Nicollet Island, and the portion of Main Street from Burlington Northern Railroad tracks to Hennepin Avenue and the portion of Hennepin Avenue between Main Street and 2nd Street S.E., and the portion of 2nd Street S.E. between Main Street and Bank Street, and the portion of Bank Street between 2nd Street S.E. and University Avenue S.E., and the portion of University Avenue S.E. between Bank Street and I-35W, and by I-35W from University Avenue S.E., to the river. The downtown taxing area excludes the area bounded on the south and west by Oak Grove Street, on the east by Spruce Place, and on the north by West 15th Street. The downtown taxing area also excludes any property located in a zone that is contained in chapter 546 of the Minneapolis Zoning Code of Ordinances on which a restaurant with a wine license is operated.

EFFECTIVE DATE. This section is effective for sales and purchases made after September 30, 2026.

Sec. 2. Laws 1993, chapter 375, article 9, section 46, subdivision 2, as amended by Laws 1997, chapter 231, article 7, section 40, Laws 1998, chapter 389, article 8, section 30, Laws 2003, First Special Session chapter 21, article 8, section 13, Laws 2005, First Special Session chapter 3, article 5, section 26, Laws 2009, chapter 88, article 4, section 15, and Laws 2013, chapter 143, article 8, section 44, is amended to read:

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

(a) To pay all or a portion of the capital expenses of construction, equipment and acquisition costs for the expansion and remodeling of the St. Paul Civic Center complex,

including the ~~demolition of the existing arena and the~~ construction, renovation, betterment, and equipping of ~~a new~~ the existing arena.

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

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

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

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

(d) If in any year more than 40 percent of the revenue derived from the tax authorized by subdivision 1 is used to pay debt service on the bonds issued for the purposes of paragraph (a) and to fund a reserve for the bonds, the amount of the debt service payment that exceeds 40 percent of the revenue must be determined for that year. In any year when 40 percent of the revenue produced by the sales tax exceeds the amount required to pay debt service on the bonds and to fund a reserve for the bonds under paragraph (a), the amount of the excess must be made available for capital projects to further residential, cultural, commercial, and economic development in the neighborhoods and downtown until the cumulative amounts determined for all years under the preceding sentence have been made available under this sentence. The amount made available as reimbursement in the preceding sentence is not included in the 60 percent determined under paragraph (c).

(e) If the amount necessary to meet obligations under paragraphs (a) and (d) are less than 40 percent of the revenue from the tax in any year, the city may place the difference between 40 percent of the revenue and the amounts allocated under paragraphs (a) and (d) in an economic development fund to be used for any economic development purposes.

(f) ~~By January 15 of each year~~ Beginning January 15, 2027, and every other year thereafter, the mayor and the city council must report to the ~~legislature~~ chairs and ranking

minority members of the legislative committees with jurisdiction over taxes on the use of sales tax revenues during the preceding one-year period.

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

Sec. 3. Laws 1993, chapter 375, article 9, section 46, subdivision 2b, as added by Laws 2023, chapter 64, article 10, section 3, is amended to read:

Subd. 2b. **Use of revenues.** (a) The revenues derived from the tax authorized under subdivision 1a must be used by the city of St. Paul to pay the costs of collecting and administering the tax and to finance all or part of the following projects in the city, including securing and paying debt service on bonds issued under subdivision 3a:

(1) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraphs (a), clause (2), and (d), $738,000,000, plus associated bonding costs for improvements to:

(i) streets; and

(ii) bridges; and

(2) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, ~~paragraph~~ paragraphs (a), clause (2), (c), and (d), $246,000,000, plus associated bonding costs for capital improvements to St. Paul parks and recreation facilities.

(b) The city must adopt an amended resolution authorizing use of the revenues from the tax authorized under subdivision 1a for the use listed in paragraph (a), clause (1), item (ii). The city must submit the resolution to the state auditor no later than August 31 of the year the city presents the tax for voter approval as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The question to approve the tax as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), must indicate the purposes for which the revenues must be used as included in the amended resolution.

(c) If the city does not adopt and submit the amended resolution under paragraph (b), the question presented to the voters under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), must not include, and revenues from the tax authorized under subdivision 1a must not be used for, the purpose specified in paragraph (a), clause (1), item (ii).

EFFECTIVE DATE. This section is effective retroactively from May 24, 2023, without local approval, pursuant to Minnesota Statutes, section 645.023, subdivision 1.

Sec. 4. Laws 1993, chapter 375, article 9, section 46, subdivision 3, as amended by Laws 1998, chapter 389, article 8, section 31, and Laws 2005, First Special Session chapter 3, article 5, section 27, is amended to read:

Subd. 3. **Bonds.** The city may issue general obligation bonds or special revenue bonds to finance all or a portion of the cost for projects authorized in subdivision 2, paragraph (a) or (b). The debt represented by the bonds shall not be included in computing any debt limitations applicable to the city. The bonds may be paid from or secured by any funds available to the city, including the tax authorized under subdivision 1, any revenues derived from the project, tax increments from the tax increment district that includes the project, and revenue from any lodging tax imposed under Laws 1982, chapter 523, article 25, section 1. The bonds may be issued in one or more series and sold without election on the question of issuance of the bonds or a property tax to pay them. Except as otherwise provided in this section, the bonds must be issued, sold, and secured in the manner provided in Minnesota Statutes, chapter 475. The aggregate principal amount of bonds issued under this subdivision for projects authorized in subdivision 2, paragraph (a), may not exceed ~~$65 million~~ $275,000,000, provided that the city may issue additional bonds under this subdivision for projects authorized in subdivision 2, paragraph (a), as long as the total principal amount of the additional bonds together with the outstanding principal amount of the bonds previously issued under this subdivision for projects authorized in subdivision 2, paragraph (a), does not exceed ~~$130 million~~ $325,000,000. The bonds authorized by this subdivision shall not be included in local general obligation debt as defined in Laws 1971, chapter 773, as amended, including Laws 1992, chapter 511, and shall not affect the amount of capital improvement bonds authorized to be issued by the city of St. Paul. Bonds to pay for projects authorized in subdivision 2, paragraph (b), may be issued if the city council first determines that 20 percent of the revenues derived from the tax authorized under section 1 together with other revenues pledged to payment of the bonds, including the proceeds of definitive bonds, is expected to exceed the annual debt service on the bonds.

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

Sec. 5. Laws 1993, chapter 375, article 9, section 46, subdivision 5, as amended by Laws 1998, chapter 389, article 8, section 32, Laws 2013, chapter 143, article 8, section 45, and Laws 2023, chapter 64, article 10, section 5, is amended to read:

Subd. 5. **Expiration of taxing authority.** (a) The authority granted by subdivision 1 to the city to impose a sales tax shall expire on December 31, ~~2042~~ 2061, or at an earlier time as the city shall, by ordinance, determine. Any funds remaining after completion of projects approved under subdivision 2, paragraph (a) and retirement or redemption of any bonds or other obligations may be placed in the general fund of the city.

(b) The tax imposed under subdivision 1a expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount of revenues received from the tax is sufficient to pay for the project costs authorized under subdivision 2b for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of the bonds under subdivision 3a, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1a may expire at an earlier time if the city so determines by ordinance.

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

Sec. 6. Laws 1996, chapter 471, article 2, section 30, subdivision 5, as amended by Laws 2009, chapter 88, article 4, section 17, is amended to read:

Subd. 5. **Expiration of taxing authority.** The tax imposed under subdivision 1 expires ~~30 years after it first becomes effective~~ on July 1, 2056.

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

Sec. 7. Laws 1998, chapter 389, article 8, section 36, is amended to read:

Sec. 36. **CITY OF ST. PAUL; USE OF SALES TAX REVENUES.**

The revenue derived from the sales tax imposed by the city of St. Paul under Laws 1993, chapter 375, article 9, section 46, as amended by Laws 1997, chapter 231, article 7, section 40, that is distributed to the city's cultural STAR program must be awarded through a grant or loan review process as provided in this section. Eighty percent of the revenue collected annually must be ~~annually~~ awarded to nonprofit arts organizations, libraries, and museums that are located in the designated cultural district of downtown St. Paul, and the remaining 20 percent may be awarded to businesses in the cultural district for projects which enhance visitor enjoyment of the district, or to nonprofit arts organizations, libraries, and museums located in St. Paul but outside of the cultural district. Grants or loans may be used for capital improvements. The restrictions in this section apply to all STAR cultural funds expended for projects approved after June 30, 1998.

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

Sec. 8. Laws 1998, chapter 389, article 8, section 37, subdivision 2, as amended by Laws 2002, chapter 377, article 3, section 21, is amended to read:

Subd. 2. **Appointment of members.** ~~The citizen review panel consists of three residents from each of the seven city council wards, for a total of 21 members.~~ The mayor must appoint the members, and the appointments are subject to confirmation by a majority vote of the city council. Members serve for a term of four years. Elected officials and employees of the city are ineligible to serve as members of the panel.

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

Sec. 9. Laws 2005, First Special Session chapter 3, article 5, section 38, as amended by Laws 2006, chapter 259, article 3, section 6, Laws 2014, chapter 308, article 3, section 23, and Laws 2017, First Special Session chapter 1, article 5, sections 12 and 13, is amended by adding a subdivision to read:

Subd. 1a. **Authorization; extension.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an

election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Albert Lea may extend the sales and use tax of one-half percent authorized under subdivision 1 for the purposes specified in subdivision 2a. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

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

Sec. 10. Laws 2005, First Special Session chapter 3, article 5, section 38, as amended by Laws 2006, chapter 259, article 3, section 6, Laws 2014, chapter 308, article 3, section 23, and Laws 2017, First Special Session chapter 1, article 5, sections 12 and 13, is amended by adding a subdivision to read:

Subd. 2a. **Use of revenues; additional projects.** The revenues derived from the tax authorized under subdivision 1a must be used by the city to pay the costs of collecting and administering the tax and paying for the following projects in the city, plus associated costs related to the issuance of bonds used to finance all or part of the following projects:

(1) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d), $20,000,000 for water quality improvements for the Shell Rock Watershed District;

(2) $9,300,000 for the expansion, improvement, and equipping of the Songbird Trail;

(3) $4,500,000 for the expansion, improvement, and equipping of the Albert Lea Public Library;

(4) $4,700,000 for the Snyder Field Complex, including the expansion, improvement, and equipping of the Snyder Field Recreation Area; and

(5) $1,500,000 for acquisition, construction, improvement, and equipping of Miracle Field at Edgewater Park.

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

Sec. 11. Laws 2005, First Special Session chapter 3, article 5, section 38, as amended by Laws 2006, chapter 259, article 3, section 6, Laws 2014, chapter 308, article 3, section 23,

and Laws 2017, First Special Session chapter 1, article 5, sections 12 and 13, is amended by adding a subdivision to read:

Subd. 3a. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2a and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $40,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1a. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

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

Sec. 12. Laws 2005, First Special Session chapter 3, article 5, section 38, subdivision 4, as amended by Laws 2014, chapter 308, article 3, section 23, and Laws 2017, First Special Session chapter 1, article 5, section 13, is amended to read:

Subd. 4. **Termination of taxes.** (a) The taxes imposed under ~~this section~~ subdivision 1 expire at the earlier of (1) 30 years after the taxes are first imposed, or (2) when the city council first determines that the amount of revenues raised to pay for the projects under subdivision 2, shall meet or exceed the sum of $30,000,000. Any funds remaining after completion of the projects may be placed in the general fund of the city.

(b) The tax imposed under subdivision 1a expires at the earlier of (1) 30 years after the tax is first imposed, or (2) when the city council determines that the amount of revenues received from the tax is sufficient to pay for the project costs authorized under subdivision 2a for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of the bonds under subdivision 3a, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general

fund of the city. The tax imposed under subdivision 1a may expire at an earlier time if the city so determines by ordinance.

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

Sec. 13. Laws 2006, chapter 259, article 3, section 9, is amended by adding a subdivision to read:

Subd. 1a. **Authorization; extension.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Austin may extend the sales and use tax of one-half percent authorized under subdivision 1 for the purpose specified in subdivision 2a. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

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

Sec. 14. Laws 2006, chapter 259, article 3, section 9, is amended by adding a subdivision to read:

Subd. 2a. **Use of sales and use tax revenues.** Notwithstanding Minnesota Statutes, section 297A.99, subdivisions 2, paragraph (d), and 3, paragraph (b), the revenues derived from the extension of the tax authorized under subdivision 1a must be used by the city to pay the costs of collecting and administering the tax, and to finance up to $28,000,000, plus associated bonding costs, for the following, in connection with a law enforcement center: (1) the previous purchase of land; (2) utility, site work, and design services; and (3) construction.

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

Sec. 15. Laws 2006, chapter 259, article 3, section 9, is amended by adding a subdivision to read:

Subd. 3a. **Bonds; additional use and extension of tax.** (a) After payment of the bonds authorized under subdivision 3, the city may issue bonds under Minnesota Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2a. The aggregate principal amount of bonds issued under this subdivision may not exceed $28,000,000 for the project listed in subdivision 2a, plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

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

Sec. 16. Laws 2006, chapter 259, article 3, section 9, subdivision 4, is amended to read:

Subd. 4. **Termination of tax.** (a) The tax authorized under subdivision 1 terminates at the earlier of:

(1) 20 years after the date of initial imposition of the tax; or

(2) when the Austin City Council determines that the amount described in subdivision 2 has been received from the tax to finance the capital and administrative costs for the projects specified in subdivision 2, and to repay or retire at maturity, the principal, interest, and premium due on any bonds issued for the projects under subdivision 3.

Any funds remaining after completion of the projects specified in subdivision 2, and retirement or redemption of the bonds in subdivision 3, may be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

(b) The tax extended under subdivision 1a expires at the earlier of: (1) 20 years after the tax is first imposed; or (2) when the city determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2a, plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3,

including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 17. Laws 2006, chapter 259, article 3, section 10, subdivision 3, as amended by Laws 2014, chapter 308, article 3, section 24, is amended to read:

Subd. 3. **Use of revenues.** (a) Revenues received from the taxes authorized by subdivisions 1 and 2 must be used to pay the cost of collecting and administering the tax and to finance the acquisition and betterment of water and wastewater facilities to serve the cities of Brainerd and Baxter, building and equipping a fire substation, as approved by the voters at the referendum authorizing the tax. Authorized costs include, but are not limited to, acquiring property and paying construction and engineering costs related to the projects.

(b) In addition to the projects authorized in paragraph (a), the city of Baxter may, if approved by the voters at an election under subdivision 5, paragraph (b), allocate up to an additional $40,000,000 of the revenues received from the taxes authorized by subdivisions 1 and 2 to a capital infrastructure fund. Money from this fund may only be used to finance (1) sanitary sewer, storm sewer, and water projects, (2) transportation safety improvements, and (3) improvements to the Brainerd Lakes Area Airport.

(c) In addition to the projects authorized in paragraphs (a) and (b), the city of Baxter may, if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, allocate the revenues received from the taxes authorized by subdivisions 1 and 2 to pay for projects in the city, including the costs of collecting and administering the tax and securing and paying debt service on bonds issued to finance all or part of the following projects, including property acquisition:

(1) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraphs (a), clauses (4) and (5), and (d), $67,000,000 for upgrades and improvements to the water and wastewater utility systems; and

(2) $10,000,000 for construction of a new public safety facility.

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

Sec. 18. Laws 2006, chapter 259, article 3, section 10, subdivision 4, as amended by Laws 2014, chapter 308, article 3, section 25, is amended to read:

Subd. 4. **Bonds.** (a) The city of Baxter, pursuant to the approval of the voters at the November 2, 2004, referendum authorizing the imposition of the taxes in this section, may issue general obligation bonds of the city, in one or more series, in the aggregate principal amount not to exceed $15,000,000 to finance the projects listed in subdivision 3, paragraph (a). The debt represented by the bonds is not included in computing any debt limitations applicable to the city, and the levy of taxes required by Minnesota Statutes, section 475.61, to pay the principal of and interest on the bonds is not subject to any levy limitation or included in computing or applying any levy limitation applicable to the city of Baxter.

(b) The city of Baxter, pursuant to the approval of the voters at the 2014 general election to extend the tax under this section, may issue general obligation bonds of the city, in one or more series, in the aggregate principal amount not to exceed (1) $32,000,000 plus an amount equal to the costs of issuance of the bonds to finance the projects listed in subdivision 3, paragraph (b), clauses (1) and (2), and (2) $8,000,000 plus an amount equal to the costs of the issuance of the bonds to finance the project listed in subdivision 3, paragraph (b), clause (3). The debt represented by the bonds is not included in computing any debt limitations applicable to the city, and the levy of taxes required by Minnesota Statutes, section 475.61, to pay the principal of and interest on the bonds is not subject to any levy limitation or included in computing or applying any levy limitation applicable to the city of Baxter.

(c) The city of Baxter may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 3, paragraph (c), and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued for this purpose must not exceed $77,000,000, plus an amount applied to the payment of costs of issuing the bonds. The bonds may be issued as general obligations of the city and may be paid from or secured by any funds available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61. The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and

interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

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

Sec. 19. Laws 2006, chapter 259, article 3, section 10, subdivision 5, as amended by Laws 2014, chapter 308, article 3, section 26, is amended to read:

Subd. 5. **Termination of taxes.** (a) The taxes imposed under subdivisions 1 and 2 expire at the earlier of a date 12 years after the imposition of the tax or when the Baxter City Council first determines that the amount of revenues raised from the taxes to pay for the projects under subdivision 3 equals or exceeds $15,000,000 plus any interest on bonds issued for the projects under subdivision 4, paragraph (a). Any funds remaining after the expiration of the taxes and retirement of the bonds shall be placed in a capital project fund of the city of Baxter. The taxes imposed under subdivisions 1 and 2 may expire at an earlier time if the city of Baxter so determines by ordinance.

(b) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Baxter may, by ordinance, extend the taxes authorized under subdivisions 1 and 2 beyond the termination date in paragraph (a) if approved by the voters of the city at a general election held in 2014. The question put to the voters must indicate that an affirmative vote would extend the imposition of the taxes through 2037 or until an additional $40,000,000, plus an amount equal to interest and issuance costs associated with bonds issued under subdivision 4, paragraph (b), above the initial amount authorized to pay for $15,000,000 in bonds and associated bond cost and projects, listed in subdivision 3, paragraph (a), is raised. If extended under this paragraph, the taxes authorized in subdivisions 1 and 2 will terminate at the earlier of (1) when an additional $40,000,000, plus an amount equal to interest and issuance costs associated with bonds issued under subdivision 4, paragraph (b), above the amount authorized under paragraph (a), is raised, or (2) December 31, 2037.

(c) Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, the city of Baxter may, by ordinance, extend the taxes authorized under subdivisions 1 and 2 beyond the termination date in paragraph (a) if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraphs (a) and (b). If extended under this paragraph, the taxes authorized in subdivisions 1 and 2 will terminate at the earlier of: (1) when an additional $77,000,000, plus an amount equal to

interest and issuance costs associated with bonds issued under subdivision 4, paragraph (c), above the amount authorized under paragraphs (a) and (b), is raised; or (2) 20 years after the tax is extended.

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

Sec. 20. Laws 2019, First Special Session chapter 6, article 6, section 17, subdivision 1, is amended to read:

Subdivision 1. **Sales and use tax authorization.** (a) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 1, or 477A.016, or any other law or ordinance, and as approved by the voters at the November 6, 2018, general election, the city of Elk River may impose, by ordinance, a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision.

(b) If approved by the voters at a general election pursuant to Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), the city must use the revenues derived from the tax authorized under paragraph (a) for the purpose specified in subdivision 2a.

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

Sec. 21. Laws 2019, First Special Session chapter 6, article 6, section 17, is amended by adding a subdivision to read:

Subd. 2a. **Use of revenues.** In addition to the uses authorized under subdivision 2, the revenues derived from the tax authorized under subdivision 1 must be used by the city of Elk River to finance up to $20,000,000, plus associated bonding costs, for bonds issued under subdivision 3 for construction of a new fire station. The project authorized under this subdivision does not extend the termination requirements in subdivision 4.

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

Sec. 22. Laws 2019, First Special Session chapter 6, article 6, section 17, subdivision 3, is amended to read:

Subd. 3. **Bonding authority.** (a) The city of Elk River may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the ~~project~~ projects authorized in ~~subdivision~~ subdivisions 2 and 2a. The aggregate principal amount of bonds issued under this subdivision may not exceed ~~$35,000,000~~ $55,000,000, plus an amount applied to the payment of costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Elk River, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

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

Sec. 23. Laws 2019, First Special Session chapter 6, article 6, section 17, subdivision 4, is amended to read:

Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the earlier of: (1) 25 years after the tax is first imposed; or (2) when the city council determines that the city has received ~~$35,000,000~~ $55,000,000 from this tax to fund the projects listed in ~~subdivision~~ subdivisions 2 and 2a plus an amount sufficient to pay costs, including interest costs, related to the issuance of the bonds authorized in subdivision 3. Any funds remaining after payment of the allowed costs due to timing of the termination under section 297A.99 shall be placed in the city's general fund. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 24. Laws 2019, First Special Session chapter 6, article 6, section 28, is amended by adding a subdivision to read:

Subd. 1a. **Sales and use tax authorization; modification and voter approval.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, the modifications to bonding authority in subdivision 3 and the amount of tax that may be collected before the termination of taxes in subdivision 4 are effective if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a).

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

Sec. 25. Laws 2019, First Special Session chapter 6, article 6, section 28, subdivision 3, is amended to read:

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to pay the costs of the projects authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed ~~$10,000,000~~ $15,000,000 plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

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

Sec. 26. Laws 2019, First Special Session chapter 6, article 6, section 28, subdivision 4, is amended to read:

Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the earlier of: (1) December 31, 2045; or (2) when the city council determines that ~~$10,000,000~~ $15,000,000 has been received from the tax to pay for the cost of the projects authorized

under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the bonds authorized under subdivision 3, including interest on the bonds. Any funds remaining after payment of all such costs and retirement or redemption of the bonds shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 27. Laws 2021, First Special Session chapter 14, article 8, section 5, subdivision 2, as amended by Laws 2023, chapter 64, article 10, section 17, is amended to read:

Subd. 2. **Use of sales and use tax revenues; requirements.** (a) The revenues derived from the tax authorized under subdivision 1 must be used by the city of Edina to pay the costs of collecting and administering the tax and paying for the following projects in the city, including securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) $17,700,000 plus associated bonding costs for development of Fred Richards Park as identified in the Fred Richards Park Master Plan; ~~and~~

(2) ~~$53,300,000~~ $56,300,000 plus associated bonding costs for improvements to Braemar ~~Park~~ Ice Arena as identified in the Braemar Park Master Plan~~.~~;

(3) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (a), clauses (1) to (4), $35,000,000 plus associated bonding costs for design and construction of new public safety facilities;

(4) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (a), clauses (1) to (4), $6,000,000 plus associated bonding costs for tenant improvements to the Edina Art Center;

(5) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (a), clauses (1) to (4), $8,000,000 plus associated bonding costs for a capital improvement plan for the Edina Aquatic Center; and

(6) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (a), clauses (1) to (4), $4,000,000 plus associated bonding costs for design of the Braemar Golf Course Clubhouse.

(b) Use of tax revenues for the projects listed in paragraph (a), clauses (3) to (6), is subject to voter approval at the November 3, 2026, general election.

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

Sec. 28. Laws 2021, First Special Session chapter 14, article 8, section 5, subdivision 3, as amended by Laws 2023, chapter 64, article 10, section 17, is amended to read:

Subd. 3. **Bonding authority.** (a) The city of Edina may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed: (1) $17,700,000 for the project listed in subdivision 2, paragraph (a), clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds; ~~and~~ (2) ~~$53,300,000~~ $56,300,000 for the project listed in subdivision 2, paragraph (a), clause (2), plus an amount to be applied to the payment of the costs of issuing the bonds; (3) $35,000,000 for the project listed in subdivision 2, paragraph (a), clause (3), plus an amount to be applied to the payment of the costs of issuing the bonds; (4) $6,000,000 for the project listed in subdivision 2, paragraph (a), clause (4), plus an amount to be applied to the payment of the costs of issuing the bonds; (5) $8,000,000 for the project listed in subdivision 2, paragraph (a), clause (5), plus an amount to be applied to the payment of the costs of issuing the bonds; and (6) $4,000,000 for the project listed in subdivision 2, paragraph (a), clause (6), plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Edina, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Edina, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

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

Sec. 29. **CITY OF ALEXANDRIA; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Alexandria may impose by ordinance a sales and use tax of up to one-quarter of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and to finance up to $30,000,000, plus associated bonding costs, for the expansion and renovation of the PrimeWest Health Runestone Community Center.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $30,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining

after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 30. **CITY OF AUDUBON; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Audubon may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax imposed under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax authorized under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and to finance up to $3,000,000, plus associated bonding costs, for construction of a new fire station.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $3,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 31. **CITY OF BLAINE; RESTAURANT, LODGING, AND ADMISSIONS TAXES AUTHORIZED.**

Subdivision 1. **Scope.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter provision to the contrary, the city of Blaine may, by ordinance, impose one or more taxes authorized under subdivision 3 on sales transactions occurring within or into the boundaries of the taxing area.

Subd. 2. **Definitions.** For the purposes of this section, the following terms have the meanings given:

(1) "city" means the city of Blaine;

(2) "tax" means a tax imposed under this special law and authorized under subdivision 3; and

(3) "taxing area" means the geographic area within the city known as the 105th Redevelopment Area as identified in the city's zoning ordinance and zoning map.

Subd. 3. **Taxes authorized.** (a) The city may by ordinance impose one or more of the following taxes:

(1) a tax of not more than three percent on the gross receipts of all food and beverages sold by a restaurant or place of refreshment, as defined by city ordinance, located within

the taxing area, including retail on-sale of intoxicating liquor and fermented malt beverages and all sales of food primarily for consumption on or off the premises;

(2) a tax of not more than three percent on the gross receipts from the furnishing for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming house, tourist court, or trailer camp located within the taxing area by a hotel or motel that has more than 50 rooms available for lodging. The tax imposed under this clause is in addition to any tax imposed under Minnesota Statutes, section 469.190, and the total tax imposed under that section and this provision must not exceed six percent; and

(3) a tax of not more than three percent on the gross receipts from the furnishing for consideration of the privilege of admission to places of amusement or athletic events located within the taxing area and the privilege of use of amusement devices located within the taxing area.

(b) The taxes must be imposed and may be adjusted periodically by the city council so that the rates imposed produce revenue sufficient to finance the purposes described in subdivision 4, but the tax rate may not increase by more than one percentage point over the rates first imposed by ordinance.

Subd. 4. **Use of revenues.** The city must use the revenues received from the taxes only for initial and ongoing financing of capital improvements within the taxing area as provided in this subdivision. The city may use the revenues to:

(1) pay or secure the payment of any principal of, premium on, or interest on bonds issued in accordance with this section;

(2) pay costs to acquire, design, equip, construct, improve, maintain, operate, administer, or promote the facilities and capital improvements, including financing costs related to them; and

(3) maintain reserves for the foregoing purposes deemed reasonable and appropriate by the city.

Subd. 5. **Bond authority.** The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the development and construction projects located within the taxing area. The bonds are not included in computing any debt limitation applicable to the city, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

Subd. 6. **Collection and enforcement.** The commissioner of revenue and the city may enter into an agreement to provide for the collection of the taxes by the state on behalf of the city. The taxes are subject to the same interest, penalties, and enforcement provisions as the taxes imposed under Minnesota Statutes, chapter 297A.

Subd. 7. **Termination of taxes.** The taxes authorized by this section must not be terminated before January 1, 2055.

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

Sec. 32. **CITY OF CALEDONIA; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, sections 297A.99, subdivision 2, paragraphs (a) to (c), and 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Caledonia may impose by ordinance a sales and use tax of up to one-quarter percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and to finance up to $1,600,000, plus associated bonding costs and interest, for construction of a Public Safety Center.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $1,600,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay the principal of and

interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) ten years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 33. **CITY OF CHAMPLIN; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Champlin may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax authorized under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The city must use the revenues derived from the tax authorized under subdivision 1 to pay the costs of collecting and administering the tax and to finance up to $18,000,000, plus associated bonding costs, for construction of a new indoor athletic facility.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99,

subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $18,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 30 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 34. **CLOQUET AREA FIRE DISTRICT; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters within the Cloquet Area Fire District at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the Cloquet Area Fire District may impose by majority vote of the governing body of the district a sales and use tax of up to one-half of one percent for the purpose specified in subdivision 2.

(b) Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. In accordance with Minnesota Statutes, section

297A.99, subdivision 11, the commissioner of revenue must remit the proceeds of the tax, less refunds and a proportionate share of the cost of collection, to the Cloquet Area Fire District. The tax authorized under this subdivision is in addition to any local sales and use tax authorized under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the Cloquet Area Fire District to pay the costs of collecting and administering the tax, and to finance up to $18,609,000 for the construction of Ambulance and Fire Station I for the district, as well as securing and paying debt service on bonds issued to finance all or part of this project.

Subd. 3. **Bonding authority.** (a) The Cloquet Area Fire District may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $18,609,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the Cloquet Area Fire District, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the Cloquet Area Fire District. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first authorized, or (2) when the Cloquet Area Fire District determines that the amount received from the tax is sufficient to pay for the project cost authorized under subdivision 2 if approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the district. The tax authorized under subdivision 1 may expire at an earlier time if the governing body of the district so determines.

EFFECTIVE DATE. This section is effective the day after the governing body of the Cloquet Area Fire District and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 35. **CITY OF COON RAPIDS; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Coon Rapids may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax authorized under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay for the following projects in the city, including the costs of collecting and administering the tax and securing and paying debt service on bonds issued to finance all or part of the projects:

(1) $40,000,000 for renovation and expansion of the police department and city center facility, including the city hall and civic center; and

(2) $40,000,000 for the construction of a new community center and expansion of the Coon Rapids Ice Center.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $80,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 25 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 36. **DOUGLAS COUNTY; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, Douglas County may impose by ordinance a sales and use tax of up to one-quarter of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the county to pay the costs of collecting and administering the tax and to finance up to $18,500,000, plus associated bonding costs, for the construction of a new library.

Subd. 3. **Bonding authority.** (a) The county may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $18,500,000, plus an amount applied to the payment of the

costs of issuing the bonds. The bonds may be paid from or secured by any money available to the county, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the county. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) ten years after the tax is first imposed, or (2) when the county board determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the county. The tax authorized under subdivision 1 may expire at an earlier time if the county so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of Douglas County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 37. **CITY OF FOREST LAKE; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Forest Lake may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering

the tax and to finance up to $50,000,000, plus associated bonding costs, for construction of a new public works facility.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $50,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 38. **ISANTI COUNTY; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, Isanti County may impose, by ordinance, a sales and use tax of up to one-quarter percent for the

purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the county to pay the costs of collecting and administering the tax, and to finance up to $25,000,000 for construction of the new highway department facility, as well as the associated bond costs for any bonds issued under subdivision 3.

Subd. 3. **Bonding authority.** (a) The county may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed $25,000,000, plus an amount applied to the payment of costs of issuing the bonds.

(b) The bonds may be paid from or secured by any money available to the county, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(c) The bonds are not included in computing any debt limitation applicable to the county. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** The tax authorized under subdivision 1 expires at the earlier of: (1) 25 years after the tax is first imposed; or (2) when the county determines that it has received from this tax $25,000,000 to fund the project listed in subdivision 2, plus an amount sufficient to pay costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the county's general fund. The tax authorized under subdivision 1 may expire at an earlier time if the county determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of Isanti County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 39. **CITY OF LANESBORO; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Lanesboro may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and to finance up to $500,000 for rehabilitation and improvements to Sylvan Park.

Subd. 3. **Bonding authority.** (a) The city of Lanesboro may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $500,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) five years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3,

paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 40. **CITY OF MAPLEWOOD; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Maplewood may impose by ordinance a sales and use tax of up to one-half percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and paying for the following projects in the city, plus associated costs related to the issuance of bonds used to finance all or part of the following projects:

(1) $25,000,000 for the East Metro Public Safety Training Facility; and

(2) $48,000,000 for the Maplewood Community Center.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $73,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest

on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 41. **CITY OF MINNETONKA; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Minnetonka may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax authorized under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay for the following projects in the city, including the costs of collecting and administering the tax and securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) $13,000,000 for the new construction of Fire Station 2;

(2) $17,600,000 for the new construction of Fire Station 3; and

(3) $35,000,000 for renovations to The Marsh health and wellness center.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $65,600,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 30 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 42. **CITY OF NORTHFIELD; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Northfield may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this

section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay for the following projects in the city, including the costs of collecting and administering the tax and to pay or finance the costs of the following projects, plus costs of issuance and debt service on associated bonds:

(1) $2,800,000 for the acquisition, rehabilitation, and betterment of the Northfield Public Library;

(2) $2,800,000 for the acquisition, rehabilitation, and betterment of the Northfield Community Resource Center; and

(3) $7,500,000 for the acquisition and betterment of interconnected city Riverfront Parks.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $13,100,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be issued as general obligations of the city and may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),

any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 43. **CITY OF OAK PARK HEIGHTS; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraphs (a) and (b), or 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Oak Park Heights may impose by ordinance a sales and use tax of up to one-half percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** (a) The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay for the following projects in the city, including the costs of collecting and administering the tax and securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) $13,000,000 for water main infrastructure improvements;

(2) $3,000,000 for water tower infrastructure improvements; and

(3) $25,000,000 for a perfluoroalkyl and polyfluoralkyl substances (PFAS) removal water treatment facility.

(b) The city must adopt an amended resolution in support of the use of revenues from the tax authorized under subdivision 1 for the uses listed in paragraph (a). The resolution must include the components of the resolution required under Minnesota Statutes, section 297A.99, subdivision 2, paragraph (a), for each project listed in paragraph (a). The city must submit the resolution to the state auditor no later than August 31 of the year the city presents the tax for voter approval as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The question to approve the tax as required under Minnesota

Statutes, section 297A.99, subdivision 3, paragraph (a), must indicate the purposes for which the revenues must be used as included in the amended resolution.

(c) If the city does not adopt and submit the amended resolution under paragraph (b), the question presented to the voters under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), must not include, and revenues from the tax authorized under subdivision 1 must not be used for, the purposes specified in paragraph (a).

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the water infrastructure facilities and systems authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $41,000,000 for the projects listed in subdivision 2 plus an amount to be applied to the payment of the costs of issuing the bonds.

(b) The bonds may be paid from or secured by any money available to the city of Oak Park Heights, including the tax authorized under subdivision 1 and the full faith and credit of the city. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(c) The bonds are not included in computing any debt limitation applicable to the city of Oak Park Heights and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after being first imposed, or (2) when the city council determines that $41,000,000 has been received from the tax to fund the project authorized under subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 44. **CITY OF OSSEO; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (b), or 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Osseo may impose by ordinance a sales and use tax of up to one-half percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and paying for the following projects in the city, including securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) $7,000,000 for the Boerboom Park Community Center Hub Project; and

(2) $3,000,000 for the City Hall Renovations Project, including the renovation and betterment of city hall and associated infrastructure as part of the City Campus Project.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $10,000,000 for the projects listed in subdivision 2, plus an amount to be applied to the payment of the costs of issuing the bonds.

(b) The bonds may be paid from or secured by any money available to the city of Osseo, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(c) The bonds are not included in computing any debt limitation applicable to the city of Osseo, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received

from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 45. **CITY OF OWATONNA; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Owatonna may impose by ordinance a sales and use tax of up to one-half percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax authorized under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and to finance $75,000,000, plus associated bonding costs, for the construction of a community center.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $75,000,000 for the projects listed in subdivision 2 plus an amount to be applied to the payment of the costs of issuing the bonds.

(b) The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1 and the full faith and credit of the city. The issuance

of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(c) The bonds are not included in computing any debt limitation applicable to the city, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 25 years after being first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 46. **CITY OF PLYMOUTH; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Plymouth may impose by ordinance a sales and use tax of up to one-half percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering

the tax and paying for the following projects in the city, plus associated costs related to the issuance of bonds used to finance all or part of the following projects:

(1) $55,000,000 for expansion and renovation of the Plymouth Ice Center;

(2) $55,000,000 for expansion of the Plymouth Community Center Fieldhouse; and

(3) $25,000,000 for the Four Seasons Regional Sports Complex.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $135,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 47. **CITY OF ROBBINSDALE; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Robbinsdale may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax authorized under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and to finance up to $40,000,000, plus associated bonding costs, for the Public Works Facility Project.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $40,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining

after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 48. **CITY OF ROSEAU; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Roseau may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax authorized under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Roseau to pay the costs of collecting and administering the tax and paying for the following projects in the city, plus associated costs related to the issuance of bonds used to finance all or part of the following projects:

(1) $4,300,000 for renovation of the Roseau Memorial Arena; and

(2) $8,200,000 for the construction of a new community and wellness center.

Subd. 3. **Bonding authority.** (a) The city of Roseau may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $12,500,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest

on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 30 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 49. **SHERBURNE COUNTY; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, sections 297A.99, subdivision 2, paragraph (b); 477A.016; or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, Sherburne County may impose by ordinance a sales and use tax of up to one-quarter percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the county to pay the costs of collecting and administering the tax and to finance up to $75,000,000, plus associated bonding costs, for a law enforcement center, which includes a jail.

Subd. 3. **Bonding authority.** (a) The county may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99,

subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $75,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the county, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the county. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the county determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the county. The tax authorized under subdivision 1 may expire at an earlier time if the county so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of Sherburne County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 50. **CITY OF ST. CLOUD; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of St. Cloud may impose by ordinance a sales and use tax of up to one-quarter percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and:

(1) to finance up to $7,000,000, plus associated bonding costs, for an outdoor water park adjacent to the St. Cloud Aquatics Center; or

(2) to otherwise fund up to $7,000,000 for an outdoor water park adjacent to the St. Cloud Aquatics Center.

Subd. 3. **Bonding authority; voter approval.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed $7,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

(c) Voter approval as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), applies regardless of whether the city issues bonds under paragraph (a) or otherwise funds the project authorized in subdivision 2.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) three years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus, if applicable, an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 51. **CITY OF TAYLORS FALLS; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Taylors Falls may impose by ordinance a sales and use tax of up to one-half percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and paying for the following projects in the city, plus associated costs related to the issuance of bonds used to finance all or part of the following projects:

(1) $600,000 for community center improvements;

(2) $1,000,000 for the Taylors Falls River Walk improvements and trail system; and

(3) $400,000 for development of a town square.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $2,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 52. **CITY OF VERGAS; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Vergas may impose by ordinance a sales and use tax of up to one-half percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** (a) The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and to pay for the following projects in the Vergas Park Improvement Plan:

(1) $240,000 for construction of a new amphitheater and bathhouse; and

(2) $45,000 for extension of utilities to the amphitheater.

(b) The city must adopt an amended resolution in support of the use of revenues from the tax authorized under subdivision 1 for the uses listed in paragraph (a). The resolution

must include the components of the resolution required under Minnesota Statutes, section 297A.99, subdivision 2, paragraph (a), for each project listed in paragraph (a). The city must submit the resolution to the state auditor no later than August 31 of the year the city presents the tax for voter approval as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The question to approve the tax as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), must indicate the purposes for which the revenues must be used as included in the amended resolution.

(c) If the city does not adopt and submit the amended resolution under paragraph (b), the question presented to the voters under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), must not include, and revenues from the tax authorized under subdivision 1 must not be used for, the purposes specified in paragraph (a).

Subd. 3. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) five years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 53. **WASECA COUNTY; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, Waseca County may impose by ordinance a sales and use tax of up to three-eighths of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the county to pay the costs of collecting and administering the tax and to finance up to $45,000,000, plus associated bonding costs, for construction of a new judicial center.

Subd. 3. **Bonding authority.** (a) The county may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $45,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the county, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the county. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 30 years after the tax is first imposed, or (2) when the county board determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the county. The tax authorized under subdivision 1 may expire at an earlier time if the county so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of Waseca County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 54. **CITY OF WAYZATA FOOD AND BEVERAGE TAX.**

Subdivision 1. **Food and beverage tax authorized.** Notwithstanding Minnesota Statutes, section 477A.016, or any ordinance, city charter, or other provision of law, the city of

Wayzata may, by ordinance, impose a sales tax of up to one percent on the gross receipts on all sales of food and beverages by a restaurant or place of refreshment, as defined by resolution of the city, that are located within the city. For purposes of this section, "food and beverages" includes retail on-sale of intoxicating liquor and fermented malt beverages.

Subd. 2. **Use of proceeds from tax.** (a) The proceeds of any tax imposed under subdivision 1 shall be used by the city to pay all or a portion of the expenses of:

(1) operation, maintenance, and capital improvement expenses for city parks;

(2) operation and capital improvement expenses related to providing public safety; and

(3) costs related to downtown business attraction and retention.

(b) Authorized capital expenses include securing or paying debt service on bonds or other obligations issued to finance the construction of capital improvements to city parks or public safety facilities.

Subd. 3. **Collection, administration, and enforcement.** If the city desires, it may enter into an agreement with the commissioner of revenue to administer, collect, and enforce the tax authorized under subdivision 1. If the commissioner agrees to collect the tax, the provisions of Minnesota Statutes, section 297A.99, related to collection, administration, and enforcement apply.

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

Sec. 55. **CITY OF WINDOM; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Windom may impose by ordinance a sales and use tax of up to one-half percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering

the tax and to finance $8,000,000 for the swimming pool project, plus associated costs related to the issuance of bonds issued under subdivision 3.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $8,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 30 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 56. **MODIFICATIONS ALLOWED.**

The amendments to Laws 1993, chapter 375, article 9, section 46, as amended, are allowed notwithstanding Minnesota Statutes, section 297A.99, subdivisions 2, paragraphs (a) and (b), and 3, paragraph (a).

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

ARTICLE 6
LOCAL GOVERNMENT AIDS

Section 1. Minnesota Statutes 2025 Supplement, section 126C.13, subdivision 4, is amended to read:

Subd. 4. **General education aid.** ~~For fiscal year 2015 and later,~~ A district's general education aid equals:

(1) general education revenue, excluding operating capital revenue, equity revenue, local optional revenue, and transition revenue; plus

(2) operating capital aid under section 126C.10, subdivision 13b; plus

(3) equity aid under section 126C.10, subdivision 30; plus

(4) transition aid under section 126C.10, subdivision 33; plus

(5) shared time aid under section 126C.01, subdivision 7; plus

(6) referendum aid under section 126C.17, subdivisions 7 ~~and~~, 7a, and 7c; plus

(7) online learning aid under section 124D.096; plus

(8) local optional aid according to section 126C.10, subdivision 2e, paragraph (f).

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2028 and later.

Sec. 2. Minnesota Statutes 2024, section 126C.17, is amended by adding a subdivision to read:

Subd. 7c. **Seasonal tax base replacement aid.** (a) For purposes of this subdivision, "eligible school district" means a school district for which the seasonal tax base adjustment factor under paragraph (c) is at least equal to 0.15. A school district determined eligible under this paragraph for aid in fiscal year 2028 or any later fiscal year remains an eligible school district for aid in any subsequent fiscal year.

(b) An eligible school district's seasonal tax base replacement aid equals the product of (1) the seasonal tax base adjustment factor, and (2) the district's referendum equalization levy calculated under subdivision 6, after any adjustment under subdivisions 7a and 7b.

(c) A district's seasonal tax base adjustment factor equals the lesser of 0.50 or the ratio of (1) the seasonal market value for the district, to (2) the sum of the referendum market value and the seasonal market value for the district. For the purposes of this paragraph,

"seasonal market value" means the market value of all taxable property classified as class 4c(12) under section 273.13.

(d) The amount calculated under paragraph (b) must be used to reduce the district's referendum levy determined after the adjustments under subdivisions 7a and 7b.

EFFECTIVE DATE. This section is effective for taxes payable in 2027 and later.

Sec. 3. Minnesota Statutes 2024, section 477A.011, subdivision 34, is amended to read:

Subd. 34. **City revenue need.** (a) For a city with a population equal to or greater than 10,000, "city revenue need" is 1.15 times the sum of (1) 8.572 times the pre-1940 housing percentage; plus (2) 11.494 times the city age index; plus (3) 5.719 times the commercial industrial utility percentage; plus (4) 9.484 times peak population decline; plus (5) 293.056; plus (6) the sparsity adjustment.

(b) For a city with a population equal to or greater than 2,500 and less than 10,000, "city revenue need" is 1.15 times the sum of (1) 497.308; plus (2) 6.667 times the pre-1940 housing percentage; plus (3) 9.215 times the commercial industrial utility percentage; plus (4) 16.081 times peak population decline; plus (5) the sparsity adjustment.

(c) For a city with a population less than 2,500, "city revenue need" is the sum of (1) 196.487; plus (2) 220.877 times the city's transformed population; plus (3) the sparsity adjustment.

(d) For a city with a population of at least 2,500 but less than 3,000, the "city revenue need" equals (1) the transition factor times the city's revenue need calculated in paragraph (b); plus (2) the city's revenue need calculated under the formula in paragraph (c) times the difference between one and the transition factor. For a city with a population of at least 10,000 but less than 11,000, the "city revenue need" equals (1) the transition factor times the city's revenue need calculated in paragraph (a); plus (2) the city's revenue need calculated under the formula in paragraph (b) times the difference between one and the transition factor. For purposes of the first sentence of this paragraph "transition factor" is 0.2 percent times the amount that the city's population exceeds the minimum threshold. For purposes of the second sentence of this paragraph, "transition factor" is 0.1 percent times the amount that the city's population exceeds the minimum threshold.

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

(f) For calendar year 2024 and subsequent years, the city revenue need for a city, as determined in paragraphs (a) to (e), is multiplied by the ratio of the annual implicit price deflator for government consumption expenditures and gross investment for state and local

governments as prepared by the United States Department of Commerce, for the most recently available year to the 2022 implicit price deflator for state and local government purchases.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 4. Minnesota Statutes 2024, section 477A.011, is amended by adding a subdivision to read:

Subd. 48. **Sparsity adjustment.** (a) The "sparsity adjustment" equals 200 for:

(1) a city with a population of 10,000 or more and an average population density less than 150 per square mile, according to the most recent federal census; and

(2) a city with a population less than 10,000 and an average population density less than 30 per square mile, according to the most recent federal census.

(b) The "sparsity adjustment" equals zero for all other cities.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 5. Minnesota Statutes 2024, section 477A.23, subdivision 6, is amended to read:

Subd. 6. **Appropriation.** ~~For aids payable in 2023 and 2024, $15,000,000 is appropriated in each year from the general fund to the commissioner of revenue to make the payments required under this section.~~ For aids payable in ~~2025~~ 2026 and thereafter, ~~$12,000,000~~ $14,000,000 is annually appropriated from the general fund to the commissioner of revenue to make the payments required under this section.

EFFECTIVE DATE. This section is effective for aids payable in 2026 and thereafter.

Sec. 6. Minnesota Statutes 2024, section 477A.35, subdivision 4, is amended to read:

Subd. 4. **Qualifying projects.** (a) Qualifying projects include:

(1) emergency rental assistance for households earning less than 80 percent of area median income as determined by the United States Department of Housing and Urban Development;

(2) financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing;

(3) projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable

housing to households that have incomes which do not exceed, for homeownership projects, 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, except that the housing developed or rehabilitated with funds under this section must be affordable to the local work force;

(4) financing the operations and management of financially distressed residential properties;

(5) funding of supportive services or staff of supportive services providers for supportive housing as defined by section 462A.37, subdivision 1. Financial support to nonprofit housing providers to finance supportive housing operations may be awarded as a capitalized reserve or as an award of ongoing funding; and

(6) ~~costs of operating~~ emergency shelter ~~facilities~~ facility construction and operations, including ~~the costs of providing services~~ service provision.

(b) Recipients must prioritize projects that provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 50 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development. Priority may be given to projects that: reduce disparities in home ownership; reduce housing cost burden, housing instability, or homelessness; improve the habitability of homes; create accessible housing; or create more energy- or water-efficient homes.

(c) Gap financing is either:

(1) the difference between the costs of the property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale; or

(2) the difference between the cost of the property and the amount the targeted household can afford for housing, based on industry standards and practices.

(d) If aid under this section is used for demolition or removal of existing structures, the cleared land must be used for the construction of housing to be owned or rented by persons who meet the income limits of paragraph (a).

(e) If an aid recipient uses the aid on new construction of a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, and each accessible unit includes at least one roll-in shower, water closet, and kitchen work surface meeting the requirements of section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota; and

(2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are sensory-accessible units that include:

(A) soundproofing between shared walls for first and second floor units;

(B) no florescent lighting in units and common areas;

(C) low-fume paint;

(D) low-chemical carpet; and

(E) low-chemical carpet glue in units and common areas.

Nothing in this paragraph relieves a project funded by this section from meeting other applicable accessibility requirements.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 7. Minnesota Statutes 2025 Supplement, section 477A.35, subdivision 5, is amended to read:

Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on a qualifying project. Funds are considered spent on a qualifying project if:

(1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that the city or county cannot expend funds on a qualifying project by the ~~deadline~~ deadlines imposed by ~~paragraph (b)~~ this subdivision due to factors outside the control of the city or county; and

(2) the funds are transferred to a local housing trust fund.

Funds transferred to a local housing trust fund under this paragraph must be spent on a ~~project or household that meets the affordability requirements of subdivision 4, paragraph (a)~~ qualifying project.

(b) Funds must be ~~spent by December 31 in the third year following the year after the aid was received. The requirements of this paragraph are satisfied if funds are:~~

~~(1)~~ committed to a qualifying project by December 31 ~~in~~ of the third year following the year ~~after~~ the aid was received~~;~~ and

~~(2)~~ expended by December 31 ~~in~~ of the fourth year following the year ~~after~~ the aid was received.

(c) Notwithstanding paragraph (b), aid that a tier I city or county will spend on a qualifying affordable housing construction project or a qualifying emergency shelter facility construction project under subdivision 4, as documented in the most recent annual report submitted to the Minnesota Housing Finance Agency under subdivision 6, must be committed to the project by December 31 of the fifth year following the year the aid was received and expended by December 31 of the sixth year following the year the aid was received.

~~(c)~~ (d) An aid recipient may not use aid money to reimburse itself for prior expenditures.

~~(d)~~ (e) Any program income generated from funds distributed under this section must be used on a qualifying project.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 8. Minnesota Statutes 2024, section 477A.35, subdivision 6, is amended to read:

Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount of aid payable to each tier I city and county under this section. By August 1 of each year, the commissioner must certify the distribution factors of each tier I city and county to be used in the following year. The commissioner must pay local affordable housing aid annually at the times provided in section 477A.015, distributing the amounts available on the immediately preceding June 1 under the accounts established in section 477A.37, subdivisions 2 and 3.

(b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report must include documentation of the location of any unspent funds distributed under this section and of qualifying projects completed or planned with funds under this section. If a tier I city or county fails to submit a report, if a tier I city or county fails to spend funds ~~within the timeline~~ by the deadlines imposed under subdivision 5, ~~paragraph (b),~~ if a tier I city or county uses funds for a project that does not qualify under this section, or if a tier I city or county fails to meet its requirements of subdivision 5a, the Minnesota Housing Finance Agency shall notify the Department of Revenue and the cities and counties that must repay funds under paragraph (c) by February 15 of the following year.

(c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or county received under this section if the city or county:

(1) fails to spend the funds ~~within the time allowed~~ by the deadlines imposed under subdivision 5~~, paragraph (b)~~;

(2) spends the funds on anything other than a qualifying project;

(3) fails to submit a report documenting use of the funds; or

(4) fails to meet the requirements of subdivision 5a.

(d) The commissioner of revenue must stop distributing funds to a tier I city or county that requests in writing that the commissioner stop payment or that, in three consecutive years, the Minnesota Housing Finance Agency has reported, pursuant to paragraph (b), to have failed to use funds, misused funds, or failed to report on its use of funds. A request to stop payment under this paragraph must be submitted to the commissioner in the form and manner prescribed by the commissioner on or before May 1 of the aids payable year the aid recipient wants the commissioner to stop payment of aid. The commissioner shall not stop payment based on a request received after May 1 until the next aids payable year.

(e) The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project. The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments at the request of the city or county in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project.

(f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph (c) must be deposited in the housing development fund. Funds deposited under this paragraph are appropriated to the commissioner of the Minnesota Housing Finance Agency for use on the family homeless prevention and assistance program under section 462A.204, the economic development and housing challenge program under section 462A.33, and the workforce and affordable homeownership development program under section 462A.38.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 9. Minnesota Statutes 2024, section 477A.36, subdivision 4, is amended to read:

Subd. 4. **Qualifying projects.** (a) Qualifying projects shall include:

(1) emergency rental assistance for households earning less than 80 percent of area median income as determined by the United States Department of Housing and Urban Development;

(2) financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing;

(3) outside the metropolitan counties as defined in section 473.121, subdivision 4, development of market rate residential rental properties, as defined in section 462A.39, subdivision 2, paragraph (d), if the relevant unit of government submits with the report required under subdivision 6 a resolution and supporting documentation showing that the area meets the requirements of section 462A.39, subdivision 4, paragraph (a);

(4) projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development and, for rental housing projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, except that the housing developed or rehabilitated with funds under this section must be affordable to the local work force;

(5) financing the operations and management of financially distressed residential properties;

(6) funding of supportive services or staff of supportive services providers for supportive housing as defined in section 462A.37, subdivision 1. Financial support to nonprofit housing providers to finance supportive housing operations may be awarded as a capitalized reserve or as an award of ongoing funding; and

(7) ~~costs of operating~~ emergency shelter ~~facilities~~ facility construction and operations, including ~~the costs of providing services~~ service provision.

(b) Recipients must prioritize projects that provide affordable housing to households that have incomes that do not exceed, for homeownership projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 50 percent of the greater of state

or area median income as determined by the United States Department of Housing and Urban Development. Priority may be given to projects that: reduce disparities in home ownership; reduce housing cost burden, housing instability, or homelessness; improve the habitability of homes; create accessible housing; or create more energy- or water-efficient homes.

(c) Gap financing is either:

(1) the difference between the costs of the property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale; or

(2) the difference between the cost of the property and the amount the targeted household can afford for housing, based on industry standards and practices.

(d) If aid under this section is used for demolition or removal of existing structures, the cleared land must be used for the construction of housing to be owned or rented by persons who meet the income limits of paragraph (a).

(e) If an aid recipient uses the aid on new construction of a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, and each accessible unit includes at least one roll-in shower, water closet, and kitchen work surface meeting the requirements of section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota; and

(2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are sensory-accessible units that include:

(A) soundproofing between shared walls for first and second floor units;

(B) no florescent lighting in units and common areas;

(C) low-fume paint;

(D) low-chemical carpet; and

(E) low-chemical carpet glue in units and common areas.

Nothing in this paragraph relieves a project funded by this section from meeting other applicable accessibility requirements.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 10. Minnesota Statutes 2025 Supplement, section 477A.36, subdivision 5, is amended to read:

Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on a qualifying project. If a tier I city or county demonstrates to the Minnesota Housing Finance Agency that the tier I city or county cannot expend funds on a qualifying project by the ~~deadline~~ deadlines imposed by ~~paragraph (b)~~ this subdivision due to factors outside the control of the tier I city or county, funds shall be considered spent on a qualifying project if the funds are transferred to a local housing trust fund. Funds transferred to a local housing trust fund must be spent on a ~~project or household that meets the affordability requirements of subdivision 4, paragraph (a)~~ qualifying project.

(b) If a Tribal Nation demonstrates to the Minnesota Housing Finance Agency that the Tribal Nation cannot expend funds on a qualifying project by the deadlines imposed by this subdivision due to factors outside the control of the Tribal Nation, funds shall be considered spent on a qualifying project if the funds are transferred to a Tribal housing fund overseen by the Tribal Nation. Funds transferred to a Tribal housing fund must be spent on a qualifying project.

~~(b)~~ (c) Funds must be ~~spent by December 31 in the third year following the year after the aid was received. The requirements of this paragraph are satisfied if funds are:~~

~~(1)~~ committed to a qualifying project by December 31 ~~in~~ of the third year following the year ~~after~~ the aid was received~~;~~ and

~~(2)~~ expended by December 31 ~~in~~ of the fourth year following the year ~~after~~ the aid was received.

(d) Notwithstanding paragraph (c), aid that a recipient will spend on a qualifying affordable housing construction project or a qualifying emergency shelter facility construction project under subdivision 4, as documented in the most recent annual report submitted to the Minnesota Housing Finance Agency under subdivision 6, must be committed to the project by December 31 of the fifth year following the year the aid was received and expended by December 31 of the sixth year following the year the aid was received.

~~(c)~~ (e) An aid recipient may not use aid funds to reimburse itself for prior expenditures.

~~(d)~~ (f) Any program income generated from funds distributed under this section must be used on a qualifying project.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 11. Minnesota Statutes 2024, section 477A.36, subdivision 5a, is amended to read:

Subd. 5a. **Conditions for receipt.** (a) As a condition of receiving aid under this section, a recipient must commit to using money to supplement, not supplant, existing locally funded housing expenditures, so that the recipient is using the funds to create new or to expand existing housing programs.

(b) In the annual report required under subdivision 6, a ~~recipient~~ tier I city or county must certify compliance with this subdivision, including an accounting of locally funded housing expenditures in the prior fiscal year. In ~~an aid recipient's~~ a tier I city's or county's first report to the Minnesota Housing Finance Agency, the ~~aid recipient~~ tier I city or county must document its locally funded housing expenditures in the two prior fiscal years. If a ~~recipient~~ tier I city or county reduces one of its locally funded housing expenditures, the ~~recipient~~ tier I city or county must detail the expenditure, the amount of the reduction, and the reason for the reduction. The certification required under this paragraph must be made available publicly on the ~~recipient's~~ tier I city's or county's website.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 12. Minnesota Statutes 2024, section 477A.36, subdivision 6, is amended to read:

Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount of aid payable to each aid recipient under this section. Beginning with aids payable in calendar year 2024, before computing the amount of aid for counties and after receiving the report required by subdivision 3, paragraph (e), the commissioner shall compute the amount necessary to increase the amount in the account or accounts established under that paragraph to $1,250,000. The amount calculated under the preceding sentence shall be deducted from the amount available to counties for the purposes of certifying the amount of aid to be paid to counties in the following year. By August 1 of each year, the commissioner must certify the amount to be paid to each tier I city and county in the following year. The commissioner must pay statewide local housing aid to tier I cities and counties annually at the times provided in section 477A.015. Before paying the first installment of aid annually, the commissioner of revenue shall transfer to the Minnesota Housing Finance Agency from the funds available for counties, for deposit in the account or accounts established under subdivision 3, paragraph (e), the amount computed in the prior year to be necessary to increase the amount in the account or accounts established under that paragraph to $1,250,000.

(b) Beginning in 2025, aid recipients shall submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report shall

include documentation of the location of any unspent funds distributed under this section and of qualifying projects completed or planned with funds under this section. If an aid recipient fails to submit a report, fails to spend funds ~~within the timeline~~ by the deadlines imposed under subdivision 5, ~~paragraph (b),~~ uses funds for a project that does not qualify under this section, or if an aid recipient fails to meet the requirements of subdivision 5a, the Minnesota Housing Finance Agency shall notify the Department of Revenue and the aid recipient must repay funds under paragraph (c) by February 15 of the following year.

(c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, an aid recipient must pay to the Minnesota Housing Finance Agency funds the aid recipient received under this section if the aid recipient:

(1) fails to spend the funds ~~within the time allowed~~ by the deadlines imposed under subdivision 5~~, paragraph (b)~~;

(2) spends the funds on anything other than a qualifying project;

(3) fails to submit a report documenting use of the funds; or

(4) fails to meet the requirements of subdivision 5a.

(d) The commissioner of revenue must stop distributing funds to an aid recipient that requests in writing that the commissioner stop payment or that the Minnesota Housing Finance Agency reports to have, in three consecutive years, failed to use funds, misused funds, or failed to report on its use of funds. A request to stop payment under this paragraph must be submitted to the commissioner in the form and manner prescribed by the commissioner on or before May 1 of the year prior to the aids payable year in which the aid recipient wants the commissioner to stop payment of aid. The commissioner shall not stop payment based on a request received after May 1 until aids payable based on certification in the following calendar year.

(e) The commissioner may resume distributing funds to an aid recipient to which the commissioner has stopped payments in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project. The commissioner may resume distributing funds to an aid recipient to which the commissioner has stopped payments at the request of the recipient in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the recipient has submitted documentation of plans for a qualifying project.

(f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph (c) must be deposited in the housing development fund. Funds deposited under this paragraph

are appropriated to the commissioner of the Minnesota Housing Finance Agency for use on the family homeless prevention and assistance program under section 462A.204, the economic development and housing challenge program under section 462A.33, and the workforce and affordable homeownership development program under section 462A.38.

(g) An eligible Tribal Nation may choose to receive an aid distribution under this section by submitting an application under this subdivision. An eligible Tribal Nation which has not received a distribution in a prior aids payable year may elect to begin participation in the program by submitting an application in the manner and form prescribed by the commissioner of revenue by January 15 of the aids payable year. In order to receive a distribution, an eligible Tribal Nation must certify to the commissioner of revenue the most recent estimate of the total number of enrolled members of the eligible Tribal Nation. The information must be annually certified by March 1 in the form prescribed by the commissioner of revenue. The commissioner of revenue must annually calculate and certify the amount of aid payable to each eligible Tribal Nation on or before August 1 of the aids payable year. The commissioner of revenue must pay statewide local housing aid to eligible Tribal Nations annually by December 27 of the year the aid is certified.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 13. **FEDERAL ENFORCEMENT REIMBURSEMENT AID.**

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

(b) "City" means a statutory or home rule charter city.

(c) "Commissioner" means the commissioner of revenue.

(d) "Eligible costs" means any or all of the following costs incurred by the city in association with federal enforcement actions:

(1) vehicle towing and impoundment;

(2) overtime, standby, on-call, or related costs for police, fire, first responders, and other emergency personnel;

(3) overtime, standby, on-call, or related costs for nonemergency personnel; and

(4) other materials and supplies.

(e) "Federal enforcement actions" means the presence of United States Department of Homeland Security immigration officials in Minnesota for purposes of federal immigration enforcement between December 1, 2025, and May 31, 2026.

Subd. 2. **Certification of costs.** (a) By August 1, 2026, the administrator, manager, or finance director of each city may submit to the commissioner a notarized certification of eligible costs. The commissioner shall prescribe the form and manner of the certification.

(b) Costs certified to the commissioner under paragraph (a) are subject to audit by the state auditor. Each city must maintain documentation of these costs until August 1, 2029.

Subd. 3. **Distribution.** (a) If the sum of eligible costs certified to the commissioner by all cities under subdivision 2 is less than or equal to the total amount appropriated for aid under subdivision 6, each city shall receive an amount of aid equal to the eligible costs certified to the commissioner by the city.

(b) If the sum of eligible costs certified to the commissioner by all cities under subdivision 2 is greater than the total amount appropriated for aid under subdivision 6, each city shall receive an amount of aid equal to the product of:

(1) the total amount appropriated for aid; and

(2) the ratio of the eligible costs certified to the commissioner by the city to the eligible costs certified to the commissioner by all cities.

Subd. 4. **Federal reimbursement.** (a) Cities are encouraged to make reasonable, good faith efforts to pursue federal reimbursement for eligible costs.

(b) A city that receives federal reimbursement for eligible costs on or before December 31, 2027, must return to the commissioner the lesser of the amount of the federal reimbursement or the portion of aid received by the city under this section for the same costs. Aid returned to the commissioner under this subdivision is canceled to the general fund.

Subd. 5. **Certification and payment.** (a) By December 1, 2026, the commissioner must calculate and certify the amount of aid payable to each city under this section.

(b) By December 26, 2026, the commissioner must pay federal enforcement reimbursement aid to each city.

Subd. 6. **Appropriation.** (a) $2,000,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of revenue for aid payments under this section. This is a onetime appropriation.

(b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may retain up to five percent of the amount appropriated in paragraph (a) for administrative costs of this section.

EFFECTIVE DATE. This section is effective for aids payable in 2026 only.

Sec. 14. **FILLMORE COUNTY DISPARITY REDUCTION AID PAYMENTS.**

(a) Notwithstanding Minnesota Statutes, section 273.1398, the 2027 disparity reduction aid payments for jurisdictions located in Fillmore County must include the 2024 and 2025 disparity reduction aid amounts that were not paid to the jurisdictions in those years. The 2024 and 2025 amounts are in addition to any aid determined for 2027, except that these amounts cannot reduce any jurisdiction's levy in 2027 to less than $0.

(b) By April 1, 2027, the Fillmore County auditor must calculate and certify to the commissioner of revenue the 2024 and 2025 disparity reduction aid amounts. To calculate the total amount of disparity reduction aid for each jurisdiction in 2027, the county auditor must first calculate the 2027 disparity reduction aid payments for jurisdictions in Fillmore County pursuant to Minnesota Statutes, section 273.1398, without regard to the 2024 and 2025 disparity reduction aid amounts. The county auditor must then add any additional aid amounts attributable to the 2024 and 2025 aid to each jurisdiction's 2027 disparity reduction aid amount. Notwithstanding Minnesota Statutes, section 275.08, subdivision 1d, the 2024 and 2025 disparity reduction aid amounts may reduce below 90 percent of net tax capacity the total adjusted local tax rate of all local governments combined within a unique taxing jurisdiction in 2027.

(c) The commissioner of revenue must include the 2024 and 2025 disparity reduction aid payments along with the certification for disparity reduction aid paid in 2027, pursuant to Minnesota Statutes, section 273.1398, subdivision 6. The commissioner of revenue must include the additional amounts from 2024 and 2025 in the payments for aid payable in 2027 to each affected local government, other than school districts. The commissioner of education must include the additional amounts from 2024 and 2025 in the payment to school districts for aid payable in 2027. No later than June 30, 2027, the commissioner of revenue and the commissioner of education must deposit to the general fund any unspent money appropriated under this section.

(d) $215,860 in fiscal year 2028 is appropriated from the general fund to the commissioner of revenue for payments under this section to counties and towns. $250,790 in fiscal year 2028 is appropriated from the general fund to the commissioner of education for payments under this section to school districts, intermediate school districts, or any group of school districts levying as a single taxing entity.

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

Sec. 15. **REPEALER.**

Minnesota Statutes 2024, section 477A.30, subdivision 8, is repealed.

ARTICLE 7
TAX INCREMENT FINANCING

Section 1. Minnesota Statutes 2024, section 469.176, subdivision 2, is amended to read:

Subd. 2. **Excess increments.** (a) The authority ~~shall~~ must annually determine the amount of excess increments for a district, if any. This determination must be based on the tax increment financing plan in effect on December 31 of the year being reviewed and the increments ~~and other revenues~~ received as of December 31 of the year. ~~The authority must spend or return the excess increments under paragraph (c) within nine months after the end of the year.~~ If the authority determines there are excess increments for a district, within nine months after December 31, the authority must:

(1) return the excess increments to the county auditor; and

(2) absent an outstanding qualifying pay-as-you-go contract and note, as defined under section 469.1763, subdivision 4, paragraph (e), decertify the district.

(b) The requirement to decertify under paragraph (a) is deferred if:

(1) within nine months after December 31, a modification of the tax increment financing plan is approved under section 469.175, subdivision 4; and

(2) the modification increases the total costs authorized to be paid with increments from the district by an amount greater than the excess increment determined under paragraph (a).

(c) The deferral permitted under paragraph (b) expires nine months following the next year for which:

(1) the authority determines an amount of excess increments exists;

(2) there are no further approved modifications to the tax increment financing plan that increase the total costs authorized to be paid with increments from the district by an amount greater than the excess increment; and

(3) the district has no outstanding qualifying pay-as-you-go contract and note.

~~(b)~~ (d) For purposes of this subdivision, "excess increments" equals the excess of:

(1) total increments collected from the district since its certification, reduced by any excess increments ~~paid~~ returned under paragraph ~~(c), clause (4),~~ (e) for a prior year, over

(2) the total costs authorized by the tax increment financing plan to be paid with increments from the district, ~~reduced, but not below zero, by the sum of:~~

~~(i) the amounts of those authorized costs that have been paid from sources other than tax increments from the district;~~

~~(ii) revenues, other than tax increments from the district, that are dedicated for or otherwise required to be used to pay those authorized costs and that the authority has received and that are not included in item (i);~~

~~(iii) the amount of principal and interest obligations due on outstanding bonds after December 31 of the year and not prepaid under paragraph (c) in a prior year; and~~

~~(iv)~~ increased by the sum of the transfers of increments made under section 469.1763, subdivision 6, to reduce deficits in other districts made by December 31 of the year.

~~(c) The authority shall use excess increment only to do one or more of the following:~~

~~(1) prepay any outstanding bonds;~~

~~(2) discharge the pledge of tax increment for any outstanding bonds;~~

~~(3) pay into an escrow account dedicated to the payment of any outstanding bonds; or~~

~~(4) return the excess amount to~~ (e) The county auditor ~~who shall~~ must distribute the excess ~~amount~~ increments returned under paragraph (a) to the city or town, county, and school district in which the tax increment financing district is located in direct proportion to their respective local tax rates.

~~(d) For purposes of a district for which the request for certification was made prior to August 1, 1979, excess increments equal the amount of increments on hand on December 31, less the principal and interest obligations due on outstanding bonds or advances, qualifying under subdivision 1c, clauses (1), (2), (4), and (5), after December 31 of the year and not prepaid under paragraph (c).~~

~~(e)~~ (f) The county auditor must, prior to February 1 of each year, report to the commissioner of education the amount of any excess tax increment distributed to a school district for the preceding taxable year.

~~(f) For purposes of this subdivision, "outstanding bonds" means bonds which are secured by increments from the district.~~

~~(g) The state auditor may exempt an authority from reporting the amounts calculated under this subdivision for a calendar year, if the authority certifies to the auditor in its report that the total amount authorized by the tax increment plan to be paid with increments from~~

~~the district exceeds the sum of the total increments collected for the district for all years by 20 percent.~~

EFFECTIVE DATE. This section applies to all districts and is effective for excess increment determinations for calendar year 2026 and thereafter.

Sec. 2. Laws 2021, First Special Session chapter 14, article 9, section 9, is amended to read:

Sec. 9. **CITY OF MOUNTAIN LAKE; TIF DISTRICT NO. 1-8; FIVE-YEAR RULE EXTENSION.**

(a) The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities must be undertaken within a five-year period from the date of certification of a tax increment financing district, is extended by ~~a five-year~~ an eight-year period to April 1, 2029, for Tax Increment Financing District No. 1-8, administered by the city of Mountain Lake or its economic development authority.

(b) The requirement of Minnesota Statutes, section 469.1763, subdivision 4, relating to the use of increment after the expiration of the five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is extended to the ~~11th~~ 14th year for Tax Increment Financing District No. 1-8.

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

Sec. 3. Laws 2021, First Special Session chapter 14, article 9, section 11, is amended to read:

Sec. 11. **CITY OF WAYZATA; TIF DISTRICT NO. 6; EXPENDITURES ALLOWED.**

(a) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, the city of Wayzata may expend increments generated from Tax Increment Financing District No. 6 for the design and construction of the lakefront pedestrian walkway and community transient lake public access infrastructure related to the Panoway on Wayzata Bay project, and all such expenditures are deemed expended on activities within the district.

(b) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, the city of Wayzata may expend increments generated from Tax Increment Financing District No. 6 on the following projects:

(1) design and construction of the Eco Park, including shoreline restoration, marsh and water quality improvements, a pier extension of the lakeside boardwalk, and creation of eco-living classrooms;

(2) restoration of the Section Foreman House, including installation of a learning center and community space; and

(3) expansion and remodeling of the Depot Park, including accessibility improvements related to the Panoway on Wayzata Bay project.

(c) Notwithstanding Minnesota Statutes, section 469.1763, subdivisions 2, 3, and 4, expenditures on projects in paragraph (b) are deemed expended on activities within the district.

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

Sec. 4. Laws 2025, First Special Session chapter 13, article 5, section 11, subdivision 3, is amended to read:

Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish a tax increment financing district under this section expires December 31, ~~2026~~ 2028.

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

Sec. 5. **CITY OF CHASKA; TAX INCREMENT FINANCING DISTRICT NO. 23.**

Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, the Chaska Economic Development Authority may collect tax increment from Chaska Tax Increment Financing District No. 23 for up to 35 years after receipt of the first increment.

EFFECTIVE DATE. This section is effective upon compliance by the governing bodies of the city of Chaska, Carver County, and Independent School District No. 112 with the requirements of Minnesota Statutes, section 469.1782, subdivision 2.

Sec. 6. **CITY OF COLUMBIA HEIGHTS; ALATUS TAX INCREMENT FINANCING DISTRICT; FIVE-YEAR RULE EXTENSION; SIX-YEAR RULE EXTENSION; DURATION EXTENSION.**

(a) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision 4, relating to the use of increment after the expiration of the five-year period, is extended to 11 years for the Alatus Tax Increment Financing District in the city of Columbia Heights.

(b) Notwithstanding Minnesota Statutes, section 469.176, subdivisions 1b and 1d, the city of Columbia Heights or its economic development authority may elect to extend the duration of the Alatus Tax Increment Financing District in the city of Columbia Heights by five years.

EFFECTIVE DATE. Paragraph (a) is effective the day after the governing body of the city of Columbia Heights and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance by the governing bodies of the city of Columbia Heights, Anoka County, and Independent School District No. 13 with the requirements of Minnesota Statutes, section 469.1782, subdivision 2.

Sec. 7. **CITY OF HOPKINS; TAX INCREMENT FINANCING DISTRICT 1-6 (325 BLAKE); FIVE-YEAR RULE EXTENSION; SIX-YEAR RULE EXTENSION.**

The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision 4, relating to the use of increment after the expiration of the five-year period, is extended to 11 years for Tax Increment Financing District 1-6 (325 Blake) in the city of Hopkins.

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

ARTICLE 8
PUBLIC FINANCE

Section 1. Minnesota Statutes 2024, section 297A.993, subdivision 4, is amended to read:

Subd. 4. **Bonds.** (a) A county may, by resolution, authorize, issue, and sell its bonds, notes, or other obligations for the purposes specified in subdivision 2. The county may also, by resolution, issue bonds to refund the bonds issued pursuant to this subdivision.

(b) The bonds may be limited obligations, payable solely from or secured by taxes levied under this section, and the county may also pledge its full faith, credit, and taxing power as additional security for the bonds. A regional railroad authority within the county may also pledge its taxing powers as additional security for the bonds.

(c) A county may issue and sell bonds in one or more series and without an election. The county may determine how the bonds shall be secured; how the bonds will bear interest, and the rate or rates, or variable rate; the rank or priority; how the bonds will be executed and be payable, and how they will mature; and how the bonds will be subject to any defaults, redemptions, repurchases, tender options, or other terms. The county may also determine how the bonds shall be sold.

(d) The county may enter into and perform all contracts deemed necessary or desirable by it to issue and secure the bonds, including an indenture of trust with a trustee located within or outside of the state.

(e) Before issuing bonds qualifying under this section, the county must publish a notice of its intention to issue the bonds and the date and time of a hearing to obtain public comment on the matter. The notice must be published in the official newspaper of the county or in a newspaper of general circulation in the county. The notice must be published at least ~~14~~ ten, but not more than 28, days before the date of the hearing.

(f) Any project financed with bonds issued under this section must be included in a capital improvement plan as defined in section 373.40, subdivision 3. For purposes of this paragraph, "project" means any project described in subdivision 2, notwithstanding section 373.40, subdivision 1, paragraph (b).

(g) Except as otherwise provided in this subdivision, the bonds must be issued and sold in the manner provided under chapter 475.

Sec. 2. Minnesota Statutes 2024, section 469.060, subdivision 3, is amended to read:

Subd. 3. **Detail; maturity.** The port authority with the consent of its city's council shall set the date, denominations, place of payment, form, and details of the bonds. ~~The bonds must mature serially.~~ The first installment must be due in not more than three years and the last in not more than 30 years from the date of issuance.

ARTICLE 9

HENNEPIN COUNTY HEALTHCARE TAX

Section 1. Minnesota Statutes 2024, section 473.756, is amended by adding a subdivision to read:

Subd. 15. **Qualifying government.** The authority is a qualifying government for purposes of section 118A.09, subdivision 1. Whenever the authority's investments are managed by the county, the authority's additional long-term equity investment limitations as provided in section 118A.09, subdivision 3, are calculated based on the county's most recent audited statement of net position instead of the authority's most recent audited statement of net position.

Sec. 2. Minnesota Statutes 2024, section 473.757, subdivision 1, is amended to read:

Subdivision 1. **Ballpark grants.** The county may authorize, by resolution, and make one or more grants to the authority for ballpark development and construction, public infrastructure, capital improvement of the ballpark or public infrastructure within the development area, reserves for capital improvements, and other purposes related to the ballpark on the terms and conditions agreed to by the county and the authority.

Sec. 3. Minnesota Statutes 2024, section 473.757, subdivision 2, is amended to read:

Subd. 2. **Youth sports; library.** To the extent funds are available from collections of the tax authorized by subdivision 10 after ~~payment each year of debt service on the bonds authorized and issued under subdivision 9 and~~ payments for the purposes described in subdivision 1, the county may also authorize, by resolution, and expend or make grants to the authority and to other governmental units and nonprofit organizations in an aggregate amount of up to $4,000,000 annually, increased by up to 1.5 percent annually to fund equally: (1) youth activities and youth and amateur sports within Hennepin County; and (2) the cost of extending the hours of operation of Hennepin County libraries and Minneapolis public libraries.

The money provided under this subdivision is intended to supplement and not supplant county expenditures for these purposes as of May 27, 2006.

Hennepin County must provide reports to the chairs of the committees and budget divisions in the senate and the house of representatives that have jurisdiction over education policy and funding, describing the uses of the money provided under this subdivision. The

first report must be made by January 15, 2009, and subsequent reports must be made on January 15 of each subsequent odd-numbered year.

Sec. 4. Minnesota Statutes 2024, section 473.757, is amended by adding a subdivision to read:

Subd. 2a. **Hennepin County health care facilities.** To the extent money is available from collections of the tax authorized by subdivision 10 after payments for the purposes described in subdivisions 1 and 2:

(1) the county must distribute $21,000,000 annually, subject to annual increases in percentages acceptable to the county, to a private, nonprofit hospital located in Hennepin County that is designated by the commissioner of health as an adult level I trauma hospital according to section 144.605, subdivision 3, and provides statewide ground and air emergency medical transportation services. The money must be used to fund uncompensated care provided in facilities owned or operated by the eligible private, nonprofit hospital; and

(2) from the remainder of the money available, the county may only authorize, by resolution, appropriations to fund any or all of the following:

(i) the development, construction, improvement, and equipping of county-owned or county-operated health care facilities;

(ii) public infrastructure determined by the county to facilitate the development and use of facilities described in item (i);

(iii) reserves for county-owned or county-operated health care facilities capital improvements;

(iv) uncompensated care provided in county-owned or county-operated health care facilities;

(v) other purposes related to county-owned or county-operated health care facilities, including operating expenses for county-owned or county-operated health care facilities;

(vi) other purposes related to county public health services or priorities;

(vii) other county-identified services or programs, including housing programs and housing with low barriers to entry, that address health-related social needs; and

(viii) debt service on bonds authorized and issued under subdivision 9.

Sec. 5. Minnesota Statutes 2024, section 473.757, subdivision 3, is amended to read:

Subd. 3. **Expenditure limitations.** The amount that the county may grant or expend for ballpark costs shall not exceed $260,000,000. The amount of any grant for capital improvement reserves shall not exceed ~~$1,000,000~~ $9,000,000 annually, subject to the agreement under section 473.759, subdivision 3, and to annual increases according to an inflation index acceptable to the county. The amount of grants or expenditures for land, site improvements, and public infrastructure shall not exceed $90,000,000, excluding capital improvement reserves, bond reserves, capitalized interest, and financing costs. The authority to spend money for land, site improvements, and public infrastructure is limited to payment of amounts incurred or for construction contracts entered into during the period ending five years after the date of the issuance of the initial series of bonds under Laws 2006, chapter 257. Such grant agreements are valid and enforceable notwithstanding that they involve payments in future years and they do not constitute a debt of the county within the meaning of any constitutional or statutory limitation or for which a referendum is required.

Sec. 6. Minnesota Statutes 2024, section 473.757, subdivision 4, is amended to read:

Subd. 4. **Property acquisition and disposition.** (a) The county may acquire by purchase, eminent domain, or gift, land, air rights, and other property interests within the development area for the ballpark site and public infrastructure and convey it to the authority with or without consideration, prepare a site for development as a ballpark, and acquire and construct any related public infrastructure. The purchase of property and development of public infrastructure financed with revenues under this section is limited to infrastructure within the development area or within 1,000 feet of the border of the development area. The public infrastructure may include the construction and operation of parking facilities within the development area notwithstanding any law imposing limits on county parking facilities in the city of Minneapolis. The county may acquire and construct property, facilities, and improvements within the stated geographical limits for the purpose of drainage and environmental remediation for property within the development area, walkways and a pedestrian bridge to link the ballpark to Third Avenue distributor ramps, street and road improvements and access easements for the purpose of providing access to the ballpark, streetscapes, connections to transit facilities and bicycle trails, and any utility modifications which are incidental to any utility modifications within the development area.

(b) The county or any of the county's subsidiaries may acquire by purchase, eminent domain, or gift the land rights, air rights, and other property interests within the county for health care facilities and related infrastructure.

(c) To the extent property parcels or interests acquired are more extensive than the public infrastructure requirements, the county may sell or otherwise dispose of the excess. The proceeds from sales of excess property must be deposited in the debt service reserve fund.

Sec. 7. Minnesota Statutes 2024, section 473.757, subdivision 7, is amended to read:

Subd. 7. **Local government expenditures.** The county may make expenditures or grants for other costs incidental and necessary to further the purposes of Laws 2006, chapter 257, and this act and may by agreement, reimburse in whole or in part, any entity that has granted, loaned, or advanced funds to the county to further the purposes of Laws 2006, chapter 257, and this act. The county shall reimburse a local governmental entity within its jurisdiction or make a grant to such a governmental unit for site acquisition, preparation of the site for ballpark development, and public infrastructure. Amounts expended by a local governmental unit with the proceeds of a grant or under an agreement that provides for reimbursement by the county shall not be deemed an expenditure or other use of local governmental resources by the governmental unit within the meaning of any law or charter limitation. Exercise by the county of its powers under this section shall not affect the amounts that the county is otherwise eligible to spend, borrow, tax, or receive under any law.

Sec. 8. Minnesota Statutes 2024, section 473.757, subdivision 8, is amended to read:

Subd. 8. **County authority.** It is the intent of the legislature that, except as expressly limited herein, the county has the authority to acquire and develop a site for the ballpark and public infrastructure, to enter into contracts with the authority and other governmental or nongovernmental entities, to appropriate funds, to fund capital reserves and make capital improvements, and to make employees, consultants, and other revenues available for those purposes.

Sec. 9. Minnesota Statutes 2024, section 473.757, subdivision 9, is amended to read:

Subd. 9. **County revenue bonds.** (a) The county may, by resolution, authorize, sell, and issue revenue bonds to provide funds to make a grant or grants to the authority and to finance all or a portion of the costs of site acquisition, site improvements, and other activities necessary to prepare a site for development of a ballpark, to construct, improve, and maintain the ballpark and to establish and fund any capital improvement reserves, and to acquire and construct any related parking facilities and other public infrastructure and for other costs incidental and necessary to further the purposes of Laws 2006, chapter 257. The county may also, by resolution, issue bonds to refund the bonds issued pursuant to this section. The bonds must be limited obligations, payable solely from or secured by taxes levied under

subdivision 10, and any other revenues to become available under Laws 2006, chapter 257. The bonds may be issued in one or more series and sold without an election. The bonds shall be sold in the manner provided by section 475.60. The bonds shall be secured, bear the interest rate or rates or a variable rate, have the rank or priority, be executed in the manner, be payable in the manner, mature, and be subject to the defaults, redemptions, repurchases, tender options, or other terms, as the county may determine. The county may enter into and perform all contracts deemed necessary or desirable by it to issue and secure the bonds, including an indenture of trust with a trustee within or without the state. The debt represented by the bonds shall not be included in computing any debt limitation applicable to the county. Subject to this subdivision, the bonds must be issued and sold in the manner provided in chapter 475. The bonds shall recite that they are issued under Laws 2006, chapter 257, and the recital shall be conclusive as to the validity of the bonds and the imposition and pledge of the taxes levied for their payment. In anticipation of the issuance of the bonds authorized under this subdivision and the collection of taxes levied under subdivision 10, the county may provide funds for the purposes authorized by Laws 2006, chapter 257, through temporary interfund loans from other available funds of the county which shall be repaid with interest.

(b) The county may, by resolution, authorize, sell, and issue revenue bonds to provide money to finance all or a portion of the costs of county-owned or county-operated health care facilities, including but not limited to site acquisition, site improvements, and other activities necessary to prepare a site for development of health care facilities and to construct, maintain, and improve health care facilities; establish and fund any capital improvement reserves; and acquire and construct any related parking facilities and related infrastructure. The county may, by resolution, authorize, sell, and issue revenue bonds for other costs incidental and necessary to further the purposes of this act. The county may also, by resolution, issue bonds to refund the bonds issued pursuant to this section. The bonds may be limited obligations, payable solely from or secured by taxes levied under subdivision 10, and any other revenues made available under this act, and the county may also pledge its full faith, credit, and taxing power as additional security for the bonds. The bonds may be issued in one or more series and sold without an election. The bonds must be secured, bear the interest rate or rates or a variable rate, have the rank or priority, be executed in the manner, be payable in the manner, mature, and be subject to the defaults, redemptions, repurchases, tender options, or other terms, as the county may determine. The county may enter into and perform all contracts deemed necessary or desirable to issue and secure the bonds, including an indenture of trust with a trustee within or outside of the state. The debt represented by the bonds must not be included in computing any debt limitation applicable

to the county. Subject to this subdivision, the bonds must be issued and sold in the manner provided in chapter 475. The bonds must recite that they are issued under this act, and the recital is conclusive as to the validity of the bonds and the imposition and pledge of the taxes levied for payment of the bonds. In anticipation of the issuance of the bonds authorized under this subdivision and the collection of taxes levied under subdivision 10, the county may provide money for the purposes authorized by this act, through temporary interfund loans from other available county money that must be repaid with interest.

Sec. 10. Minnesota Statutes 2024, section 473.757, subdivision 10, is amended to read:

Subd. 10. **Sales and use tax.** (a) Notwithstanding section 477A.016, or other law, the governing body of the county may by ordinance, impose a sales and use tax at the rate of ~~0.15~~ 0.25 percent for the purposes listed in this section. The taxes authorized under this section and the manner in which they are imposed are exempt from the rules of section 297A.99, subdivisions 2 and 3. The provisions of section 297A.99, except for subdivisions 2 and 3, apply to the imposition, administration, collection, and enforcement of this tax.

(b) The tax imposed under this section is not included in determining if the total tax on lodging in the city of Minneapolis exceeds the maximum allowed tax under Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special Session chapter 5, article 12, section 87, or in determining a tax that may be imposed under any other limitations.

Sec. 11. Minnesota Statutes 2024, section 473.757, subdivision 11, is amended to read:

Subd. 11. **Uses of tax.** (a) Revenues received from the tax imposed under subdivision 10 may be used for the following and for no other purpose:

(1) to pay costs of collection;

(2) to pay or reimburse or secure the payment of any principal of, premium, or interest on bonds issued in accordance with Laws 2006, chapter 257, section 12, and this act;

~~(3) to pay costs and make expenditures and grants described in this section, including financing costs related to them;~~

~~(4)~~ (3) to maintain reserves for the foregoing purposes deemed reasonable and appropriate by the county;

~~(5)~~ (4) to pay for operating costs of the ballpark authority other than the cost of operating or maintaining the ballpark; ~~and~~

~~(6)~~ (5) to make expenditures and grants for youth activities and amateur sports and extension of library hours as described in subdivision 2;

~~and for no other purpose.~~

(6) to make grants to the authority for capital improvement expenditures for purposes permitted under subdivision 1;

(7) to make distributions to a private, nonprofit hospital as required under subdivision 2a, clause (1); and

(8) to make appropriations to fund expenditures for Hennepin County health care facilities as described in subdivision 2a, clause (2), including financing costs related to the expenditures.

(b) Revenues from the tax designated for use under paragraph (a), clause ~~(5)~~ (4), must be deposited in the operating fund of the ballpark authority.

(c) After completion of the ballpark and public infrastructure, the tax revenues not required for current payments of the expenditures described in paragraph (a), clauses (1) to ~~(6)~~ (8), shall be used to ~~(i)~~ (1) redeem or defease the bonds, and ~~(ii)~~ (2) prepay or establish a fund for ~~payment of future obligations under grants or other commitments for future expenditures which are permitted by this section. Upon the redemption or defeasance of the bonds and the establishment of reserves adequate to meet such future obligations, the taxes shall terminate and shall not be reimposed~~ reserves adequate to meet the future obligations. For purposes of this subdivision, "reserves adequate to meet such future obligations" means a reserve that does not exceed the net present value of the county's obligation to make grants under paragraph (a), clauses ~~(5)~~ (4) and ~~(6)~~ (5), and to fund the reserve for capital improvements required under section 473.759, subdivision 3, for the later of (i) the 30-year period beginning on the date of the original issuance of the latest-issued series of bonds issued pursuant to subdivision 9, less those obligations that the county has already paid, or (ii) the period extending through the final term of the agreement in section 473.759, subdivision 4, as the agreement may be modified or extended from time to time.

Sec. 12. Minnesota Statutes 2024, section 473.757, is amended by adding a subdivision to read:

Subd. 12. **Termination of tax.** (a) The tax imposed under subdivision 10 expires 25 years after the tax is first imposed.

(b) The county's share of the reserve for capital improvements required under section 473.759, subdivision 3, applies until otherwise terminated, regardless of the termination of the tax under paragraph (a).

Sec. 13. Minnesota Statutes 2024, section 473.759, subdivision 3, is amended to read:

Subd. 3. **Reserve for capital improvements.** The authority shall require that a reserve fund for capital improvements to the ballpark and public infrastructure within the development area be established and funded with annual payments of ~~$2,000,000~~ $15,526,000, with the team's share of those payments to be approximately ~~$1,000,000~~ $6,526,000, as determined by agreement of the team and county. The annual payments shall increase according to an inflation index determined by the ~~authority, provided that any portion of the team's contribution that has already been reduced to present value shall not increase according to an inflation index~~ county. The authority may accept contributions from the county or other source for the portion of the funding not required to be provided by the team.

Sec. 14. **EFFECTIVE DATE.**

Sections 1 to 13 are effective the day following final enactment.

ARTICLE 10
MINERALS

Section 1. Minnesota Statutes 2024, section 298.225, is amended to read:

298.225 APPROPRIATION.

Subdivision 1. **Guaranteed distribution.** (a) Except as provided under ~~paragraph~~ paragraphs (c) to (e), the distribution of the taconite production tax as provided in section 298.28, subdivisions 3 to 5, 6, ~~paragraph~~ paragraphs (b) and (c), 7, and 8, shall equal the lesser of the following amounts:

(1) the amount distributed pursuant to this section and section 298.28, with respect to 1983 production if the production for the year prior to the distribution year is no less than 42,000,000 taxable tons. If the production is less than 42,000,000 taxable tons, the amount of the distributions shall be reduced proportionately at the rate of two percent for each 1,000,000 tons, or part of 1,000,000 tons by which the production is less than 42,000,000 tons; or

(2)(i) for the distributions made pursuant to section 298.28, subdivisions 4, paragraphs (b) and (c), and 6, paragraph (c), 31.2 percent of the amount distributed pursuant to this section and section 298.28, with respect to 1983 production;

(ii) for the distributions made pursuant to section 298.28, subdivision 5, paragraphs (b) and (d), 75 percent of the amount distributed pursuant to this section and section 298.28, with respect to 1983 production provided that the aid guarantee for distributions under section 298.28, subdivision 5, paragraph (b), shall be reduced by five cents per taxable ton for production years 2014 and thereafter.

(b) The distribution of the taconite production tax as provided in section 298.28, subdivision 2, shall equal the following amount:

(1) if the production for the year prior to the distribution year is at least 42,000,000 taxable tons, the amount distributed pursuant to this section and section 298.28 with respect to 1999 production; or

(2) if the production for the year prior to the distribution year is less than 42,000,000 taxable tons, the amount distributed pursuant to this section and section 298.28 with respect to 1999 production, reduced proportionately at the rate of two percent for each 1,000,000 tons or part of 1,000,000 tons by which the production is less than 42,000,000 tons.

(c) The distribution of the taconite production tax under section 298.28, subdivision 3, paragraph (a), must equal the amount distributed under 298.28, with respect to 1983 production.

(d) For the two years after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, the distributions of the taconite production tax to each school district under section 298.28, subdivision 4, paragraph (b), clause (1), items (i) and (ii), must equal $100,000, and the distribution of the taconite production tax under section 298.28, subdivision 4, paragraph (b), clause (1), item (iii), must equal the amount distributed under section 298.28, with respect to 2023 production.

(e) For the two years after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, the distributions of the taconite production tax under section 298.28, subdivision 4, paragraph (b), clause (2), items (i) to (v), must equal the amounts distributed under section 298.28, with respect to 2023 production, and the distributions of the taconite production tax to each school district under section 298.28, subdivision 4, paragraph (b), clause (2), item (vi), subitems (A) and (B), must equal $150,000.

(f) For the two years after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, the distribution of the taconite production tax under section 298.28, subdivision 11, paragraph (d), must equal 75 percent of the amount that each school district received under Minnesota Statutes 1978, section 294.26, in calendar year 1977.

(g) For the two years after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, the distributions of the taconite production tax to each of the city of Orr and the city of Winton under section 298.282, subdivision 1, paragraph (a), must equal $25,000, and the distributions of the taconite production tax to each of the city of Cook and the city of Two Harbors under section 298.282, subdivision 1, paragraph (a), must equal $75,000.

Subd. 2. **Funding guaranteed distribution level.** (a) The money necessary for funding the difference between the initial distribution made pursuant to section 298.28 and the amount guaranteed in subdivision 1, paragraphs (a) to (c), is appropriated in equal proportions from the initial current year distributions to the taconite environmental protection fund and to the Douglas J. Johnson economic protection trust pursuant to section 298.28. If the initial distributions to the taconite environmental protection fund and the Douglas J. Johnson economic protection trust are insufficient to fund the difference, the commissioner of Iron Range resources and rehabilitation shall make the payments of any remaining difference from the corpus of the taconite environmental protection fund and the corpus of the Douglas J. Johnson economic protection trust fund in equal proportions as directed by the commissioner of revenue.

(b) The money necessary for funding the difference between the initial distribution made pursuant to section 298.28 and the amount guaranteed in subdivision 1, paragraphs (d) to (g), is appropriated from the initial current year distribution to the Douglas J. Johnson economic protection trust pursuant to section 298.28. If the initial distribution to the Douglas J. Johnson economic protection trust is insufficient to fund the difference, the commissioner of Iron Range resources and rehabilitation shall make the payments of any remaining difference from the corpus of the Douglas J. Johnson economic protection trust fund as directed by the commissioner of revenue.

(c) If a taconite producer ceases beneficiation operations permanently and is required by a special law to make bond payments for a school district, the Douglas J. Johnson economic protection trust fund shall assume the payments of the taconite producer if the producer ceases to make the needed payments. The commissioner of Iron Range resources and rehabilitation shall make these school bond payments from the corpus of the Douglas

J. Johnson economic protection trust fund in the amounts certified by the commissioner of revenue.

Sec. 2. Minnesota Statutes 2024, section 298.227, is amended to read:

298.227 TACONITE ECONOMIC DEVELOPMENT FUND.

(a) Except as provided in paragraph (b), an amount equal to that distributed pursuant to each taconite producer's taxable production and qualifying sales under section 298.28, subdivision 9a, shall be held by the commissioner of Iron Range resources and rehabilitation in a separate taconite economic development fund for each taconite and direct reduced ore producer. Money from the fund for each producer shall be released by the commissioner after review by a joint committee consisting of an equal number of representatives of the salaried employees and the nonsalaried production and maintenance employees of that producer. The District 11 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. The review must be completed no later than six months after the producer presents a proposal for expenditure of the funds to the committee. The funds held pursuant to this section may be released only for workforce development, concurrent reclamation, plant and stationary mining equipment, facilities for the producer, or for research and development in Minnesota on new mining, taconite, iron, or steel production technology, but only if the producer provides a matching expenditure equal to the amount of the distribution to be used for the same purpose. If a proposed expenditure is not approved by the commissioner, after consultation with the advisory board, the funds must be deposited in the taconite environmental protection fund under sections 298.222 to 298.225. If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section. If a producer fails to provide matching funds for a proposed expenditure within six months after the commissioner approves release of the funds, the funds may be released by the commissioner for deposit in the taconite area environmental protection fund created in section 298.223. Any portion of the fund which is not released by the commissioner within one year of its deposit in the fund shall be distributed to the taconite environmental protection fund.

(b) Notwithstanding any provision to the contrary, a producer operating Mesabi Metallics or its successor may not receive a distribution under this section.

Sec. 3. Minnesota Statutes 2024, section 298.28, subdivision 2, is amended to read:

Subd. 2. **City or town where quarried or produced.** (a) 4.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton," produced by each producer except Mesabi Metallics or its successor, plus one cent per taxable ton produced in 2023 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor, plus the amount provided in paragraph (c), must be allocated to the city or town in the county in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions upon the basis of attributing 50 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. The commissioner's order making such apportionment shall be subject to review by the Tax Court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(b)(1) Four cents per taxable ton produced by each producer except Mesabi Metallics or its successor, and one cent per taxable ton produced in 2023 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor shall be allocated to cities and ~~organized~~ townships affected by mining because their boundaries are within three miles of a taconite mine pit that:

(i) was actively mined by LTV Steel Mining Company in 1999; or

(ii) has been actively mined in at least one of the prior three years.

(2) If a city or town is located near more than one mine meeting the criteria under this paragraph, the city or town is eligible to receive aid calculated from only the mine producing the largest taxable tonnage. When more than one municipality qualifies for aid based on one company's production, the aid must be apportioned among the municipalities in proportion to their populations. The amounts distributed under this paragraph to each ~~municipality~~ city and organized township must be used for infrastructure improvement projects. The amounts distributed under this paragraph to counties on behalf of each unorganized township must be used by the county for infrastructure improvement projects within the unorganized township.

(c) The amount that would have been computed for the current year under Minnesota Statutes 2008, section 126C.21, subdivision 4, for a school district shall be distributed to the cities and townships within the school district in the proportion that their taxable net tax capacity within the school district bears to the taxable net tax capacity of the school district for property taxes payable in the year prior to distribution.

Sec. 4. Minnesota Statutes 2024, section 298.28, subdivision 3, is amended to read:

Subd. 3. **Cities; towns.** (a) 12.5 cents per taxable ton~~,~~ produced by each producer except Mesabi Metallics or its successor, plus two cents per taxable ton produced in 2023 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor, less any amount distributed under subdivision 8, and paragraph (b), must be allocated to the taconite municipal aid account to be distributed as provided in section 298.282. The amount allocated to the taconite municipal aid account must be annually increased in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1.

(b) An amount must be allocated to towns or cities that is annually certified by the county auditor of a county containing a taconite tax relief area as defined in section 273.134, paragraph (b), within which there is (1) an organized township if, as of January 2, 1982, more than 75 percent of the assessed valuation of the township consists of iron ore or (2) a city if, as of January 2, 1980, more than 75 percent of the assessed valuation of the city consists of iron ore.

(c) The amount allocated under paragraph (b) will be the portion of a township's or city's certified levy equal to the proportion of (1) the difference between 50 percent of January 2, 1982, assessed value in the case of a township and 50 percent of the January 2, 1980, assessed value in the case of a city and its current assessed value to (2) the sum of its current assessed value plus the difference determined in (1), provided that the amount distributed shall not exceed $55 per capita in the case of a township or $75 per capita in the case of a city. For purposes of this limitation, population will be determined according to the 1980 decennial census conducted by the United States Bureau of the Census. If the current assessed value of the township exceeds 50 percent of the township's January 2, 1982, assessed value, or if the current assessed value of the city exceeds 50 percent of the city's January 2, 1980, assessed value, this paragraph shall not apply. For purposes of this paragraph, "assessed value," when used in reference to years other than 1980 or 1982, means the appropriate net tax capacities multiplied by 10.2.

(d) In addition to other distributions under this subdivision, three cents per taxable ton for distributions in 2009 must be allocated for distribution to towns that are entirely located within the taconite tax relief area defined in section 273.134, paragraph (b). For distribution in 2010 through 2014 and for distribution in 2018 and subsequent years, the three-cent amount must be annually increased in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount available under this paragraph will be distributed to eligible towns on a per capita basis, provided that no town may receive more than ~~$50,000~~ $70,000 in any year under this paragraph. Any amount of the distribution that exceeds the ~~$50,000~~ $70,000 limitation for a town under this paragraph must be redistributed on a per capita basis among the other eligible towns, to whose distributions do not exceed ~~$50,000~~ $70,000.

Sec. 5. Minnesota Statutes 2024, section 298.28, subdivision 4, is amended to read:

Subd. 4. **School districts.** (a) 32.15 cents per taxable ton~~,~~ produced by each producer except Mesabi Metallics or its successor, plus 32.72 cents per taxable ton produced by Mesabi Metallics or its successor, plus 4.57 cents per taxable ton produced in 2023 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor, plus $300,000 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor, plus the increase provided in paragraph (b), clause (3), plus the increase provided in paragraph (d), less the amount that would have been computed under Minnesota Statutes 2008, section 126C.21, subdivision 4, for the current year for that district, must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b), (c), and (f).

(b)~~(i)~~ (1) 3.43 cents per taxable ton produced by each producer except Mesabi Metallics or its successor, and 4.57 cents per taxable ton produced in 2023 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor must be distributed ~~to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced.~~ as follows:

(i) $100,000 from the proceeds of Mesabi Metallics or its successor to Independent School District No. 695, Chisholm, or its successor district;

(ii) $100,000 from the proceeds of Mesabi Metallics or its successor to Independent School District No. 696, Ely, or its successor district; and

~~The distribution must be~~ (iii) the remainder to school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced, based on the apportionment formula prescribed in subdivision 2.

~~(ii)~~ (2) Four cents per taxable ton ~~from each taconite facility~~ produced by each producer except Mesabi Metallics or its successor, plus eight cents per taxable ton produced by Mesabi Metallics or its successor, plus $300,000 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor must be distributed to each affected school district for deposit in a fund dedicated to building maintenance and repairs, as follows:

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

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

~~(3)~~ (iii) proceeds from the Mittal Steel Company and Minntac or their successors are distributed to Independent School Districts Nos. 712, Mountain Iron-Buhl, ~~706, Virginia,~~ 2711, Mesabi East, and ~~2154, Eveleth-Gilbert~~ 2909, Rock Ridge, or their successor districts;

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

~~(5)~~ (v) proceeds from United Taconite or its successor are distributed to Independent School Districts Nos. 2142, St. Louis County, and ~~2154, Eveleth-Gilbert~~ 2909, Rock Ridge, or their successor districts~~.~~; and

(vi) proceeds from Mesabi Metallics or its successor are distributed as follows:

(A) $150,000 to Independent School District No. 318, Grand Rapids, or its successor district;

(B) $150,000 to Independent School District No. 696, Ely, or its successor district; and

(C) eight cents per taxable ton to Independent School District Nos. 316, Greenway, and 319, Nashwauk-Keewatin, or their successor districts.

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

(3) Each school district that received a distribution under clause (2) in distribution year 2024 shall receive, from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor, an additional four cents per taxable ton produced in 2023

by the producer from which the school district received a distribution under clause (2) in distribution year 2024.

(c)~~(i)~~ (1) 24.72 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts which qualify as a tax relief area under section 273.134, paragraph (b), or in which there is a qualifying municipality as defined by section 273.134, paragraph (a), in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

~~(ii)~~ (2) Notwithstanding clause ~~(i)~~ (1), each school district that receives a distribution under sections 298.018; 298.24; and 298.25 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values after reduction for any portion distributed to cities and towns under section 126C.48, subdivision 8, paragraph (5), that is less than the amount of its levy reduction under section 126C.48, subdivision 8, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause ~~(i)~~ (1). If there are insufficient tax proceeds to make the distribution provided under this paragraph in any year, money must be transferred from the taconite property tax relief account in subdivision 6, to the extent of the shortfall in the distribution.

(d)(1) Any school district described in paragraph (c) where a levy increase pursuant to section 126C.17, subdivision 9, was authorized by referendum for taxes payable in 2001, shall receive a distribution of 21.3 cents per taxable ton. Each district shall receive $175 times the pupil units identified in section 126C.05, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8 percent times the district's taxable net tax capacity in 2011.

(2) Districts qualifying under paragraph (c) must receive additional taconite aid each year equal to 22.5 percent of the amount obtained by subtracting:

(i) 1.8 percent of the district's net tax capacity for 2011, from:

(ii) the district's weighted average daily membership for fiscal year 2012, multiplied by the sum of:

(A) $415, plus

(B) the district's referendum revenue allowance for fiscal year 2013.

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

Each district receiving money according to this paragraph shall reserve the lesser of the amount received under this paragraph or $25 times the number of pupil units served in the district. It may use the money for early childhood programs.

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

(f) Four cents per taxable ton must be distributed to qualifying school districts according to the distribution specified in paragraph (b), clause ~~(ii)~~ (2), and 11 cents per taxable ton must be distributed according to the distribution specified in paragraph (c). These amounts are not subject to section 126C.48, subdivision 8.

Sec. 6. Minnesota Statutes 2024, section 298.28, subdivision 7a, is amended to read:

Subd. 7a. **Iron Range schools and community development account.** (a) The following amounts must be allocated to the commissioner of Iron Range resources and rehabilitation to be deposited in the Iron Range schools and community development account that is hereby created:

(1)(i) for distributions in 2024 through 2032, 24 cents per taxable ton of the tax imposed under section 298.24, (ii) for distributions beginning in 2033, ten cents per taxable ton of the tax imposed under section 298.24;

(2) the amount as determined under section 298.17, paragraph (b), clause (3); ~~and~~

(3) for distributions in the year after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24 through 2050, 20 cents per taxable ton produced by Mesabi Metallics or its successor, provided that the allocation under this clause must only be used for projects within Independent School District No. 316, Greenway, that are approved by referendum within five years of the date Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, and that are approved by the commissioner of Iron Range resources and rehabilitation after review by the Iron Range Resources and Rehabilitation Advisory Board. If projects are not approved by referendum within five years of the date Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, or if the commissioner determines that the allocation exceeds the amount necessary for approved projects, the remainder of the allocation under this clause must be used as provided under paragraph (b); and

(4) any other amount as provided by law.

(b) Expenditures from this account, except as provided in paragraph (a), clause (3), may be approved as ongoing annual expenditures and shall be made only ~~to provide~~ for disbursements to assist school districts with the payment of bonds that were issued for qualified school projects, ~~or for any~~ other disbursements to school ~~disbursement as approved by the commissioner of Iron Range resources and rehabilitation after consultation with the Iron Range Resources and Rehabilitation Board~~ districts, or community development. For purposes of this section, "qualified school projects" means school projects within the taconite assistance area as defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006; and (2) approved by the commissioner of education pursuant to section 123B.71.

(c) Beginning in fiscal year 2019, the disbursement to school districts for payments for bonds issued under section 123A.482, subdivision 9, must be increased each year to offset any reduction in debt service equalization aid that the school district qualifies for in that year, under section 123B.53, subdivision 6, compared with the amount the school district qualified for in fiscal year 2018.

(d) No expenditure under this section shall be made unless approved by the commissioner of Iron Range resources and rehabilitation after consultation with the Iron Range Resources and Rehabilitation Advisory Board.

Sec. 7. Minnesota Statutes 2024, section 298.28, subdivision 8, is amended to read:

Subd. 8. **Range Association of Municipalities and Schools.** 0.50 cent per taxable ton produced by each producer except Mesabi Metallics or its successor shall be paid to the Range Association of Municipalities and Schools, for the purpose of providing an areawide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns, and school districts within the Iron Range area of northeast Minnesota.

Sec. 8. Minnesota Statutes 2024, section 298.28, subdivision 9a, is amended to read:

Subd. 9a. **Taconite economic development fund.** (a) 25.1 cents per taxable ton ~~for distributions in 2002 and thereafter~~ produced by each producer except Mesabi Metallics or its successor must be paid to the taconite economic development fund. No distribution shall be made under this paragraph in ~~2004~~ 2027 or any subsequent year in which total industry production in the preceding year, excluding production by MagIron or its successor at Plant 4 in Arbo Township and production by Mesabi Metallics or its successor, falls below 30 million tons. Distribution shall only be made to a Minnesota taconite pellet producer's fund under section 298.227 if the producer timely pays its tax under section 298.24 by the dates provided under section 298.27, or pursuant to the due dates provided by an administrative agreement with the commissioner.

(b) An amount equal to 50 percent of the ~~tax~~ taxes collected under section 298.24 from each producer except Mesabi Metallics or its successor for concentrate sold in the form of pellet chips and fines not exceeding 5/16 inch in size and not including crushed pellets shall be paid to the taconite economic development fund. The amount paid shall not exceed $700,000 annually for all Minnesota taconite pellet producers. If the initial amount to be paid to the fund exceeds this amount, each Minnesota taconite pellet producer's payment shall be prorated so the total does not exceed $700,000.

Sec. 9. Minnesota Statutes 2024, section 298.28, subdivision 9b, is amended to read:

Subd. 9b. **Taconite environmental fund.** Five cents per taxable ton must be paid to the taconite environmental fund for use under section 298.2961, subdivision 4.

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

Sec. 10. Minnesota Statutes 2024, section 298.28, is amended by adding a subdivision to read:

Subd. 10a. **Insufficient proceeds.** If the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor are insufficient to fund the allocations designated from those proceeds under this section, the allocations designated from those proceeds that are not calculated based on taxable tonnage produced by Mesabi Metallics or its successor must be proportionally decreased such that the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor are sufficient to fund the allocations designated from those proceeds under this section.

Sec. 11. Minnesota Statutes 2024, section 298.28, subdivision 11, is amended to read:

Subd. 11. **Remainder.** (a) The proceeds of the tax imposed by section 298.24 which remain after the distributions and payments in subdivisions 2 to ~~10a~~ 10, as certified by the commissioner of revenue, and paragraphs (b), (c), and (d) have been made, together with interest earned on all money distributed under this section prior to distribution, shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 as follows: Two-thirds to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund. The proceeds shall be placed in the respective special accounts.

(b) There shall be distributed to each city, town, and county the amount that it received under Minnesota Statutes 1978, section 294.26, in calendar year 1977; provided, however, that (1) the amount distributed in 1981 to the unorganized territory number 2 of Lake County and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake County and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district; and (2) a city located within six miles of five other cities qualifying for a distribution under section 298.282 shall receive a distribution equal to $5,000 under this paragraph in calendar year 2020 and subsequent years. The distribution to all other cites and towns receiving a distribution under this paragraph shall be reduced by the ratio that $5,000 bears to the total aid distribution received by all cities and towns under this paragraph.

(c) There shall be distributed to the Iron Range resources and rehabilitation account the amounts it received in 1977 under Minnesota Statutes 1978, section 298.22. The amount

distributed under this paragraph shall be expended within or for the benefit of the taconite assistance area defined in section 273.1341.

(d) There shall be distributed to each school district ~~62~~ 75 percent of the amount that it received under Minnesota Statutes 1978, section 294.26, in calendar year 1977.

Sec. 12. Minnesota Statutes 2024, section 298.282, subdivision 1, is amended to read:

Subdivision 1. **Distribution of taconite municipal aid account.** (a) The amount deposited with the county as provided in section 298.28, subdivision 3, must be distributed as provided by this section among: (1) the municipalities located within a taconite assistance area under section 273.1341 that meet the criteria of section 273.1341, clause (1) or (2); (2) a township that contains a state park consisting primarily of an underground iron ore mine; (3) a city located within five miles of that state park; (4) the city of Cook in St. Louis County; (5) the city of Two Harbors in Lake County; (6) the city of Orr in St. Louis County; (7) the city of Winton in St. Louis County; and ~~(4)~~ (8) Breitung Township in St. Louis County, each being referred to in this section as a qualifying municipality. The ~~distribution to~~ distributions to each of the city of Orr, the city of Winton, and Breitung Township under this subdivision shall be $25,000 annually. The distributions to each of the city of Cook and the city of Two Harbors under this subdivision shall be $75,000 annually.

(b) The amount deposited in the state general fund as provided in section 298.018, subdivision 1, must be distributed in the same manner as provided under paragraph (a), except that subdivisions 3, 4, and 5 do not apply, and the distributions shall be made on the dates provided under section 298.018, subdivision 1a.

Sec. 13. **EFFECTIVE DATE; REVISOR NOTIFICATION.**

(a) Sections 1 to 8 and 10 to 12 are effective for distributions in the year after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under Minnesota Statutes, section 298.24, and thereafter. The commissioner of revenue must certify to the commissioner of Iron Range resources and rehabilitation when production begins.

(b) The commissioner of revenue must notify the revisor of statutes within 30 days of the certification under paragraph (a).

ARTICLE 11

MISCELLANEOUS

Section 1. Minnesota Statutes 2024, section 16A.726, is amended to read:

16A.726 SPORTS FACILITIES TRANSFERS; APPROPRIATIONS.

(a) The commissioner shall make transfers to the Minnesota Sports Facilities Authority required to make the state payments under section 473J.13, subdivisions 2 and 4~~, and for the amount of Minneapolis taxes withheld under section 297A.994, subdivision 4, paragraph (a), clause (4)~~. Amounts sufficient to make the transfers are appropriated to the commissioner from the general fund.

(b) $2,700,000 is annually appropriated from the general fund from fiscal year 2014 through fiscal year 2033 to the commissioner of management and budget for a grant to the city of St. Paul for the operating or capital costs of new or existing sports facilities.

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

Sec. 2. **[116J.8753] SPORTS AND EVENTS REIMBURSEMENT PROGRAM.**

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

(b) "Account" means the sports and events reimbursement program account.

(c) "Event" means any of the following and includes any activity related to or associated with the following:

(1) Amateur Athletic Union Junior Olympic Games;

(2) Big Ten conference tournaments;

(3) Bowl Season;

(4) College Football Playoff;

(5) Confederation of North, Central America, and Caribbean Association Football (CONCACAF) Gold Cup or other matches;

(6) Confederation Sudamericana de Football (CONMEBOL) Copa America;

(7) CrossFit Games;

(8) Federation of Gay Games;

(9) Formula 1 United States Grand Prix;

(10) International Ice Hockey Federation (IIHF) World Juniors, Men's, Women's, or any tournament sanctioned by USA hockey or the IIHF;

(11) International Skating Union (ISU) Worlds;

(12) International Soccer Match;

(13) Laver Cup;

(14) Major League Baseball All-Star Game;

(15) Major League Soccer All-Star Game or other special events or matches;

(16) National Basketball Association All-Star Game, Cup, or Draft;

(17) National Collegiate Athletic Association's (NCAA) Men's or Women's Final Four or preliminary round basketball tournament, Men's or Women's Frozen Four, Volleyball Championship, Wrestling Championship, Gymnastics Championship, or any sanctioned NCAA championship;

(18) National Football League Draft, Super Bowl, or combine;

(19) National Hockey League All-Star Game, Draft, Four Nations, Stadium Series, Winter Classic, or World Cup of Hockey;

(20) Rugby World Cup Men's or Women's;

(21) Ultimate Fighting Championship;

(22) United States Figure Skating Championship;

(23) Unrivaled Event;

(24) United States Olympic Team Trials in gymnastics, swimming, and wrestling, sanctioned by the national governing body, recognized by the United States Olympic Committee;

(25) Women's National Basketball Association All-Star Game or Draft;

(26) World Cup Soccer Matches for Men's or Women's;

(27) World Wrestling Entertainment Summer Slam, Royal Rumbles, Survivor Series, WrestleMania, TKO Takeover Weekend, or other premium live event;

(28) X Games;

(29) Professional Golfers' Association (PGA) of America championship-level events for Men's or Women's; or

(30) any event certified by the commissioner of revenue that:

(i) will include at least 15,000 participants and spectators;

(ii) the site selection organization is considering whether to host in a state other than Minnesota; and

(iii) is not held more than one time in any year.

(d) "Program" means the sports and events reimbursement program.

(e) "Local organizing committee" means a body with a demonstrated track record of attracting high-profile events to Minnesota that is responsible for the promotion and execution of an event.

(f) "Site selection organization" means an organization that has the ability to enter into a contract for an event listed in paragraph (c) with a local organizing committee.

Subd. 2. **Sports and events reimbursement program account.** The sports and events reimbursement program account is created in the special revenue fund in the state treasury. Except as otherwise appropriated by law, money in the account is appropriated to the commissioner of revenue for the purposes of this section. All money earned by the account must be credited to the account and remain available until expended.

Subd. 3. **Events eligible for funding.** (a) Only an event listed in subdivision 1, paragraph (c), is eligible for funding under this section.

(b) A listed event may receive funding through the program only if:

(1) a site selection organization, after considering one or more sites not in this state, selects a site in this state for the event to be held:

(i) one time; or

(ii) if the event is scheduled under an event contract or event support contract to be held each year for a period of years, one time in each year;

(2) a site selection organization selects a site in this state as:

(i) the sole site for the event; or

(ii) the sole site for the event in a region composed of this state and one or more adjoining states; and

(3) the event is held not more than one time in any year.

Subd. 4. **Administration of program.** (a) Prior to any determination under section 270C.45, subdivision 2, a local organizing committee must submit an application to the commissioner of revenue. Applications must be submitted in the form and manner provided by the commissioner of revenue but must include:

(1) a certification that the event meets the eligibility requirements for funding under subdivision 3 and all other funding requirements under this section; and

(2) documentation from a site selection organization selecting the site for the event.

(b) The commissioner must conduct due diligence in administering the program, including contracting with professionals as needed to assist in the due diligence.

Subd. 5. **Allowable expenses.** Money in the account may be used to fulfill obligations of the state to a local organizing committee under an event contract including the payment of:

(1) the costs relating to the preparations necessary or desirable for conducting the event; and

(2) the costs of conducting the event, including the costs of an improvement or renovation to an existing facility and the costs of the acquisition or construction of a new facility or other facility.

Subd. 6. **Rulemaking.** The commissioner of revenue may adopt rules necessary to implement this section.

Subd. 7. **Reporting.** (a) A local organizing committee must provide the following information to the commissioner of revenue:

(1) annual audited statements of any financial records required by a site selection organization; and

(2) data obtained by the local organizing committee relating to:

(i) attendance at the event, including an estimate of the number of people expected to attend the event who are not residents of Minnesota; and

(ii) the economic impact of the event.

(b) A local organizing committee must provide an annual audited financial statement required by the commissioner of revenue no later than the end of the fourth month after the last day of the period covered by the financial statement.

(c) After the conclusion of an event, a local organizing committee must provide information about the event, such as attendance figures, including an estimate of the number of people who attended the event who are not residents of Minnesota, financial information, or other public information held by the committee as requested by the commissioner of revenue.

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

Sec. 3. Minnesota Statutes 2024, section 168E.09, is amended by adding a subdivision to read:

Subd. 1a. **Deposit of revenues; sports and events reimbursement program account.** After deposits under subdivision 1, the commissioner must deposit the share of revenues of the taxes imposed under this chapter that are directly attributable to an event in the amount determined under section 270C.45 to the sports and events reimbursement program account.

EFFECTIVE DATE. This section is effective for revenues collected for sales and purchases made after the day following final enactment.

Sec. 4. Minnesota Statutes 2024, section 168E.09, subdivision 2, is amended to read:

Subd. 2. **Deposits.** After deposits under ~~subdivision~~ subdivisions 1 and 1a, the commissioner must deposit the balance of proceeds from the retail delivery fee in the transportation advancement account under section 174.49.

EFFECTIVE DATE. This section is effective for revenues collected for sales and purchases made after the day following final enactment.

Sec. 5. Minnesota Statutes 2024, section 270B.14, is amended by adding a subdivision to read:

Subd. 25. **Exchange of criminal investigative data between Department of Revenue and Financial Crimes and Fraud Section.** (a) For purposes of this subdivision, "FCFS" means the Financial Crimes and Fraud Section of the Bureau of Criminal Apprehension.

(b) The commissioner may disclose active criminal investigative data as classified under section 270B.03, subdivision 6, to the FCFS. The FCFS may disclose active criminal investigative data concerning tax administration to the commissioner as outlined in section 299C.061, subdivision 6. The commissioner may enter into an agreement with the FCFS outlining procedures to implement the exchange of information under this subdivision, but

an agreement may provide for the disclosure of data only to the extent allowed under this subdivision. Disclosure is allowed only for the purpose of and to the extent necessary for tax administration and for the purpose of and to the extent necessary for the FCFS to carry out section 299C.061, subdivision 3.

(c) Data disclosed by the commissioner to the FCFS under this subdivision are classified under section 270B.03, subdivision 6. Data disclosed by the FCFS to the commissioner under section 299C.061, subdivision 6, are classified under section 13.82, subdivision 7.

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

Sec. 6. Minnesota Statutes 2024, section 270B.15, is amended to read:

270B.15 DISCLOSURE TO LEGISLATIVE AUDITOR AND STATE AUDITOR; INSPECTOR GENERAL.

Subdivision 1. **Legislative auditor and state auditor.** (a) Returns and return information must be disclosed to the legislative auditor to the extent necessary for the legislative auditor to carry out sections 3.97 to 3.979.

(b) The commissioner must disclose return information, including the report required under section 289A.12, subdivision 15, to the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201.

Subd. 2. **Inspector general.** Returns and return information must be disclosed to the inspector general, as given meaning in section 15E.10, to the extent necessary for the inspector general to carry out chapter 15E. The inspector general may disseminate data of any classification to the commissioner for purposes of administering the provisions of section 290.034.

EFFECTIVE DATE. This section is effective January 1, 2027, unless the legislature has not established the inspector general as referred to in this section, in which case this section will not be enacted.

Sec. 7. Minnesota Statutes 2024, section 270C.07, is amended to read:

270C.07 REVENUE ~~NOTICES~~ RULINGS.

Subdivision 1. **Authority.** The commissioner may make, adopt, and publish interpretive revenue ~~notices~~ rulings. A "revenue ~~notice~~ ruling" is a policy statement that has been published pursuant to subdivision 5 and that provides interpretation, details, or supplementary information concerning the application of state revenue laws or rules promulgated by the

commissioner. Revenue ~~notices~~ rulings are published for the information and guidance of taxpayers, local government officials, the department, and others concerned.

Subd. 2. **Effect.** Revenue ~~notices~~ rulings do not have the force and effect of law and have no precedential effect, but may be relied on by taxpayers unless and until revoked or modified. ~~A notice may be expressly revoked or modified by the commissioner, by the issuance of a revenue notice, but may not be revoked or modified retroactively to the detriment of the taxpayers. A change in the law or an interpretation of the law occurring after the revenue notice is issued, whether in the form of a statute, court decision, administrative rule, or revenue notice, results in revocation or modification of the notice to the extent that the change affects the notice.~~

Subd. 2a. **Revocation or modification.** A revenue ruling may be expressly revoked or modified by the commissioner, by the issuance of a revenue ruling, but may not be revoked or modified retroactively to the detriment of taxpayers. A change in the law or an interpretation of the law occurring after the revenue ruling is issued, whether in the form of a statute, court decision, administrative rule, or revenue ruling, results in revocation or modification of the ruling to the extent that the change affects the ruling.

Subd. 3. **Retroactivity.** Revenue ~~notices~~ rulings are generally interpretive of existing law and therefore are retroactive to the effective date of the applicable law provision unless otherwise stated in the ~~notice~~ ruling.

Subd. 4. **Issuance.** The issuance of revenue ~~notices~~ rulings is at the discretion of the commissioner. The commissioner shall establish procedures governing the issuance of revenue ~~notices~~ rulings and tax information bulletins. ~~At least one week before publication of a revenue notice in the State Register, the commissioner shall provide a copy of the notice to the chairs of the Taxes Committee of the house of representatives and the Taxes and Tax Laws Committee of the senate.~~

Subd. 4a. **Request.** (a) Any person may submit a revenue ruling request to the commissioner. The request must contain the following:

(1) tax type;

(2) the name and characteristics of the taxpayer submitting the request;

(3) description of the issue to be addressed;

(4) information demonstrating the frequency of the issue;

(5) any supporting materials and documents that provide background information on the issue; and

(6) any other relevant information and documents identified by the commissioner.

(b) The commissioner must acknowledge all submitted requests within 21 days of receipt. The person making the request must provide additional information and documents as requested by the commissioner within 60 days of the request. Failure to timely provide the requested information and documents may result in the request being denied. Upon the commissioner's receipt of all requested additional information and documents, the person's request is considered complete.

(c) The commissioner must respond to all requests for revenue rulings either by issuance of a ruling or by letter explaining why the commissioner declined to issue a ruling. If the commissioner declines the request, the commissioner shall provide the person making the request with a letter explaining the reasons for declining to do so within 45 days of receipt of the completed request. If the commissioner does not decline the completed request, the commissioner shall complete the revenue ruling and submit the revenue ruling for feedback under subdivision 5 within 210 days of the commissioner's receipt of the completed request.

(d) The commissioner's revenue rulings, decisions to decline to issue revenue rulings, and other determinations made under this section may not be appealed.

Subd. 5. **Review and publication.** The commissioner shall seek feedback from the tax section of the Minnesota State Bar Association and the Minnesota Society of Certified Public Accountants prior to publication of a revenue ruling. The commissioner shall publish the revenue ~~notices~~ rulings in the State Register and in any other manner that makes them accessible to the general public. ~~The commissioner may charge a reasonable fee for publications.~~ At least two weeks before publication of a revenue ruling in the State Register, the commissioner shall provide a copy of the ruling to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes.

Subd. 6. **Confidentiality.** Prior to publication or other public dissemination, the commissioner shall redact certain information from a revenue ruling or proposed ruling, including the name and address of the taxpayer and taxpayer's representative.

Subd. 7. **Effect of determination.** A determination of any kind made by the commissioner pursuant to this section is not a rule and is not subject to the Administrative Procedure Act contained in chapter 14.

Subd. 8. **Legislative report.** (a) On or before January 31, 2028, and on or before January 31 each year thereafter, the commissioner shall report in writing to the legislature the following information for the immediately preceding calendar year:

(1) the number of revenue ruling requests submitted and the number of those rulings subsequently issued;

(2) the tax types for which rulings were requested;

(3) the types and characteristics of taxpayers requesting rulings; and

(4) any other information that the commissioner considers relevant to legislative oversight of revenue rulings.

(b) The report must be filed as provided in sections 3.195 and 3.197 and copies must be provided to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes.

EFFECTIVE DATE. This section is effective July 1, 2026, except that the first legislative report under subdivision 8 is due January 31, 2028.

Sec. 8. Minnesota Statutes 2024, section 270C.08, is amended to read:

270C.08 TAX INFORMATION BULLETINS.

The commissioner may issue tax information bulletins. "Tax information bulletins" are informational guides to enable taxpayers and local governmental officials to become more familiar with state revenue laws and their rights and responsibilities under these laws. Nothing contained in the tax information bulletins supersedes, alters, or otherwise changes any provisions of the state revenue laws, administrative rules, court decisions, or revenue ~~notices~~ rulings.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 9. Minnesota Statutes 2024, section 270C.085, is amended to read:

270C.085 NOTIFICATION REQUIREMENTS; SALES AND USE TAXES.

The commissioner of revenue shall establish a means of electronically notifying persons holding a sales tax permit under section 297A.84 of any statutory change in chapter 297A and any issuance or change in any administrative rule, revenue ~~notice~~ ruling, or sales tax fact sheet or other written information provided by the department explaining the interpretation or administration of the tax imposed under that chapter. The notification must indicate the basic subject of the statute, rule, fact sheet, or other material and provide an electronic link to the material. Any person holding a sales tax permit that provides an electronic address to the department must receive these notifications unless they specifically request electronically, or in writing, to be removed from the notification list. This requirement

does not replace traditional means of notifying the general public or persons without access to electronic communications of changes in the sales tax law.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 10. **[270C.45] CALCULATION AND DEPOSIT OF REVENUES TO THE SPORTS AND EVENTS REIMBURSEMENT PROGRAM ACCOUNT.**

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

(b) "Authorized entity" means an independent third-party economic analysis firm or research organization with demonstrated expertise in conducting economic impact studies for large-scale events, including the ability to quantify direct, indirect, and induced economic activity and estimate associated tax revenue generation.

(c) "Event" has the meaning given in section 116J.8753, subdivision 1, paragraph (c).

(d) "Local organizing committee" has the meaning given in section 116J.8753, subdivision 1, paragraph (e).

(e) "Site selection organization" has the meaning given in section 116J.8753, subdivision 1, paragraph (f).

(f) "University" means the University of Minnesota.

Subd. 2. **Determination of incremental increase in certain tax receipts.** (a) Following each event, a local organizing committee must request a determination of the incremental increase in tax revenues directly attributable to the event. The request must be submitted to the university or authorized entity in the form and manner prescribed by the university and the commissioner. The university must notify a local organizing committee within seven days if the university is unable to provide a determination. Upon notification, a local organizing committee must request a determination from an authorized entity.

(b) Within ten days of the conclusion of an event, the university must commence an estimate of the incremental increase in tax revenues listed in paragraph (c) that the university or authorized entity determines are directly attributable to the preparation for and presentation of an event for a one-year period that begins two months before the date on which the event will begin. The university or authorized entity must use the information submitted by the local organizing committee under paragraph (a) for each event.

(c) Revenues from the following taxes must be included in the determination of incremental increase under paragraph (b):

(1) notwithstanding section 297A.62, subdivision 4, the tax imposed under section 297A.62, subdivision 1;

(2) the taxes imposed under section 297A.64, subdivisions 1 and 2;

(3) the tax imposed under section 295.75;

(4) the tax imposed under section 295.81;

(5) the fee imposed under section 168E.03; and

(6) the taxes imposed under sections 290.02 and 290.03.

Subd. 3. **Deposit of revenues.** Within 30 days after the determination of incremental increase in the tax revenues under subdivision 2, paragraph (b), the commissioner must disburse the amount of the incremental increase to the local organizing committee for the purposes enumerated in section 116J.8753, subdivision 5. The commissioner of revenue must not make any disbursement to an entity other than the local organizing committee that requested a determination of incremental increase for an event under subdivision 2, paragraph (a).

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

Sec. 11. Minnesota Statutes 2024, section 270C.56, subdivision 1, is amended to read:

Subdivision 1. **Liability imposed.** A person who, either singly or jointly with others, has the control of, supervision of, or responsibility for filing returns or reports, paying taxes, or collecting or withholding and remitting taxes and who fails to do so, or a person who is liable under any other law, is liable for the payment of taxes arising under chapters 295, 296A, 297A, 297F, and 297G, or sections 290.034, 290.92, and 297E.02, and the applicable penalties and interest on those taxes.

EFFECTIVE DATE. This section is effective for convictions of fraud made after December 31, 2025.

Sec. 12. Minnesota Statutes 2024, section 289A.40, subdivision 1, is amended to read:

Subdivision 1. **Time limit; generally.** (a) Unless otherwise provided in this chapter, a claim for a refund of an overpayment of state tax must be filed within 3-1/2 years from the date prescribed for filing the return, plus any extension of time granted for filing the return, but only if filed within the extended time, or ~~one year from the date of an order assessing tax under section 270C.33 or an order determining an appeal under section 270C.35, subdivision 8, or one year from the date of a return made by the commissioner under section~~

~~270C.33, subdivision 3, upon payment in full of the tax, penalties, and interest shown on the order or return made by the commissioner~~ two years from the date the tax, penalties, or interest was paid, whichever period expires later. ~~Claims for refund, except for taxes under chapter 297A, filed after the 3-1/2 year period but within the one-year period are limited to the amount of the tax, penalties, and interest on the order or return made by the commissioner and to issues determined by the order or return made by the commissioner.~~

~~In the case of assessments under section 289A.38, subdivision 5 or 6, claims for refund under chapter 297A filed after the 3-1/2 year period but within the one-year period are limited to the amount of the tax, penalties, and interest on the order or return made by the commissioner that are due for the period before the 3-1/2 year period.~~

(b) For purposes of this subdivision, the amount of a refund is limited as follows:

(1) if the claim was filed by the taxpayer during the 3-1/2 year period prescribed in paragraph (a), the refund must not exceed the tax, penalties, and interest paid within the period, immediately preceding the filing of the claim, equal to 3-1/2 years plus any extension of time granted for filing the return, but only if filed within the extended time;

(2) if the claim was not filed by the taxpayer within the 3-1/2 year period prescribed in paragraph (a), the refund must not exceed the tax, penalties, and interest paid during the two years immediately preceding the filing of the claim; and

(3) if no claim was filed by the taxpayer, the refund must not exceed the amount which would be allowable under clause (1) or (2), if the claim was filed on the date the refund is allowed.

(c) For purposes of this subdivision, the prepayment of tax made by withholding of tax at the source or payment of estimated tax before the due date is considered paid on the last day prescribed by law for the payment of the tax by the taxpayer. A return filed before the last day prescribed for filing the return is considered to be filed on the last day. If an extension for filing a return is granted, a return filed before the extended due date is considered to be filed on the extended due date.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to claims for refund filed on or after that date.

Sec. 13. Minnesota Statutes 2024, section 289A.60, subdivision 6, is amended to read:

Subd. 6. **Penalty for failure to file, false or fraudulent return, evasion.** (a) If a person, with intent to evade or defeat a tax or payment of tax, fails to file a return, files a false or fraudulent return, or attempts in any other manner to evade or defeat a tax or payment of

tax, there is imposed on the person a penalty equal to 50 percent of the tax, less amounts paid by the person on the basis of the false or fraudulent return, if any, due for the period to which the return related.

(b) If a person files a false or fraudulent return that includes a claim for refund, there is imposed on the person a penalty equal to 50 percent of the portion of any refund claimed that is attributable to fraud. The penalty under this paragraph is in addition to any penalty imposed under paragraph (a) or (c).

(c) If a person receives money, whether reported or not reported on a return, that is due to fraud of a public program as defined in section 290.034, subdivision 1, without regard to whether a conviction resulted, there may be imposed on the person a penalty equal to 100 percent of the amounts received attributable to the fraud. The penalty under this paragraph is in addition to any penalty imposed under paragraph (a) or (b). This penalty must not be assessed on any amounts already assessed under section 290.034. Any amounts collected must be deposited to the tax relief account identified in section 290.034, subdivision 5.

EFFECTIVE DATE. This section is effective for convictions of fraud made after December 31, 2025.

Sec. 14. **[290.034] TAX ON AMOUNTS OBTAINED THROUGH FRAUD.**

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

(b) "First-tier rate" means the lowest rate cited in section 290.06, subdivision 2c, paragraphs (a) to (c).

(c) "Public program" and "fraud" have the meanings given in section 13.357.

(d) "Program fraud amount" means the amount of money acquired directly or indirectly by fraud of a public program that is certified to the commissioner under subdivision 4. This definition excludes refunds for overpayment of taxes.

Subd. 2. **Tax imposed.** (a) A tax equal to 100 percent of the program fraud amount is imposed on any person or organization convicted by a state or federal court of fraud.

(b) The tax under this section applies regardless of any amount of restitution, tax, or penalty imposed on or paid by a person or organization described in paragraph (a).

(c) If multiple persons or organizations are convicted of the same fraud, the liability shall be joint and several on the convicted persons or organizations.

(d) The assessment of this tax under paragraph (a) is considered a jeopardy assessment or jeopardy collection as provided in section 270C.36.

Subd. 3. **Data sharing.** As authorized by section 270B.14, subdivision 25, the commissioner may share with the Financial Crimes and Fraud Section of the Bureau of Criminal Apprehension active investigative data related to enforcement of this section.

Subd. 4. **Agency certification.** (a) After a conviction of a person or organization of fraud of a public program, the agency primarily responsible for administering the public program must certify to the commissioner the name of the person or organization, the name of the public program involved, and the amount of money the court determines the person or organization was responsible for in the conviction, regardless of the restitution amount.

(b) The agency's certification must be in the form and manner prescribed by the commissioner.

(c) An agency's certification to the commissioner is prima facie correct and valid. The person or organization has the burden of establishing its incorrectness or invalidity in any related action or proceeding.

Subd. 5. **Deposit of money.** (a) A tax relief account is established in the special revenue fund. The commissioner must deposit the money collected from the tax imposed under this section to the tax relief account.

(b) The funds will remain in this account until the following:

(1) by December 15 of each year, the commissioner must determine the amount in the tax relief account and determine the amount of a reduction in the first-tier rate for the following taxable year. The determination is based using the most recent November forecast required under section 16A.103;

(2) when there is enough money accumulated in the tax relief account, the commissioner must reduce the first-tier rate for the following taxable year. This reduction must be calculated to approximate the amount currently on deposit in the tax relief fund. The reduction must only be for that taxable year. The threshold for a reduction of the rate must not be below one-tenth of one percent; and

(3) if the rate is reduced for the following taxable year under clause (2), the amounts in the tax relief fund must be deposited in the general fund.

EFFECTIVE DATE. This section is effective for convictions of fraud made after December 31, 2025.

Sec. 15. Minnesota Statutes 2024, section 290.62, is amended to read:

290.62 DISTRIBUTION OF REVENUES.

Subdivision 1. **Deposit of revenues; general fund; refunds.** Except as provided in subdivision 2, all revenues derived from the taxes, interest, penalties and charges under this chapter shall, notwithstanding any other provisions of law, be paid into the state treasury and credited to the general fund, and be distributed as follows:

(1) There shall, notwithstanding any other provision of the law, be paid from this general fund all refunds of taxes erroneously collected from taxpayers under this chapter as provided herein;

(2) There is hereby appropriated to the persons entitled to payment herein, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

Subd. 2. **Deposit of revenues; sports and events reimbursement program.** The commissioner must deposit the share of revenues of the taxes imposed under this chapter that are directly attributable to an event in the amount determined under section 270C.45 to the sports and events reimbursement program account.

EFFECTIVE DATE. This section is effective for revenues collected in taxable years beginning after the day following final enactment.

Sec. 16. Minnesota Statutes 2024, section 295.75, subdivision 11, is amended to read:

Subd. 11. **Deposit of revenues; sports and events reimbursement program account.** Except as provided in subdivision 11a, the commissioner shall deposit all revenues, including penalties and interest, derived from the tax imposed by this section in the general fund.

EFFECTIVE DATE. This section is effective for revenues collected for sales and purchases made after the day following final enactment.

Sec. 17. Minnesota Statutes 2024, section 295.75, is amended by adding a subdivision to read:

Subd. 11a. **Deposit of revenues; sports and events reimbursement program account.** The commissioner must deposit the share of revenues of the taxes imposed under this chapter that are directly attributable to an event in the amount determined under section 270C.45 to the sports and events reimbursement program account.

EFFECTIVE DATE. This section is effective for revenues collected for sales and purchases made after the day following final enactment.

Sec. 18. Minnesota Statutes 2025 Supplement, section 295.81, subdivision 10, is amended to read:

Subd. 10. **Deposit of revenues; account established.** Except as provided in subdivision 10a, the commissioner must deposit the revenues, including penalties and interest, derived from the tax imposed by this section in the general fund.

EFFECTIVE DATE. This section is effective for revenues collected for sales and purchases made after the day following final enactment.

Sec. 19. Minnesota Statutes 2024, section 295.81, is amended by adding a subdivision to read:

Subd. 10a. **Deposit of revenues; sports and events reimbursement program account.** The commissioner must deposit the share of revenues of the taxes imposed under this chapter that are directly attributable to an event in the amount determined under section 270C.45 to the sports and events reimbursement program account.

EFFECTIVE DATE. This section is effective for revenues collected for sales and purchases made after the day following final enactment.

Sec. 20. Minnesota Statutes 2025 Supplement, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan

guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

(g) Each month the commissioner must deposit an amount equal to the estimated revenues derived from the taxes imposed under section 297A.62, subdivision 1, on the sale and purchase of motor vehicle repair and replacement parts in the state treasury and credit:

(1) a percentage to the highway user tax distribution fund as follows:

(i) 43.5 percent in each of fiscal years 2024 and 2025;

(ii) 43 percent in fiscal year 2026;

(iii) 41 percent in fiscal year 2027;

(iv) 36 percent in fiscal year 2028;

(v) 30 percent in fiscal year 2029;

(vi) 36 percent in each of fiscal years 2030 to 2034;

(vii) 38.5 percent in fiscal year 2035;

(viii) 41 percent in fiscal year 2036; and

(ix) 43.5 percent in fiscal year 2037 and thereafter;

(2) a percentage to the transportation advancement account under section 174.49 as follows:

(i) 3.5 percent in fiscal year 2024;

(ii) 4.5 percent in fiscal year 2025;

(iii) 5.5 percent in fiscal year 2026;

(iv) 7.5 percent in fiscal year 2027;

(v) 14.5 percent in fiscal year 2028;

(vi) 21.5 percent in fiscal year 2029;

(vii) 28.5 percent in fiscal year 2030;

(viii) 36.5 percent in fiscal year 2031;

(ix) 44.5 percent in fiscal year 2032; and

(x) 56.5 percent in fiscal year 2033 and thereafter; and

(3) the remainder in each fiscal year to the general fund.

After each February forecast, and prior to the following April 15, the commissioner shall estimate the monthly deposit amount for use in the following fiscal year based on the estimate of average revenue derived from the taxes imposed under section 297A.62, subdivision 1, on the sale and purchase of motor vehicle repair and replacement parts from the department's three most recent consumption tax models. For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use.

(h) 81.56 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 47.5 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants;

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo; and

(6) 2.5 percent of the receipts must be deposited in the pollinator account established in section 103B.101, subdivision 19.

(i) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in a regional parks and trails account in the natural resources fund and may only be spent for parks and trails of regional significance outside of the seven-county metropolitan area under section 85.535, based on recommendations from the Greater Minnesota Regional Parks and Trails Commission under section 85.536.

(j) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in an outdoor recreational opportunities for underserved communities account in the natural resources fund and may only be spent on projects and activities that connect diverse and underserved Minnesotans through expanding cultural environmental experiences, exploration of their environment, and outdoor recreational activities.

(k) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money

deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

(l) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

(1) 25 percent to the volunteer fire assistance grant account established under section 88.068;

(2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and

(3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

(m) The commissioner must deposit the share of revenues of the taxes imposed under this chapter that are directly attributable to an event in the amount determined under section 270C.45 to the sports and events reimbursement program account.

~~(m)~~ (n) The revenues deposited under paragraphs (a) to ~~(l)~~ (m) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

EFFECTIVE DATE. This section is effective for revenue collected for sales and purchases made after the day following final enactment.

Sec. 21. Minnesota Statutes 2025 Supplement, section 299C.061, subdivision 6, is amended to read:

Subd. 6. **Data sharing authorized.** Notwithstanding chapter 13 or any other statute related to the classification of government data to the contrary, state agencies making a referral under subdivision 4 or 5 shall provide data related to the suspected fraudulent activity to the Section, including data classified as not public. The Section may share active criminal investigative data concerning insurance fraud with the Department of Commerce and active criminal investigative data concerning tax administration with the Department of Revenue. Data shared by the Section under this subdivision are classified under section 13.82, subdivision 7.

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

Sec. 22. Minnesota Statutes 2024, section 383A.80, subdivision 4, is amended to read:

Subd. 4. **Expiration.** The authority to impose the tax under this section expires January 1, ~~2028~~ 2036.

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

Sec. 23. Minnesota Statutes 2024, section 383B.80, subdivision 4, is amended to read:

Subd. 4. **Expiration.** The authority to impose the tax under this section expires January 1, ~~2028~~ 2036.

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

Sec. 24. **EFFECT OF REVENUE NOTICES.**

A revenue notice published by the commissioner of revenue on or before July 1, 2026, has the full force and effect of revenue rulings under Minnesota Statutes, section 270C.07. If the commissioner of revenue modifies a revenue notice after June 30, 2026, the commissioner of revenue must publish the modification as a revenue ruling pursuant to Minnesota Statutes, section 270C.07.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 25. **NO OBLIGATION TO LIST ON LIQUOR POSTING; TEMPORARY AUTHORITY.**

(a) Notwithstanding Minnesota Statutes, section 270C.725, the commissioner of revenue is under no obligation to list a qualifying taxpayer whose business is a place of public accommodation.

(b) For purposes of this section the following definitions apply:

(1) "qualifying taxpayer" means a taxpayer that:

(i) is ten days or more delinquent in either filing a tax return or paying a tax imposed by Minnesota Statutes, sections 290.02, 290.0922, 290.92, 290.9727, 290.9728, 290.9729, or 297A.62, or local sales and use tax payable to the commissioner of revenue, or a local option tax administered and collected by the commissioner of revenue; and

(ii) within seven days of receiving notification from the commissioner of revenue of the intended action to list the taxpayer on the liquor posting, has filed a request for abatement of penalty under Minnesota Statutes, section 270C.34 or section 289A.60, subdivision 4, or a request for abatement of interest or additional tax charge; and

(2) "place of public accommodation" has the meaning given in Minnesota Statutes, section 363A.03, subdivision 34.

(c) This section expires December 31, 2027.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2026, and applies to taxes first required to be paid, and returns first required to be filed, after that date.

Sec. 26. **APPROPRIATION; CITY OF SOUTH ST. PAUL; GRANT.**

(a) $250,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of revenue for a grant to the city of South St. Paul. This is a onetime appropriation. The grant must be paid by June 30, 2026. The grant under this section is not subject to retention of administrative costs under Minnesota Statutes, section 16B.98, subdivision 14.

(b) The grant under this section must be used by the city of South St. Paul to pay for planning and development costs within the city.

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

Sec. 27. **APPROPRIATION; PROFESSIONAL GOLFERS' ASSOCIATION OF AMERICA (PGA) CHAMPIONSHIP EVENTS.**

$7,000,000 in fiscal year 2027 is appropriated from the general fund to the director of Explore Minnesota for a grant to the city of Chaska to attract, and for costs associated with hosting, a package of future PGA of America championship-level events, which shall include at least one men's PGA championship and one women's PGA championship. This appropriation is onetime and is available until June 30, 2029. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the director may use up to two percent of the amount appropriated for administrative costs.

Sec. 28. **CANCELLATIONS.**

$7,000,000 of the fiscal year 2024 Minnesota forward fund account appropriation in Laws 2023, chapter 53, article 21, section 7, paragraph (c), is canceled.

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

Sec. 29. **TRANSFER.**

$7,000,000 in fiscal year 2027 is transferred from the Minnesota forward fund account established in Minnesota Statutes, section 116J.8752, subdivision 3, to the general fund. This is a onetime transfer.

ARTICLE 12

DEPARTMENT OF REVENUE; INDIVIDUAL INCOME AND CORPORATE FRANCHISE TAXES

Section 1. Minnesota Statutes 2024, section 289A.08, subdivision 7, is amended to read:

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

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

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

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

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

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

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

(h) The composite return election provided in this subdivision is available to a nonresident partner who incurs an accelerated gain on installment sales under section 290.0137, paragraph (a). A nonresident partner who elects to defer the gain on installment sales under section 290.0137, paragraph (b), cannot utilize the composite return election for the partnership until the recognition of the deferred gain is completed. A nonresident who makes the election in section 290.0137, paragraph (b), must report the deferred gain on the nonresident's individual income tax return in the manner prescribed by the commissioner.

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

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

~~(j)~~ (k) For the purposes of this subdivision, "income" has the meaning given in section 290.01, subdivision 19, paragraph (h).

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2025.

Sec. 2. Minnesota Statutes 2024, section 290.01, subdivision 19, is amended to read:

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

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

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

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

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

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

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

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

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

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

(h) In the case of a partnership electing to file a composite return under section 289A.08, subdivision 7, "net income" means the partner's share of federal adjusted gross income from the partnership modified by:

(1) the additions provided in section 290.0131, subdivisions 8 to 10, 16, and 17, and 290.0137, paragraph (a); and

(2) the subtractions provided in: ~~(1)~~ (i) section 290.0132, subdivisions 9, 27, and 28, to the extent the amount is assignable or allocable to Minnesota under section 290.17; ~~and (2)~~ (ii) section 290.0132, subdivision 14; and (iii) section 290.0137, paragraph (c).

The subtraction allowed under section 290.0132, subdivision 9, is only allowed on the composite tax computation to the extent the electing partner would have been allowed the subtraction.

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

allowed the subtraction. The income of both a resident and nonresident qualifying owner is allocated and assigned to this state as provided for nonresident partners and shareholders under sections 290.17, 290.191, and 290.20.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2025.

Sec. 3. Minnesota Statutes 2024, section 290.0137, is amended to read:

290.0137 ACCELERATED RECOGNITION OF CERTAIN INSTALLMENT SALE GAINS.

(a) In the case of a nonresident individual or a person who becomes a nonresident individual during the tax year, taxable net income shall include the amount realized upon a sale of the assets of, or any interest in, an S corporation or partnership that operated in Minnesota during the year of sale, including any income or gain to be recognized in future years pursuant to an installment sale method of reporting under the Internal Revenue Code.

(1) For the purposes of this paragraph, an individual who becomes a nonresident of Minnesota in any year after an installment sale is required to recognize the full amount of any income or gain described in this paragraph on the individual's final Minnesota resident tax return to the extent that such income has not been recognized in a prior year.

(2) For the purposes of this section, "realized" has the meaning given in section 1001(b) of the Internal Revenue Code.

(3) For the purposes of this section, "installment sale" means any installment sale under section 453 of the Internal Revenue Code and any other sale that is reported utilizing a method of accounting authorized under subchapter E of the Internal Revenue Code that allows taxpayers to delay reporting or recognizing a realized gain until a future year.

(b) Notwithstanding paragraph (a), nonresident taxpayers may elect to defer recognizing unrecognized installment sale gains by making an election under this paragraph. The election must be filed on a form to be determined or prescribed by the commissioner and must be filed by the due date of the individual income tax return, including any extension. Electing taxpayers must make an irrevocable agreement to:

(1) file Minnesota tax returns in all subsequent years when gains from the installment sales are recognized and reported to the Internal Revenue Service;

(2) allocate gains to the state of Minnesota as though the gains were realized in the year of sale under section 290.17, 290.191, or 290.20; and

(3) include all relevant federal tax documents reporting the installment sale with subsequent Minnesota tax returns.

(c) Income or gain recognized for Minnesota purposes pursuant to paragraph (a) must be excluded from taxable net income in any future year that ~~the taxpayer files a Minnesota tax return~~ a composite Minnesota tax return is filed to the extent that the income or gain has already been subject to tax pursuant to paragraph (a). If a composite Minnesota tax return is not filed, then any income or gain recognized for Minnesota purposes under paragraph (a) must be excluded from taxable net income in any future year in which the taxpayer files a Minnesota tax return to the extent that the income or gain has already been subject to tax pursuant to paragraph (a).

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2025.

ARTICLE 13
DEPARTMENT OF REVENUE; PROPERTY TAXES

Section 1. Minnesota Statutes 2024, section 273.032, is amended to read:

273.032 MARKET VALUE DEFINITION.

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

(1) the market value exclusions under:

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

~~(ii) section 273.11, subdivisions 19 and 20 (certain improvements to business properties);~~

~~(iii)~~ (ii) section 273.11, subdivision 21 (homestead property damaged by mold);

~~(iv)~~ (iii) section 273.13, subdivision 34 (homestead of a veteran with a disability or family caregiver); or

~~(v)~~ (iv) section 273.13, subdivision 35 (homestead market value exclusion); or

(2) the deferment of value under:

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

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

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

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

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

(3) the adjustments to tax capacity for:

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

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

(iii) powerline credit under section 273.425.

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

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

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

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

Sec. 2. Minnesota Statutes 2024, section 273.111, subdivision 9, is amended to read:

Subd. 9. **Additional taxes.** ~~(a) Except as provided in paragraph (b),~~ When real property which is being, or has been valued and assessed under this section no longer qualifies under subdivision 3, the portion no longer qualifying shall be subject to additional taxes, in the amount equal to the difference between the taxes determined in accordance with subdivision 4, and the amount determined under subdivision 5. Provided, however, that the amount determined under subdivision 5 shall not be greater than it would have been had the actual bona fide sale price of the real property at an arm's-length transaction been used in lieu of

the market value determined under subdivision 5. Such additional taxes shall be extended against the property on the tax list for the current year, provided, however, that no interest or penalties shall be levied on such additional taxes if timely paid, and provided further, that such additional taxes shall only be levied with respect to the last three years that the said property has been valued and assessed under this section.

~~(b) Real property that has been valued and assessed under this section prior to May 29, 2008, and that ceases to qualify under this section after May 28, 2008, and is withdrawn from the program before August 16, 2010, is not subject to additional taxes under this subdivision or subdivision 3, paragraph (c). If additional taxes have been paid under this subdivision with respect to property described in this paragraph prior to April 3, 2009, the county must repay the property owner in the manner prescribed by the commissioner of revenue.~~

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

Sec. 3. **REPEALER.**

Minnesota Statutes 2024, sections 272.02, subdivision 31; 273.11, subdivisions 19 and 20; 273.1315, subdivision 1; 273.1385; 273.25; 273.65; 273.66; 273.67; 274.07; 428B.02, subdivision 7; 477A.085; and 477A.18, are repealed.

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

ARTICLE 14
DEPARTMENT OF REVENUE; MISCELLANEOUS

Section 1. Minnesota Statutes 2024, section 123B.53, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service revenue of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district for eligible projects according to subdivision 2, excluding the amounts listed in paragraph (b), minus

(2) the amount of debt service excess levy reduction for that school year calculated according to the procedure established by the commissioner.

(b) The obligations in this paragraph are excluded from eligible debt service revenue:

(1) obligations under section 123B.61;

(2) the part of debt service principal and interest paid from the taconite environmental protection fund or Douglas J. Johnson economic protection trust, excluding the portion of taconite payments from the Iron Range schools and community development account under section 298.28, subdivision 7a;

(3) obligations for long-term facilities maintenance under section 123B.595;

(4) obligations under section 123B.62; and

(5) obligations equalized under section 123B.535.

(c) For purposes of this section, if a preexisting school district reorganized under sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement of the preexisting district's bonded indebtedness or capital loans, debt service equalization aid must be computed separately for each of the preexisting districts.

~~(d) For purposes of this section, the adjusted net tax capacity determined according to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property generally exempted from ad valorem taxes under section 272.02, subdivision 64.~~

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

Sec. 2. Minnesota Statutes 2024, section 123B.535, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible natural disaster debt service revenue of a district is defined as the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district that would otherwise qualify under section 123B.53 under the following conditions:

(1) the district was impacted by a natural disaster event or area occurring January 1, 2005, or later, as declared by the President of the United States of America, which is eligible for Federal Emergency Management Agency payments;

(2) the natural disaster caused $500,000 or more in damages to school district buildings; and

(3) the repair and replacement costs are not covered by insurance payments or Federal Emergency Management Agency payments.

(b) For purposes of this section, the adjusted net tax capacity equalizing factor equals the quotient derived by dividing the total adjusted net tax capacity of all school districts in the state for the year before the year the levy is certified by the total number of adjusted pupil units in the state for the year prior to the year the levy is certified.

~~(c) For purposes of this section, the adjusted net tax capacity determined according to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property generally exempted from ad valorem taxes under section 272.02, subdivision 64.~~

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

Sec. 3. Minnesota Statutes 2025 Supplement, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(1) state and federal agencies specifically authorized access to the data by state or federal law;

(2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;

(3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;

(4) the public authority responsible for child support in Minnesota or any other state in accordance with section 518A.83;

(5) human rights agencies within Minnesota that have enforcement powers;

(6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;

(7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(8) the Department of Labor and Industry, the Department of Commerce, and the Bureau of Criminal Apprehension for uses consistent with the administration of their duties under Minnesota law;

(9) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for

investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;

(10) the Department of Human Services for the purpose of evaluating medical assistance services and supporting program improvement;

(11) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program and other cash assistance programs, the Supplemental Nutrition Assistance Program, and the Supplemental Nutrition Assistance Program Employment and Training program by providing data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 142E, or medical programs under chapter 256B or 256L or formerly codified under chapter 256D;

(12) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

(13) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(14) the United States Immigration and Customs Enforcement has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

(15) the Department of Health for the purposes of epidemiologic investigations;

(16) the Department of Corrections for the purposes of case planning and internal research for preprobation, probation, and postprobation employment tracking of offenders sentenced to probation and preconfinement and postconfinement employment tracking of committed offenders;

~~(17) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201;~~

~~(18)~~ (17) the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System;

~~(19)~~ (18) the Family and Medical Benefits Division of the Department of Employment and Economic Development to be used as necessary to administer chapter 268B; and

~~(20)~~ (19) the executive director or interim executive director of the Minnesota Secure Choice Retirement Program established under chapter 187 for the purposes of assisting with communication with employers and to verify employer compliance with chapter 187.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

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

Sec. 4. Minnesota Statutes 2024, section 270B.14, subdivision 3, is amended to read:

Subd. 3. **Administration of enterprise and job opportunity programs.** The commissioner may disclose return information relating to the taxes imposed by chapters 290 and 297A to the Department of Employment and Economic Development or a municipality with a border city enterprise zone as defined under section 469.166, but only as necessary to administer the funding limitations under section 469.169~~, or to the Department of Employment and Economic Development and appropriate officials from the local government units in which a qualified business is located but only as necessary to enforce the job opportunity building zone benefits under section 469.315~~.

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

Sec. 5. Minnesota Statutes 2024, section 270B.15, is amended to read:

270B.15 DISCLOSURE TO LEGISLATIVE AUDITOR ~~AND STATE AUDITOR~~.

~~(a)~~ Returns and return information must be disclosed to the legislative auditor to the extent necessary for the legislative auditor to carry out sections 3.97 to 3.979.

~~(b) The commissioner must disclose return information, including the report required under section 289A.12, subdivision 15, to the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201.~~

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

Sec. 6. Minnesota Statutes 2024, section 270C.055, is amended by adding a subdivision to read:

Subd. 4. **Venue.** Unless otherwise provided in chapter 289A, if two or more criminal offenses under the state revenue laws or chapter 349 are committed by the same person in more than one county, the accused may be prosecuted for all the offenses in any county in which one of the offenses was committed.

EFFECTIVE DATE. This section is effective for criminal offenses committed after July 31, 2026.

Sec. 7. Minnesota Statutes 2024, section 290.01, subdivision 29, is amended to read:

Subd. 29. **Taxable income.** The term "taxable income" means:

(1) for individuals, estates, and trusts, the same as taxable net income;

(2) for corporations, the taxable net income less

(i) the net operating loss deduction under section 290.095; and

(ii) the dividends received deduction under section 290.21, subdivision 4~~; and~~.

~~(iii) the exemption for operating in a job opportunity building zone under section 469.317.~~

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

Sec. 8. Minnesota Statutes 2024, section 290.0921, subdivision 3, is amended to read:

Subd. 3. **Alternative minimum taxable income.** "Alternative minimum taxable income" is Minnesota net income as defined in section 290.01, subdivision 19, and includes the adjustments and tax preference items in sections 56, 57, 58, and 59(d), (e), (f), and (h) of the Internal Revenue Code. If a corporation files a separate company Minnesota tax return, the minimum tax must be computed on a separate company basis. If a corporation is part of a tax group filing a unitary return, the minimum tax must be computed on a unitary basis. The following adjustments must be made.

(1) The portion of the depreciation deduction allowed for federal income tax purposes under section 168(k) of the Internal Revenue Code that is required as an addition under section 290.0133, subdivision 11, is disallowed in determining alternative minimum taxable income.

(2) The subtraction for depreciation allowed under section 290.0134, subdivision 13, is allowed as a depreciation deduction in determining alternative minimum taxable income.

(3) The alternative tax net operating loss deduction under sections 56(a)(4) and 56(d) of the Internal Revenue Code does not apply.

(4) The special rule for certain dividends under section 56(g)(4)(C)(ii) of the Internal Revenue Code does not apply.

(5) The tax preference for depletion under section 57(a)(1) of the Internal Revenue Code does not apply.

(6) The tax preference for tax exempt interest under section 57(a)(5) of the Internal Revenue Code does not apply.

(7) The tax preference for charitable contributions of appreciated property under section 57(a)(6) of the Internal Revenue Code does not apply.

(8) For purposes of calculating the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code, the term "alternative minimum taxable income" as it is used in section 56(g) of the Internal Revenue Code, means alternative minimum taxable income as defined in this subdivision, determined without regard to the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code.

(9) For purposes of determining the amount of adjusted current earnings under section 56(g)(3) of the Internal Revenue Code, no adjustment shall be made under section 56(g)(4) of the Internal Revenue Code with respect to (i) the amount of foreign dividend gross-up subtracted as provided in section 290.0134, subdivision 2, or (ii) the amount of refunds of income, excise, or franchise taxes subtracted as provided in section 290.0134, subdivision 8.

~~(10) Alternative minimum taxable income excludes the income from operating in a job opportunity building zone as provided under section 469.317.~~

~~Items of tax preference must not be reduced below zero as a result of the modifications in this subdivision.~~

~~(11)~~ (10) The subtraction for disallowed section 280E expenses under section 290.0134, subdivision 19, is allowed as a deduction in determining alternative minimum taxable income.

Items of tax preference must not be reduced below zero as a result of the modifications in this subdivision.

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

Sec. 9. Minnesota Statutes 2024, section 290.0922, subdivision 2, is amended to read:

Subd. 2. **Exemptions.** The following entities are exempt from the tax imposed by this section:

(1) corporations exempt from tax under section 290.05;

(2) real estate investment trusts;

(3) regulated investment companies or a fund thereof;

(4) entities having a valid election in effect under section 860D(b) of the Internal Revenue Code;

(5) township mutual insurance companies; and

(6) cooperatives organized under chapter 308A, 308B, or 308C that provide housing exclusively to persons age 55 and over and are classified as homesteads under section 273.124, subdivision 3~~; and~~.

~~(7) a qualified business as defined under section 469.310, subdivision 11, if for the taxable year all of its property is located in a job opportunity building zone designated under section 469.314 and all of its payroll is a job opportunity building zone payroll under section 469.310.~~

Entities not specifically exempted by this subdivision are subject to tax under this section, notwithstanding section 290.05.

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

Sec. 10. Minnesota Statutes 2024, section 290.0922, subdivision 3, is amended to read:

Subd. 3. **Definitions.** (a) "Minnesota sales or receipts" means the total sales apportioned to Minnesota pursuant to section 290.191, subdivision 5, the total receipts attributed to Minnesota pursuant to section 290.191, subdivisions 6 to 8, and/or the total sales or receipts apportioned or attributed to Minnesota pursuant to any other apportionment formula applicable to the taxpayer.

(b) "Minnesota property" means total Minnesota tangible property as provided in section 290.191, subdivisions 9 to 11, and any other tangible property located in Minnesota~~, but does not include the property of a qualified business as defined under section 469.310, subdivision 11, that is located in a job opportunity building zone designated under section~~

~~469.314~~. Intangible property shall not be included in Minnesota property for purposes of this section. Taxpayers who do not utilize tangible property to apportion income shall nevertheless include Minnesota property for purposes of this section. On a return for a short taxable year, the amount of Minnesota property owned, as determined under section 290.191, shall be included in Minnesota property based on a fraction in which the numerator is the number of days in the short taxable year and the denominator is 365.

(c) "Minnesota payrolls" means total Minnesota payrolls as provided in section 290.191, subdivision 12, but does not include the job opportunity building zone payroll under section 469.310, subdivision 8, of a qualified business as defined under section 469.310, subdivision 11. Taxpayers who do not utilize payrolls to apportion income shall nevertheless include Minnesota payrolls for purposes of this section.

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

Sec. 11. Minnesota Statutes 2024, section 295.52, subdivision 5, is amended to read:

Subd. 5. **Volunteer ambulance services.** Volunteer ambulance services are not subject to the tax under this section. For purposes of this requirement, "volunteer ambulance service" means an ambulance service in which all of the individuals whose primary responsibility is direct patient care meet the definition of volunteer ambulance attendant under section 144E.001, subdivision 15. The ambulance service may employ administrative and support staff, and remain eligible for this exemption, if the primary responsibility of these staff is not direct patient care.

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

Sec. 12. Minnesota Statutes 2025 Supplement, section 297A.75, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

~~(9)~~ (8) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph (a), clause (10);

~~(10)~~ (9) materials, supplies, and equipment for construction or improvement of projects and facilities under section 297A.71, subdivision 40;

~~(11)~~ (10) enterprise information technology equipment and computer software for use in a qualified data center, qualified large-scale data center, or qualified refurbished data center exempt under section 297A.68, subdivision 42;

~~(12)~~ (11) materials, supplies, and equipment for qualifying capital projects under section 297A.71, subdivision 44, paragraphs (a) and (b);

~~(13)~~ (12) items purchased for use in providing critical access dental services exempt under section 297A.70, subdivision 7, paragraph (c);

~~(14)~~ (13) items and services purchased under a business subsidy agreement for use or consumption primarily in greater Minnesota exempt under section 297A.68, subdivision 44;

~~(15)~~ (14) building materials, equipment, and supplies for constructing or replacing real property exempt under section 297A.71, subdivisions ~~49;~~ 50, paragraph (b)~~;~~, and 51;

~~(16)~~ (15) building materials, equipment, and supplies for qualifying capital projects under section 297A.71, subdivision 52;

~~(17)~~ (16) building materials, equipment, and supplies for constructing, remodeling, expanding, or improving a fire station, police station, or related facilities exempt under section 297A.71, subdivision 53; and

~~(18)~~ (17) building materials, equipment, and supplies for constructing, remodeling, or improving a sustainable aviation fuel facility exempt under section 297A.71, subdivision 54.

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

Sec. 13. Minnesota Statutes 2025 Supplement, section 297A.75, subdivision 2, is amended to read:

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

(1) for subdivision 1, clauses (1), (2), and ~~(13)~~ (12), the applicant must be the purchaser;

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

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

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

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

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

(7) for subdivision 1, clauses ~~(8), (11), and (14)~~ (10) and (13), the owner of the qualifying business;

(8) for subdivision 1, clauses ~~(9), (10), (12), (16), and (17)~~ (8), (9), (11), (15), and (16), the applicant must be the governmental entity that owns or contracts for the project or facility;

(9) for subdivision 1, clause ~~(15)~~ (14), the applicant must be the owner or developer of the building or project; and

(10) for subdivision 1, clause ~~(18)~~ (17), the applicant must be the owner or developer of the sustainable aviation fuel facility.

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

Sec. 14. Minnesota Statutes 2025 Supplement, section 297A.75, subdivision 3, is amended to read:

Subd. 3. **Application.** (a) The application must include sufficient information to permit the commissioner to verify the tax paid. If the tax was paid by a contractor, subcontractor, or builder, under subdivision 1, clauses (3) to ~~(12)~~ (11) or ~~(14) to (18)~~ (13) to (17), the contractor, subcontractor, or builder must furnish to the refund applicant a statement including the cost of the exempt items and the taxes paid on the items unless otherwise specifically provided by this subdivision. The provisions of sections 289A.40 and 289A.50 apply to refunds under this section.

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

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

Sec. 15. Minnesota Statutes 2025 Supplement, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

(g) Each month the commissioner must deposit an amount equal to the estimated revenues derived from the taxes imposed under section 297A.62, subdivision 1, on the sale and purchase of motor vehicle repair and replacement parts in the state treasury and credit:

(1) a percentage to the highway user tax distribution fund as follows:

(i) 43.5 percent in each of fiscal years 2024 and 2025;

(ii) 43 percent in fiscal year 2026;

(iii) 41 percent in fiscal year 2027;

(iv) 36 percent in fiscal year 2028;

(v) 30 percent in fiscal year 2029;

(vi) 36 percent in each of fiscal years 2030 to 2034;

(vii) 38.5 percent in fiscal year 2035;

(viii) 41 percent in fiscal year 2036; and

(ix) 43.5 percent in fiscal year 2037 and thereafter;

(2) a percentage to the transportation advancement account under section 174.49 as follows:

(i) 3.5 percent in fiscal year 2024;

(ii) 4.5 percent in fiscal year 2025;

(iii) 5.5 percent in fiscal year 2026;

(iv) 7.5 percent in fiscal year 2027;

(v) 14.5 percent in fiscal year 2028;

(vi) 21.5 percent in fiscal year 2029;

(vii) 28.5 percent in fiscal year 2030;

(viii) 36.5 percent in fiscal year 2031;

(ix) 44.5 percent in fiscal year 2032; and

(x) 56.5 percent in fiscal year 2033 and thereafter; and

(3) the remainder in each fiscal year to the general fund.

After each February forecast, and prior to the following April 15, the commissioner shall estimate the monthly deposit amount for use in the following fiscal year based on the estimate of average revenue derived from the taxes imposed under section 297A.62, subdivision 1, on the sale and purchase of motor vehicle repair and replacement parts from the department's three most recent consumption tax models. If, after the commissioner estimates the monthly deposit amounts and prior to July 1, the rate of tax imposed under section 297A.62, subdivision 1, or the percentages specified under this paragraph are impacted by a law change, then the commissioner must update the estimated deposit amount by July 15. For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use.

(h) 81.56 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 47.5 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants;

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo; and

(6) 2.5 percent of the receipts must be deposited in the pollinator account established in section 103B.101, subdivision 19.

(i) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in a regional parks and trails account in the natural resources fund and may only be spent for parks and trails of regional significance outside of the seven-county metropolitan area under section 85.535, based on recommendations from the Greater Minnesota Regional Parks and Trails Commission under section 85.536.

(j) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in an outdoor recreational opportunities for underserved communities account in the natural resources fund and may only be spent on projects and activities that connect diverse and underserved Minnesotans through expanding cultural environmental experiences, exploration of their environment, and outdoor recreational activities.

(k) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times

of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

(l) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

(1) 25 percent to the volunteer fire assistance grant account established under section 88.068;

(2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and

(3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

(m) The revenues deposited under paragraphs (a) to (l) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2026.

Sec. 16. Minnesota Statutes 2024, section 297B.03, is amended to read:

297B.03 EXEMPTIONS.

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) purchase or use, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by the United States and its agencies and instrumentalities and by any person described in and subject to the conditions provided in section 297A.67, subdivision 11;

(2) purchase or use of any motor vehicle by any person who was a resident of another state or country at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person began residing in the state of Minnesota and the motor vehicle was registered in the person's name in the other state or country;

(3) purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.90;

(4) purchase or use of any motor vehicle previously registered in the state of Minnesota when such transfer constitutes a transfer within the meaning of section 118, 331, 332, 336, 337, 338, 351, 355, 368, 721, 731, 1031, 1033, or 1563(a) of the Internal Revenue Code, as amended through December 16, 2016;

(5) purchase or use of any vehicle owned by a resident of another state and leased to a Minnesota-based private or for-hire carrier for regular use in the transportation of persons or property in interstate commerce provided the vehicle is titled in the state of the owner or secured party, and that state does not impose a sales tax or sales tax on motor vehicles used in interstate commerce;

(6) purchase or use of a motor vehicle by a private nonprofit or public educational institution for use as an instructional aid in automotive training programs operated by the institution. "Automotive training programs" includes motor vehicle body and mechanical repair courses but does not include driver education programs;

(7) purchase of a motor vehicle by an ambulance service licensed under section 144E.10 when that vehicle is equipped and specifically intended for emergency response or for providing ambulance service;

(8) purchase of a motor vehicle by or for a public library, as defined in section 134.001, subdivision 2, as a bookmobile or library delivery vehicle;

(9) purchase of a ready-mixed concrete truck;

(10) purchase or use of a motor vehicle by a town for use exclusively for road maintenance, including snowplows and dump trucks, but not including automobiles, vans, or pickup trucks;

(11) purchase or use of a motor vehicle by a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, except a public school, university, or library, but only if the vehicle is:

(i) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a passenger automobile, as defined in section 168.002, if the automobile is designed and used for carrying more than nine persons including the driver; and

(ii) intended to be used primarily to transport tangible personal property or individuals, other than employees, to whom the organization provides service in performing its charitable, religious, or educational purpose;

(12) purchase of a motor vehicle for use by a transit provider exclusively to provide transit service is exempt if the transit provider is either (i) receiving financial assistance or reimbursement under section 174.24 or 473.384, or (ii) operating under section 174.29, 473.388, or 473.405;

~~(13) purchase or use of a motor vehicle by a qualified business, as defined in section 469.310, located in a job opportunity building zone, if the motor vehicle is principally garaged in the job opportunity building zone and is primarily used as part of or in direct support of the person's operations carried on in the job opportunity building zone. The exemption under this clause applies to sales, if the purchase was made and delivery received during the duration of the job opportunity building zone. The exemption under this clause also applies to any local sales and use tax;~~

~~(14)~~ (13) purchase of a leased vehicle by the lessee who was a participant in a lease-to-own program from a charitable organization that is:

(i) described in section 501(c)(3) of the Internal Revenue Code; and

(ii) licensed as a motor vehicle lessor under section 168.27, subdivision 4;

~~(15)~~ (14) purchase of a motor vehicle used exclusively as a mobile medical unit for the provision of medical or dental services by a federally qualified health center, as defined under title 19 of the Social Security Act, as amended by Section 4161 of the Omnibus Budget Reconciliation Act of 1990; and

~~(16)~~ (15) purchase of a motor vehicle by a veteran having a total service-connected disability, as defined in section 171.01, subdivision 51.

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

Sec. 17. Minnesota Statutes 2025 Supplement, section 299C.76, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following definitions apply.

(b) "Federal tax information" means federal tax returns and return information or information derived or created from federal tax returns, in possession of or control by the requesting agency, that is covered by the safeguarding provisions of section 6103(p)(4) of the Internal Revenue Code.

(c) "IRS Publication 1075" means Internal Revenue Service Publication 1075 that provides guidance and requirements for the protection and confidentiality of federal tax information as required in section 6103(p)(4) of the Internal Revenue Code.

(d) "National criminal history record information" means the Federal Bureau of Investigation identification records as defined in Code of Federal Regulations, title 28, section 20.3(d).

(e) "Requesting agency" means the Department of Revenue; Department of Employment and Economic Development; Department of Human Services; Department of Children, Youth, and Families; board of directors of MNsure; Department of Information Technology Services; attorney general; Office of the Legislative Auditor; and counties.

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

Sec. 18. **REPEALER.**

Minnesota Statutes 2024, sections 272.02, subdivision 64; 272.029, subdivision 7; 289A.12, subdivision 15; 290.06, subdivision 29; 297A.68, subdivision 37; 469.310; 469.311; 469.312; 469.313; 469.314; 469.315; 469.316; 469.317; 469.318; 469.3181; 469.319; 469.3191; 469.3192; 469.3193; 469.320; and 469.3201, are repealed.

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

APPENDIX
Article locations for S5052-1

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ARTICLE 2	INCOME AND CORPORATE FRANCHISE TAXES	Page.Ln 7.20
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ARTICLE 5	LOCAL SALES AND USE AND SPECIAL TAXES	Page.Ln 54.24
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ARTICLE 8	PUBLIC FINANCE	Page.Ln 127.27
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272.02 EXEMPT PROPERTY.

Subd. 31. **Business incubator property.** Property owned by a nonprofit charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal Revenue Code that is intended to be used as a business incubator in a high-unemployment county, is exempt. As used in this subdivision, a "business incubator" is a facility used for the development of nonretail businesses, offering access to equipment, space, services, and advice to the tenant businesses, for the purpose of encouraging economic development, diversification, and job creation in the area served by the organization, and "high-unemployment county" is a county that had an average annual unemployment rate of 7.9 percent or greater in 1997. Property that qualifies for the exemption under this subdivision is limited to no more than two contiguous parcels and structures that do not exceed in the aggregate 40,000 square feet. This exemption expires after taxes payable in 2016.

Subd. 64. **Job opportunity building zone property.** (a) Improvements to real property, and personal property, classified under section 273.13, subdivision 24, and located within a job opportunity building zone, designated under section 469.314, are exempt from ad valorem taxes levied under chapter 275.

(b) Improvements to real property, and tangible personal property, of an agricultural production facility located within an agricultural processing facility zone, designated under section 469.314, is exempt from ad valorem taxes levied under chapter 275.

(c) For property to qualify for exemption under paragraph (a), the occupant must be a qualified business, as defined in section 469.310.

(d) The exemption applies beginning for the first assessment year after designation of the job opportunity building zone by the commissioner of employment and economic development. The exemption applies to each assessment year that begins during the duration of the job opportunity building zone. To be exempt, the property must be occupied by July 1 of the assessment year by a qualified business that has signed the business subsidy agreement and relocation agreement, if required, by July 1 of the assessment year. This exemption does not apply to:

(1) the levy under section 475.61 or similar levy provisions under any other law to pay general obligation bonds; or

(2) other school district levies included in the debt service levy of the district under section 123B.55.

(e) Except for property of a business that was exempt under this subdivision for taxes payable in 2008, a business must notify the county assessor in writing of eligibility under this subdivision by July 1 in order to begin receiving the exemption under this subdivision for taxes payable in the following year. The business need not annually notify the county assessor of its continued exemption under this subdivision, but must notify the county assessor immediately if the exemption no longer applies.

272.029 WIND ENERGY PRODUCTION TAX.

Subd. 7. **Exemption.** The tax imposed under this section does not apply to electricity produced by wind energy conversion systems located in a job opportunity building zone for the duration of the zone. The exemption applies beginning for the first calendar year after designation of the zone and applies to each calendar year that begins during the designation of the zone. The exemption only applies if the owner of the system is a qualified business under section 469.310, subdivision 11, who has entered into a business subsidy agreement that covers the land on which the system is situated.

273.11 VALUATION OF PROPERTY.

Subd. 19. **Valuation exclusion for improvements to certain business property.** Property classified under section 273.13, subdivision 24, which is eligible for the preferred classification rate on the market value up to $150,000, shall qualify for a valuation exclusion for assessment purposes, provided all of the following conditions are met:

(1) the building must be at least 50 years old at the time of the improvement or damaged by the 1997 floods;

(2) the building must be located in a city or town with a population of 10,000 or less that is located outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2;

(3) the total estimated market value of the land and buildings must be $100,000 or less prior to the improvement and prior to the damage caused by the 1997 floods;

(4) the current year's estimated market value of the property must be equal to or less than the property's estimated market value in each of the two previous years' assessments;

(5) a building permit must have been issued prior to the commencement of the improvement, or if the building is located in a city or town which does not have a building permit process, the property owner must notify the assessor prior to the commencement of the improvement;

(6) the property, including its improvements, has received no public assistance, grants or financing except, that in the case of property damaged by the 1997 floods, the property is eligible to the extent that the flood losses are not reimbursed by insurance or any public assistance, grants, or financing;

(7) the property is not receiving a property tax abatement under section 469.1813; and

(8) the improvements are made after the effective date of Laws 1997, chapter 231, and prior to January 1, 1999.

The assessor shall estimate the market value of the building in the assessment year immediately following the year that (1) the building permit was taken out, or (2) the taxpayer notified the assessor that an improvement was to be made. If the estimated market value of the building has increased over the prior year's assessment, the assessor shall note the amount of the increase on the property's record, and that amount shall be subtracted from the value of the property in each year for five years after the improvement has been made, at which time an amount equal to 20 percent of the excluded value shall be added back in each of the five subsequent assessment years.

For any property, there can be no more than two improvements qualifying for exclusion under this subdivision. The maximum amount of value that can be excluded from any property under this subdivision is $50,000.

The assessor shall require an application, including documentation of the age of the building from the owner, if unknown by the assessor. Applications must be received prior to July 1 of any year in order to be effective for taxes payable in the following year.

For purposes of this subdivision, "population" has the same meaning given in section 477A.011, subdivision 3.

Subd. 20. **Valuation exclusion for improvements to certain business property.** Property classified under section 273.13, subdivision 24, qualifies for a valuation exclusion for assessment purposes, provided all of the following conditions are met:

(1) the building must have been damaged by the 2002 floods;

(2) the building must be located in a city or town with a population of 10,000 or less that is located in a county in the area included in DR-1419;

(3) the total estimated market value of the land and buildings must be $150,000 or less for assessment year 2002;

(4) a building permit must have been issued prior to the commencement of the improvement, or if the building is located in a city or town which does not have a building permit process, the property owner must notify the assessor prior to the commencement of the improvement;

(5) the property is not receiving a property tax abatement under section 469.1813; and

(6) the improvements are made before January 1, 2004.

The assessor shall estimate the market value of the building in the assessment year immediately following the year that (1) the building permit was taken out, or (2) the taxpayer notified the assessor that an improvement was to be made. If the estimated market value of the building has increased over the 2002 assessment before any reassessment due to flood damage, the assessor shall note the amount of the increase on the property's record, and that amount shall be subtracted from the value of the property in each year for five years after the improvement has been made. In each of the next five subsequent assessment years, an amount equal to 20 percent of the value excluded in the fifth year for that improvement shall be added back.

The maximum amount of value that can be excluded for all improvements to any property under this subdivision is $50,000.

The assessor shall require an application. Applications must be received by December 31, 2002, or December 31, 2003, in order to be effective for taxes payable in the following year.

For purposes of this subdivision, "population" has the meaning given in section 477A.011, subdivision 3.

273.1315 CERTIFICATION OF CLASS 1B PROPERTY.

Subdivision 1. **Class 1b homestead declaration before 2009.** Any property owner seeking classification and assessment of the owner's homestead as class 1b property pursuant to section 273.13, subdivision 22, paragraph (b), on or before October 1, 2008, shall file with the commissioner of revenue a 1b homestead declaration, on a form prescribed by the commissioner. The declaration shall contain the following information:

(1) the information necessary to verify that on or before June 30 of the filing year, the property owner or the owner's spouse satisfies the requirements of section 273.13, subdivision 22, paragraph (b), for 1b classification; and

(2) any additional information prescribed by the commissioner.

The declaration must be filed on or before October 1 to be effective for property taxes payable during the succeeding calendar year. The declaration and any supplementary information received from the property owner pursuant to this subdivision shall be subject to chapter 270B. If approved by the commissioner, the declaration remains in effect until the property no longer qualifies under section 273.13, subdivision 22, paragraph (b). Failure to notify the commissioner within 30 days that the property no longer qualifies under that paragraph because of a sale, change in occupancy, or change in the status or condition of an occupant shall result in the penalty provided in section 273.124, subdivision 13b, computed on the basis of the class 1b benefits for the property, and the property shall lose its current class 1b classification.

The commissioner shall provide to the assessor on or before November 1 a listing of the parcels of property qualifying for 1b classification.

273.1385 AID FOR PUBLIC EMPLOYEES RETIREMENT ASSOCIATION EMPLOYER CONTRIBUTION RATE INCREASE.

Subdivision 1. **Aid to offset rate increase.** Beginning with the December 26, 1997, payment, and according to the schedule for payment of local aid under section 477A.015 thereafter, the commissioner of revenue shall pay to each city, county, town, and other nonschool jurisdiction an amount equal to 0.35 percent of the fiscal year 1997 payroll for employees who were members of the general plan of the Public Employees Retirement Association. Except for the December 1997 distribution under this section, the amount of aid must be certified before September 1 of the year preceding the distribution year to the affected local government. The executive director of the Public Employees Retirement Association shall certify the general plan fiscal year covered payroll and other information requested by the commissioner of revenue, on or before August 1, 1997, and in subsequent years where necessary, in order to facilitate administration of this section. The amount necessary to make these aid payments is appropriated annually from the general fund to the commissioner of revenue. Expenditures under this section are estimated to be $7,942,500 in fiscal year 1998, and $15,885,000 in each subsequent fiscal year, less any future reductions under subdivision 2.

Subd. 2. **Limit on aid and potential future permanent aid reductions.** (a) The aid amount received by any jurisdiction in fiscal year 2000 or any year thereafter may not exceed the amount it received in fiscal year 1999. The commissioner may, from time to time, request the most recent fiscal year payroll information by jurisdiction to be certified by the executive director of the Public Employees Retirement Association. For any jurisdiction where newly certified public employees retirement association general plan payroll is significantly lower than the fiscal 1997 amount, as determined by the commissioner, the commissioner shall recalculate the aid amount based on the most recent fiscal year payroll information, certify the recalculated aid amount for the next distribution year, and permanently reduce the aid amount to that jurisdiction.

(b) Aid to a jurisdiction must not be reduced under this section due to a transfer of an employee from the general plan of the Public Employees Retirement Association to the local government correctional service plan administered by the Public Employees Retirement Association. The executive director of the Public Employees Retirement Association must provide the commissioner of revenue with any information requested by the commissioner to administer this paragraph.

Subd. 3. **Effect of reorganizations.** The commissioner of revenue may adjust the aid amounts for separate jurisdictions to account for significant changes in boundaries or in the form of government, as determined by the commissioner. If a local government function and the associated Public Employees Retirement Association general plan payroll is assumed by either the state, or a nonpublic organization, the aid amounts attributable to the function under this section must terminate.

Subd. 4. **Aid termination.** The aid provided under this section terminates on June 30, 2020.

273.25 LISTS TO BE VERIFIED.

Every person required to list property for taxation shall make out and deliver to the assessor, upon blanks furnished by the assessor, a verified statement of all personal property owned on January 2 of the current year. The person shall also make separate statements in like manner of all personal property possessed or controlled by the person and required by this chapter to be listed for taxation as agent or attorney, guardian, parent, trustee, executor, administrator, receiver, accounting officer, partner, factor, or in any other capacity; but no person shall be required to include in the statement any share of the capital stock of any company or corporation which it is required to list and return as its capital and property for taxation in this state.

273.65 FAILURE TO LIST; EXAMINATION UNDER OATH; DUTIES OF ASSESSOR.

When the assessor shall be of opinion that the person listing property for that person, or for any other person, company, or corporation, has not made a full, fair, and complete list thereof, the assessor may examine such person, under oath, in regard to the amount of the property required to be listed; and, if such person shall refuse to make full discovery under oath, the assessor may list the property of such person, or the person's principal, according to the assessor's best judgment and information.

273.66 OWNER ABSENT OR SICK.

If any person required to list property be sick or absent when the assessor calls for a list thereof, the assessor shall leave at the office or usual place of residence or business of such person a written or printed notice requiring such person to make out and leave at a place, and on or before a day named therein, the statement or list required by this chapter. The date of leaving such notice, and the name of the person so required to list, shall be noted by the assessor in the assessment book.

273.67 PROCEDURE WHEN OWNER DOES NOT LIST OR IS NOT SWORN.

When any person whose duty it is to list shall refuse or neglect to list personal property when called on by the assessor, or to take and subscribe the required oath in regard to the truth of a statement, or any part thereof, the assessor shall enter opposite the name of such person, in an appropriate column, the words "refused to list," or "refused to swear," as the case may be; and when any person whose duty it is to list is absent, or unable from sickness to list, the assessor shall enter opposite the name of such person, in an appropriate column, the word "absent" or "sick." The assessor may administer oaths to all persons who by this chapter are required to swear, or whom the assessor may require to testify, and may examine, upon oath, any person supposed to have knowledge of the amount or value of the personal property of any person refusing to list or to verify a list of personal property.

274.07 LIST BY PERSON SICK OR ABSENT.

If any person required to list property for taxation is prevented by sickness or absence from listing it with the assessor, the person, or the person's agent in charge of the property, may give the auditor a statement of the property value as required by this chapter at any time before the taxes are extended by the county auditor. The auditor shall list the property and correct the corresponding items in the return made by the assessor. No statement may be received from any person who refused or neglected to attest to the statement when required by the assessor. No statement may be received from any person, unless the person makes and files with it an affidavit of absence from the town or district without design to avoid the listing of the property, or was prevented by sickness from giving the assessor the required statement when asked to do so.

289A.12 FILING REQUIREMENTS FOR INFORMATION RETURNS AND REPORTS.

Subd. 15. **Report of job opportunity zone benefits; penalty for failure to file report.** (a) By October 15 of each year, every qualified business, as defined under section 469.310, subdivision 11, must file with the commissioner, on a form prescribed by the commissioner, a report listing the tax benefits under section 469.315 received by the business for the previous year.

(b) The commissioner shall send notice to each business that fails to timely submit the report required under paragraph (a). The notice shall demand that the business submit the report within 60 days. Where good cause exists, the commissioner may extend the period for submitting the report as long as a request for extension is filed by the business before the expiration of the 60-day period. The commissioner shall notify the commissioner of employment and economic development and the appropriate job opportunity subzone administrator whenever notice is sent to a business under this paragraph.

(c) A business that fails to submit the report as required under paragraph (b) is no longer a qualified business under section 469.310, subdivision 11, and is subject to the repayment provisions of section 469.319.

290.06 RATES OF TAX; CREDITS.

Subd. 29. **Job opportunity building zone job credit.** A taxpayer that is a qualified business, as defined in section 469.310, subdivision 11, is allowed a credit as determined under section 469.318 against the tax imposed by this chapter.

297A.68 BUSINESS EXEMPTIONS.

Subd. 37. **Job opportunity building zones.** (a) Purchases of tangible personal property or taxable services by a qualified business, as defined in section 469.310, are exempt if the property or services are primarily used or consumed in a job opportunity building zone designated under section 469.314. For purposes of this subdivision, an aerial camera package, including any camera, computer, and navigation device contained in the package, that is used in an aircraft that is operated under a Federal Aviation Administration Restricted Airworthiness Certificate according to Code of Federal Regulations, title 14, part 21, section 21.25(b)(3), relating to aerial surveying, and that is based, maintained, and dispatched from a job opportunity building zone, qualifies as primarily used or consumed in a job opportunity building zone if the imagery acquired from the aerial camera package is returned to the job opportunity building zone for processing. The exemption for an aerial camera package is limited as provided in this subdivision and the tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner provided in section 297A.75. The total amount of the aerial camera package exemption refunded for all taxpayers for all fiscal years is limited to $50,000 in taxes.

(b) Purchase and use of construction materials and supplies used or consumed in, and equipment incorporated into, the construction of improvements to real property in a job opportunity building zone are exempt if the improvements after completion of construction are to be used in the conduct of a qualified business, as defined in section 469.310. This exemption applies regardless of whether the purchases are made by the business or a contractor.

(c) The exemptions under this subdivision apply to a local sales and use tax regardless of whether the local sales tax is imposed on the sales taxable as defined under this chapter.

(d) This subdivision applies to sales, if the purchase was made and delivery received during the duration of the zone.

(e) Notwithstanding the restriction in paragraph (a), which requires items purchased to be primarily used or consumed in the zone, purchases by a qualified business that is an electrical cooperative located in Meeker County of equipment and materials used for the generation, transmission, and distribution of electrical energy are exempt under this subdivision, except that:

(1) the exemption for materials and equipment used or consumed outside the zone must not exceed $200,000 in taxes for all taxpayers for all fiscal years; and

(2) no sales and use tax exemption is allowed for equipment purchased for resale.

For purposes of this paragraph, the tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner provided in section 297A.75.

428B.02 ESTABLISHMENT OF TOURISM IMPROVEMENT DISTRICT.

Subd. 7. **Notice to the commissioner of revenue.** Within 30 days of adoption of the ordinance, the governing body must send a copy of the ordinance to the commissioner of revenue.

469.310 DEFINITIONS.

Subdivision 1. **Scope.** For purposes of sections 469.310 to 469.320, the following terms have the meanings given.

Subd. 2. **Agricultural processing facility.** "Agricultural processing facility" means one or more facilities or operations that transform, package, sort, or grade livestock or livestock products, agricultural commodities, or plants or plant products into goods that are used for intermediate or final consumption including goods for nonfood use, and surrounding property.

Subd. 3. **Applicant.** "Applicant" means a local government unit or units applying for designation of an area as a job opportunity building zone or a joint powers board, established under section 471.59, acting on behalf of two or more local government units.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of employment and economic development.

Subd. 4a. **Create automotive recovery zone.** "Create automotive recovery zone" means a zone designated by the commissioner under section 469.314 that contains a motor vehicle assembly facility.

Subd. 5. **Development plan.** "Development plan" means a plan meeting the requirements of section 469.311.

Subd. 6. **Job opportunity building zone or zone.** "Job opportunity building zone" or "zone" means a zone designated by the commissioner under section 469.314, and includes an agricultural processing facility zone and a create automotive recovery zone.

Subd. 7. **Job opportunity building zone percentage or zone percentage.** "Job opportunity building zone percentage" or "zone percentage" means the following fraction reduced to a percentage:

(1) the numerator of the fraction is:

(i) the ratio of the taxpayer's property factor under section 290.191 located in the zone for the taxable year over the property factor numerator determined under section 290.191, plus

(ii) the ratio of the taxpayer's job opportunity building zone payroll factor under subdivision 8 over the payroll factor numerator determined under section 290.191; and

(2) the denominator of the fraction is two.

When calculating the zone percentage for a business that is part of a unitary business as defined under section 290.17, subdivision 4, the denominator of the payroll and property factors is the Minnesota payroll and property of the unitary business as reported on the combined report under section 290.17, subdivision 4, paragraph (h).

Subd. 8. **Job opportunity building zone payroll factor.** "Job opportunity building zone payroll factor" or "job opportunity building zone payroll" is that portion of the payroll factor under section 290.191 that represents:

(1) wages or salaries paid to an individual for services performed in a job opportunity building zone; or

(2) wages or salaries paid to individuals working from offices within a job opportunity building zone if their employment requires them to work outside the zone and the work is incidental to the work performed by the individual within the zone.

Subd. 9. **Local government unit.** "Local government unit" means a statutory or home rule charter city, county, town, the Department of Iron Range Resources and Rehabilitation, regional development commission, or a federally designated economic development district.

Subd. 10. **Person.** "Person" includes an individual, corporation, partnership, limited liability company, association, or any other entity.

Subd. 11. **Qualified business.** (a) A person carrying on a trade or business at a place of business located within a job opportunity building zone is a qualified business for the purposes of sections 469.310 to 469.320 according to the criteria in paragraphs (b) to (f).

(b) A person is a qualified business only on those parcels of land for which the person has entered into a business subsidy agreement, as required under section 469.313, with the appropriate local government unit in which the parcels are located.

(c) Prior to execution of the business subsidy agreement, the local government unit must consider the following factors:

(1) how wages compare to the regional industry average;

(2) the number of jobs that will be provided relative to overall employment in the community;

(3) the economic outlook for the industry the business will engage in;

(4) sales that will be generated from outside the state of Minnesota;

(5) how the business will build on existing regional strengths or diversify the regional economy;

(6) how the business will increase capital investment in the zone; and

(7) any other criteria the commissioner deems necessary.

(d) A person that relocates a trade or business from outside a job opportunity building zone into a zone is not a qualified business unless the business meets all of the requirements of paragraphs (b) and (c) and:

(1) increases full-time employment in the first full year of operation within the job opportunity building zone by a minimum of five jobs or 20 percent, whichever is greater, measured relative to the operations that were relocated and maintains the required level of employment for each year the zone designation applies; and

(2) enters a binding written agreement with the commissioner that:

(i) pledges the business will meet the requirements of clause (1);

(ii) provides for repayment of all tax benefits enumerated under section 469.315 to the business under the procedures in section 469.319, if the requirements of clause (1) are not met for the taxable year or for taxes payable during the year in which the requirements were not met; and

(iii) contains any other terms the commissioner determines appropriate.

(e) The commissioner may waive the requirements under paragraph (d), clause (1), if the commissioner determines that the qualified business will substantially achieve the factors under this subdivision.

(f) A business is not a qualified business if, at its location or locations in the zone, the business is primarily engaged in making retail sales to purchasers who are physically present at the business's zone location.

(g) A qualifying business must pay each employee compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 110 percent of the federal poverty level for a family of four.

(h) A public utility, as defined in section 336B.01, is not a qualified business.

(i) A business operating in a create automotive recovery zone is a qualified business only if it engages in the assembly of motor vehicles at the zone location.

Subd. 12. **Relocates.** (a) "Relocates" means that the trade or business:

(1) ceases one or more operations or functions at another location in Minnesota and begins performing substantially the same operations or functions at a location in a job opportunity building zone; or

(2) reduces employment at another location in Minnesota during a period starting one year before and ending one year after it begins operations in a job opportunity building zone and its employees in the job opportunity building zone are engaged in the same line of business as the employees at the location where it reduced employment.

(b) "Relocate" does not include an expansion by a business that establishes a new facility that does not replace or supplant an existing operation or employment, in whole or in part.

(c) "Trade or business" includes any business entity that is substantially similar in operation or ownership to the business entity seeking to be a qualified business under this section.

Subd. 13. **Relocation payroll percentage.** "Relocation payroll percentage" is a fraction, the numerator of which is the zone payroll of the business for the tax year minus the payroll from the relocated operations in the last full year of operations prior to the relocation, and the denominator of which is the zone payroll of the business for the tax year. The relocation payroll percentage of a business that is not a relocating business is 100 percent.

Subd. 14. **Motor vehicle assembly facility.** "Motor vehicle assembly facility" means a manufacturing facility with at least 500 employees that is used to assemble motor vehicles and is located in a city of the first class.

469.311 DEVELOPMENT PLAN.

(a) An applicant for designation of a job opportunity building zone must adopt a written development plan for the zone before submitting the application to the commissioner.

(b) The development plan must contain, at least, the following:

(1) a map of the proposed zone that indicates the geographic boundaries of the zone, the total area, and present use and conditions generally of the land and structures within those boundaries;

(2) evidence of community support and commitment from local government, local workforce investment boards, school districts, and other education institutions, business groups, and the public;

(3) a description of the methods proposed to increase economic opportunity and expansion, facilitate infrastructure improvement, reduce the local regulatory burden, and identify job-training opportunities;

(4) current social, economic, and demographic characteristics of the proposed zone and anticipated improvements in education, health, human services, and employment if the zone is created;

(5) a description of anticipated activity in the zone and each subzone, including, but not limited to, industrial use, industrial site reuse, commercial or retail use, and residential use; and

(6) any other information required by the commissioner.

469.312 JOB OPPORTUNITY BUILDING ZONES; LIMITATIONS.

Subdivision 1. **Maximum size.** A job opportunity building zone may not exceed 5,000 acres. For a zone designated as an agricultural processing facility zone, the zone also may not exceed the size of a site necessary for the agricultural processing facility, including ancillary operations and space for expansion in the reasonably foreseeable future. For a zone designated as a create automotive recovery zone, the zone also may not exceed the size of the site necessary for the assembly of motor vehicles, including ancillary operations and space for expansion in the reasonably foreseeable future.

Subd. 2. **Subzones.** The area of a job opportunity building zone may consist of one or more noncontiguous areas or subzones.

Subd. 3. **Outside metropolitan area.** Except for a create automotive recovery zone, the area of a job opportunity building zone must be located outside of the metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 4. **Border city development zones.** (a) The area of a job opportunity building zone may not include the area of a border city development zone designated under section 469.1731. The city may remove property from a border city development zone contingent upon the area being designated as a job opportunity building zone. Before removing a parcel of property from a border city development zone, the city must obtain the written consent to the removal from each recipient that is located on the parcel and receives incentives under the border city development zone. Consent of any other property owner or taxpayer in the border city development zone is not required.

(b) A city may not provide tax incentives under section 469.1734 to individuals or businesses for operations or activity in a job opportunity building zone.

Subd. 5. **Duration limit.** (a) The maximum duration of a zone is 12 years. The applicant may request a shorter duration. The commissioner may specify a shorter duration, regardless of the requested duration.

(b) The duration limit under this subdivision and the duration of the zone for purposes of allowance of tax incentives described in section 469.315 is extended by three calendar years for each parcel of property that meets the following requirements:

(1) the qualified business operates an ethanol plant, as defined in section 41A.09, on the site that includes the parcel; and

(2) the business subsidy agreement was executed after April 30, 2006.

(c) The duration limit under this subdivision and the duration of the zone for purposes of allowance of tax incentives described in section 469.315 is extended by five calendar years for each parcel of property that meets the following requirements:

(1) the parcel is located in a county with an unemployment rate that on the date that the business subsidy agreement is executed (i) equals or exceeds ten percent or (ii) is ten percent higher than the statewide average;

(2) the operations of the qualified business on the site include:

(i) its headquarters;

(ii) facilities for research and development; and

(iii) the manufacturing of products, used by the building, transport, consumer products, and industrial products sectors, that reduce the use of or increase the efficiency of the use of energy resources and that are manufactured using innovative and high technology processes; and

(3) the business subsidy agreement is executed after July 1, 2009, and before July 1, 2011.

(d) The duration of a create automotive recovery zone is 12 years from the date of the designation of a zone by the commissioner under section 469.314, subdivision 4, paragraph (g).

(e) The duration limit under this subdivision and the duration of the zone for purposes of allowance of tax incentives described in section 469.315 is extended by five calendar years for each parcel of property that meets the following requirements:

(1) the parcel is located in a county with an unemployment rate for any of the 12 months preceding the date on which the business subsidy agreement is executed that (i) equals or exceeds ten percent or (ii) is ten percent higher than the statewide average;

(2) the qualified business is engaged in the business of manufacturing wind turbines and related products for the generation of energy, and the parcel includes one or more of the following facilities of the qualified business:

(i) the headquarters of the business in this country;

(ii) training facilities; or

(iii) manufacturing facilities; and

(3) the initial business subsidy agreement is executed after July 1, 2010, and before November 1, 2011.

469.313 APPLICATION FOR DESIGNATION.

Subdivision 1. **Who may apply.** One or more local government units, or a joint powers board under section 471.59, acting on behalf of two or more units, may apply for designation of an area as a job opportunity building zone. All or part of the area proposed for designation as a zone must be located within the boundaries of each of the governmental units. A local government unit may not submit or have submitted on its behalf more than one application for designation of a job opportunity building zone.

Subd. 2. **Application content.** The application must include:

(1) a development plan meeting the requirements of section 469.311;

(2) the proposed duration of the zone, not to exceed 12 years;

(3) a resolution or ordinance adopted by each of the cities or towns and the counties in which the zone is located, agreeing to provide all of the local tax exemptions provided under section 469.315;

(4) if the proposed zone includes area in a border city development zone, written consent to removal of the property from the border city development zone to the extent required by section 469.312, subdivision 4;

(5) an agreement by the applicant to treat incentives provided under the zone designation as business subsidies under sections 116J.993 to 116J.995 and to comply with the requirements of that law; and

(6) supporting evidence to allow the commissioner to evaluate the application under the criteria in section 469.314.

469.314 DESIGNATION OF JOB OPPORTUNITY BUILDING ZONES.

Subdivision 1. **Commissioner to designate.** (a) The commissioner, in consultation with the commissioner of revenue, shall designate not more than ten job opportunity building zones and not more than one create automotive recovery zone. In making the designations, the commissioner shall consider need and likelihood of success to yield the most economic development and revitalization of economically distressed rural areas of Minnesota.

(b) In addition to the designations under paragraph (a), the commissioner may, in consultation with the commissioners of agriculture and revenue, designate up to five agricultural processing facility zones.

(c) The commissioner may, upon designation of a zone, modify the development plan, including the boundaries of the zone or subzones, if in the commissioner's opinion a modified plan would better meet the objectives of the job opportunity building zone program. The commissioner shall notify the applicant of the modification and provide a statement of the reasons for the modifications.

Subd. 2. **Need indicators.** (a) In evaluating applications to determine the need for designation of a job opportunity building zone, the commissioner shall consider the following factors as indicators of need:

(1) the percentage of the population that is below 200 percent of the poverty rate, compared with the state as a whole;

(2) the extent to which the area's average weekly wage is significantly lower than the state average weekly wage;

(3) the amount of property in or near the proposed zone that is deteriorated or underutilized;

(4) the extent to which the median sale price of housing units in the area is below the state median;

(5) the extent to which the median household income of the area is lower than the state median household income;

(6) the extent to which the area experienced a population loss during the 20-year period ending the year before the application is made;

(7) the extent to which an area has experienced sudden or severe job loss as a result of closing of businesses or other employers;

(8) the extent to which property in the area would remain underdeveloped or nonperforming due to physical characteristics;

(9) the extent to which the area has substantial real property with adequate infrastructure and energy to support new or expanded development; and

(10) the extent to which the business startup or expansion rates are significantly lower than the respective rate for the state.

(b) In applying the need indicators, the best available data should be used. If reported data are not available for the proposed zone, data for the smallest area that is available and includes the area of the proposed zone may be used. The commissioner may require applicants to provide data to demonstrate how the area meets one or more of the indicators of need.

Subd. 3. **Success indicators.** In determining the likelihood of success of a proposed zone, the commissioner shall consider:

(1) the strength and viability of the proposed development goals, objectives, and strategies in the development plan;

(2) whether the development plan is creative and innovative in comparison to other applications;

(3) local public and private commitment to development of the proposed zone and the potential cooperation of surrounding communities;

(4) existing resources available to the proposed zone;

(5) how the designation of the zone would relate to other economic and community development projects and to regional initiatives or programs;

(6) how the regulatory burden will be eased for businesses operating in the proposed zone;

(7) proposals to establish and link job creation and job training; and

(8) the extent to which the development is directed at encouraging and that designation of the zone is likely to result in the creation of high-paying jobs.

Subd. 4. **Designation schedule.** (a) The schedule in paragraphs (b) to (f) applies to the designation of job opportunity building zones. Paragraph (g) applies to the designation of a create automotive recovery zone.

(b) The commissioner shall publish the form for applications and any procedural, form, or content requirements for applications by no later than August 1, 2003. The commissioner may publish these requirements on the Internet, in the State Register, or by any other means the commissioner determines appropriate to disseminate the information to potential applicants for designation.

(c) Applications must be submitted by October 15, 2003.

(d) The commissioner shall designate the zones by no later than December 31, 2003.

(e) The designation of the zones takes effect January 1, 2004.

(f) The commissioner may reserve one or more of the ten authorized zones for a second round of designations in calendar year 2004. If the commissioner chooses to reserve designations for this purpose, the commissioner shall establish the schedule for the second round of designations, notwithstanding the dates in paragraphs (c), (d), and (e). The commissioner shall allow a period of at least 90 days for submission of applications after notification of the second round. A zone designated in the second round takes effect on January 1, 2005.

(g) The commissioner may accept applications for a create automotive recovery zone at any time before January 1, 2016. The commissioner may designate a create automotive recovery zone at any time after December 31, 2011, and before January 1, 2016, but only if the applicant has entered a written agreement with a qualified business committing to make a capital investment of at least $100,000,000 to improve or retrofit a motor vehicle assembly facility located in the zone.

Subd. 5. **Geographic distribution.** The commissioner shall have as a goal the geographic distribution of zones around the state.

Subd. 6. **Rulemaking exemption.** The commissioner's actions in establishing procedures, requirements, and making determinations to administer sections 469.310 to 469.320 are not a rule for purposes of chapter 14 and are not subject to the Administrative Procedure Act contained in chapter 14 and are not subject to section 14.386.

469.315 TAX INCENTIVES AVAILABLE IN ZONES.

Qualified businesses that operate in a job opportunity building zone, individuals who invest in a qualified business that operates in a job opportunity building zone, and property located in a job opportunity building zone qualify for:

(1) exemption from individual income taxes as provided under section 469.316;

(2) exemption from corporate franchise taxes as provided under section 469.317;

(3) exemption from the state sales and use tax and any local sales and use taxes on qualifying purchases as provided in section 297A.68, subdivision 37;

(4) exemption from the state sales tax on motor vehicles and any local sales tax on motor vehicles as provided under section 297B.03;

(5) exemption from the property tax as provided in section 272.02, subdivision 64;

(6) exemption from the wind energy production tax under section 272.029, subdivision 7; and

(7) the jobs credit allowed under section 469.318, except that a qualified business located in a create automotive recovery zone is not eligible for the credit under section 469.318 but is eligible for the credit under section 469.3181.

469.316 INDIVIDUAL INCOME TAX EXEMPTION.

Subdivision 1. **Application.** An individual, estate, or trust operating a trade or business in a job opportunity building zone, and an individual, estate, or trust making a qualifying investment in a qualified business operating in a job opportunity building zone qualifies for the exemptions from taxes imposed under chapter 290, as provided in this section. The exemptions provided under this

section apply only to the extent that the income otherwise would be taxable under chapter 290. Subtractions under this section from federal adjusted gross income, federal taxable income, alternative minimum taxable income, or any other base subject to tax are limited to the amount that otherwise would be included in the tax base absent the exemption under this section. This section applies only to taxable years beginning during the duration of the job opportunity building zone.

Subd. 2. **Rents.** An individual, estate, or trust is exempt from the taxes imposed under chapter 290 on net rents derived from real or tangible personal property used by a qualified business and located in a zone for a taxable year in which the zone was designated a job opportunity building zone. If tangible personal property was used both within and outside of the zone by the qualified business, the exemption amount for the net rental income must be multiplied by a fraction, the numerator of which is the number of days the property was used in the zone and the denominator of which is the total days the property is rented by the qualified business.

Subd. 3. **Business income.** An individual, estate, or trust is exempt from the taxes imposed under chapter 290 on net income from the operation of a qualified business in a job opportunity building zone. If the trade or business is carried on within and without the zone and the individual is not a resident of Minnesota, or the taxpayer is an estate or trust, the exemption must be apportioned based on the zone percentage and the relocation payroll percentage for the taxable year. If the trade or business is carried on within and without the zone and the individual is a resident of Minnesota, the exemption must be apportioned based on the zone percentage and the relocation payroll percentage for the taxable year, except the ratios under section 469.310, subdivision 7, clause (1), items (i) and (ii), must use the denominators of the property and payroll factors determined under section 290.191. No subtraction is allowed under this section in excess of 20 percent of the sum of the job opportunity building zone payroll and the adjusted basis of the property at the time that the property is first used in the job opportunity building zone by the business.

Subd. 4. **Capital gains.** (a) An individual, estate, or trust is exempt from the taxes imposed under chapter 290 on:

(1) net gain derived on a sale or exchange of real property located in the zone and used by a qualified business. If the property was held by the individual, estate, or trust during a period when the zone was not designated, the gain must be prorated based on the percentage of time, measured in calendar days, that the real property was held by the individual, estate, or trust during the period the zone designation was in effect to the total period of time the real property was held by the individual;

(2) net gain derived on a sale or exchange of tangible personal property used by a qualified business in the zone. If the property was held by the individual, estate, or trust during a period when the zone was not designated, the gain must be prorated based on the percentage of time, measured in calendar days, that the property was held by the individual, estate, or trust during the period the zone designation was in effect to the total period of time the property was held by the individual. If the tangible personal property was used outside of the zone during the period of the zone's designation, the exemption must be multiplied by a fraction, the numerator of which is the number of days the property was used in the zone during the time of the designation and the denominator of which is the total days the property was held during the time of the designation; and

(3) net gain derived on a sale of an ownership interest in a qualified business operating in the job opportunity building zone, meeting the requirements of paragraph (b). The exemption on the gain must be multiplied by the zone percentage of the business for the taxable year prior to the sale.

(b) A qualified business meets the requirements of paragraph (a), clause (3), if it is a corporation, an S corporation, or a partnership, and for the taxable year its job opportunity building zone percentage exceeds 25 percent. For purposes of paragraph (a), clause (3), the zone percentage must be calculated by modifying the ratios under section 469.310, subdivision 7, clause (1), items (i) and (ii), to use the denominators of the property and payroll factors determined under section 290.191. Upon the request of an individual, estate, or trust holding an ownership interest in the entity, the entity must certify to the owner, in writing, the job opportunity building zone percentage needed to determine the exemption.

469.317 CORPORATE FRANCHISE TAX EXEMPTION.

(a) A qualified business is exempt from taxation under section 290.02, the alternative minimum tax under section 290.0921, and the minimum fee under section 290.0922, on the portion of its income attributable to operations within the zone. This exemption is determined as follows:

(1) for purposes of the tax imposed under section 290.02, by multiplying its taxable net income by its zone percentage and by its relocation payroll percentage and subtracting the result in determining taxable income;

(2) for purposes of the alternative minimum tax under section 290.0921, by multiplying its alternative minimum taxable income by its zone percentage and by its relocation payroll percentage and reducing alternative minimum taxable income by this amount; and

(3) for purposes of the minimum fee under section 290.0922, by excluding property and payroll in the zone from the computations of the fee or by exempting the entity under section 290.0922, subdivision 2, clause (7).

(b) No subtraction is allowed under this section in excess of 20 percent of the sum of the corporation's job opportunity building zone payroll and the adjusted basis of the property at the time that the property is first used in the job opportunity building zone by the corporation.

(c) This section applies only to taxable years beginning during the duration of the job opportunity building zone.

469.318 JOBS CREDIT.

Subdivision 1. **Credit allowed.** A qualified business is allowed a credit against the taxes imposed under chapter 290. The credit equals seven percent of the:

(1) lesser of:

(i) zone payroll for the taxable year, less the zone payroll for the base year; or

(ii) total Minnesota payroll for the taxable year, less total Minnesota payroll for the base year; minus

(2) $30,000 multiplied by (the number of full-time equivalent employees that the qualified business employs in the job opportunity building zone for the taxable year, minus the number of full-time equivalent employees the business employed in the zone in the base year, but not less than zero).

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Base year" means the taxable year beginning during the calendar year prior to the calendar year in which the zone designation took effect.

(c) "Full-time equivalent employees" means the equivalent of annualized expected hours of work equal to 2,080 hours.

(d) "Minnesota payroll" means the wages or salaries attributed to Minnesota under section 290.191, subdivision 12, for the qualified business or the unitary business of which the qualified business is a part, whichever is greater.

(e) "Zone payroll" means wages or salaries used to determine the zone payroll factor for the qualified business, less the amount of compensation attributable to any employee that exceeds $100,000.

Subd. 3. **Inflation adjustment.** For taxable years beginning after December 31, 2004, the dollar amounts in subdivision 1, clause (2), and subdivision 2, paragraph (e), are annually adjusted for inflation. The commissioner of revenue shall adjust the amounts by the percentage determined under section 290.06, subdivision 2d, for the taxable year.

Subd. 4. **Refundable.** If the amount of the credit exceeds the liability for tax under chapter 290, the commissioner of revenue shall refund the excess to the qualified business.

Subd. 5. **Appropriation.** An amount sufficient to pay the refunds authorized by this section is appropriated to the commissioner of revenue from the general fund.

469.3181 CREATE AUTOMOTIVE RECOVERY JOBS CREDIT.

Subdivision 1. **Credit allowed.** (a) A qualified business located in a create automotive recovery zone is allowed a credit against the tax imposed under chapter 290 equal to $2,500 times the number of full-time equivalent employees receiving wages from the qualified business for working at the facility during the taxable year. The qualified business is allowed an additional credit equal to

$1,000 times the number of full-time equivalent employees receiving wages from the qualified business for working at the facility during the taxable year in excess of 750 employees.

(b) For purposes of this section, "employee" and "wages" have the meanings given them in section 290.92, subdivisions 1 and 3.

(c) For purposes of this section, "full-time equivalent employees" means the equivalent of annualized expected hours of work equal to 2,080 hours.

Subd. 2. **Refundable.** If the amount of the credit exceeds the liability for tax under chapter 290, the commissioner of revenue shall refund the excess to the qualified business.

Subd. 3. **Appropriation.** An amount sufficient to pay the refunds authorized by this section is appropriated to the commissioner of revenue from the general fund.

Subd. 4. **Manner of claiming credit.** The commissioner shall prescribe the manner in which the credit may be issued or claimed. This may include allowing the credit only as a separately processed claim for refund.

469.319 REPAYMENT OF TAX BENEFITS BY BUSINESSES THAT NO LONGER OPERATE IN A ZONE.

Subdivision 1. **Repayment obligation.** A business must repay the total tax benefits listed in section 469.315 received during the two years immediately before it (1) ceased to perform a substantial level of activities described in the business subsidy agreement, or (2) otherwise ceased to be a qualified business, other than those subject to the provisions of section 469.3191.

Subd. 1a. **Repayment obligation of businesses not operating in zone.** Persons that receive benefits without operating a business in a zone are subject to repayment under this section if the business for which those benefits relate is subject to repayment under this section. Such persons are deemed to have ceased performing in the zone on the same day that the qualified business for which the benefits relate becomes subject to repayment under subdivision 1.

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Business" means any person that received tax benefits enumerated in section 469.315.

(c) "Commissioner" means the commissioner of revenue.

(d) "Persons that receive benefits without operating a business in a zone" means persons that claim benefits under section 469.316, subdivision 2 or 4, as well as persons that own property leased by a qualified business and are eligible for benefits under section 272.02, subdivision 64, or 297A.68, subdivision 37, paragraph (b).

Subd. 3. **Disposition of repayment.** The repayment must be paid to the state to the extent it represents a state tax reduction and to the county to the extent it represents a property tax reduction. Any amount repaid to the state must be deposited in the general fund. Any amount repaid to the county for the property tax exemption must be distributed to the taxing authorities with authority to levy taxes in the zone in the same manner provided for distribution of payment of delinquent property taxes. Any repayment of local sales taxes must be repaid to the commissioner for distribution to the city or county imposing the local sales tax.

Subd. 4. **Repayment procedures.** (a) For the repayment of taxes imposed under chapter 290 or 297A or local taxes collected pursuant to section 297A.99, a business must file an amended return with the commissioner of revenue and pay any taxes required to be repaid within 30 days after becoming subject to repayment under this section. The amount required to be repaid is determined by calculating the tax for the period or periods for which repayment is required without regard to the exemptions and credits allowed under section 469.315.

(b) For the repayment of taxes imposed under chapter 297B, a business must pay any taxes required to be repaid to the motor vehicle registrar, as agent for the commissioner of revenue, within 30 days after becoming subject to repayment under this section.

(c) For the repayment of property taxes, the county auditor shall prepare a tax statement for the business, applying the applicable tax extension rates for each payable year and provide a copy to the business and to the taxpayer of record. The business must pay the taxes to the county treasurer within 30 days after receipt of the tax statement. The business or the taxpayer of record may appeal the valuation and determination of the property tax to the Tax Court within 30 days after receipt of the tax statement.

(d) The provisions of chapters 270C and 289A relating to the commissioner's authority to audit, assess, and collect the tax and to hear appeals are applicable to the repayment required under paragraphs (a) and (b). The commissioner may impose civil penalties as provided in chapter 289A, and the additional tax and penalties are subject to interest at the rate provided in section 270C.40. The additional tax shall bear interest from 30 days after becoming subject to repayment under this section until the date the tax is paid. Any penalty imposed pursuant to this section shall bear interest from the date provided in section 270C.40, subdivision 3, to the date of payment of the penalty.

(e) If a property tax is not repaid under paragraph (c), the county treasurer shall add the amount required to be repaid to the property taxes assessed against the property for payment in the year following the year in which the auditor provided the statement under paragraph (c).

(f) For determining the tax required to be repaid, a reduction of a state or local sales or use tax is deemed to have been received on the date that the good or service was purchased or first put to a taxable use. In the case of an income tax or franchise tax, including the credit payable under section 469.318, a reduction of tax is deemed to have been received for the two most recent tax years that have ended prior to the date that the business became subject to repayment under this section. In the case of a property tax, a reduction of tax is deemed to have been received for the taxes payable in the year that the business became subject to repayment under this section and for the taxes payable in the prior year.

(g) The commissioner may assess the repayment of taxes under paragraph (d) any time within two years after the business becomes subject to repayment under subdivision 1, or within any period of limitations for the assessment of tax under sections 289A.38 to 289A.382, whichever period is later. The county auditor may send the statement under paragraph (c) any time within three years after the business becomes subject to repayment under subdivision 1.

(h) A business is not entitled to any income tax or franchise tax benefits, including refundable credits, for any part of the year in which the business becomes subject to repayment under this section nor for any year thereafter. Property is not exempt from tax under section 272.02, subdivision 64, for any taxes payable in the year following the year in which the property became subject to repayment under this section nor for any year thereafter. A business is not eligible for any sales tax benefits beginning with goods or services purchased or first put to a taxable use on the day that the business becomes subject to repayment under this section.

Subd. 5. **Waiver authority.** (a) The commissioner may waive all or part of a repayment required under subdivision 1, if the commissioner, in consultation with the commissioner of employment and economic development and appropriate officials from the local government units in which the qualified business is located, determines that requiring repayment of the tax is not in the best interest of the state or the local government units and the business ceased operating as a result of circumstances beyond its control including, but not limited to:

(1) a natural disaster;

(2) unforeseen industry trends; or

(3) loss of a major supplier or customer.

(b)(1) The commissioner shall waive repayment required under subdivision 1a if the commissioner has waived repayment by the operating business under subdivision 1, unless the person that received benefits without having to operate a business in the zone was a contributing factor in the qualified business becoming subject to repayment under subdivision 1;

(2) the commissioner shall waive the repayment required under subdivision 1a, even if the repayment has not been waived for the operating business if:

(i) the person that received benefits without having to operate a business in the zone and the business that operated in the zone are not related parties as defined in section 267(b) of the Internal Revenue Code of 1986, as amended through December 31, 2007; and

(ii) actions of the person were not a contributing factor in the qualified business becoming subject to repayment under subdivision 1.

(c) Requests for waiver must be made no later than 60 days after the earlier of the notice date of an order issued under subdivision 4, paragraph (d), or the date of a tax statement issued under subdivision 4, paragraph (c). For purposes of this section, "notice date" means the notice date designated by the commissioner on the order.

Subd. 6. **Reconciliation.** Where this section is inconsistent with section 116J.994, subdivision 3, paragraph (e), or 6, or any other provisions of sections 116J.993 to 116J.995, this section prevails.

469.3191 BREACH OF AGREEMENTS BY BUSINESSES THAT CONTINUE TO OPERATE IN ZONE.

(a) A "business in violation of its business subsidy agreement but not subject to section 469.319" means a business that is operating in violation of the business subsidy agreement but maintains a level of operations in the zone that does not subject it to the repayment provisions of section 469.319, subdivision 1, clause (1).

(b) A business described in paragraph (a) that does not sign a new or amended business subsidy agreement, as authorized under paragraph (h), is subject to repayment of benefits under section 469.319 from the day that it ceases to perform in the zone a substantial level of activities described in the business subsidy agreement.

(c) A business described in paragraph (a) ceases being a qualified business after the last day that it has to meet the goals stated in the agreement.

(d) A business is not entitled to any income tax or franchise tax benefits, including refundable credits, for any part of the year in which the business is no longer a qualified business under paragraph (c), and thereafter. A business is not eligible for sales tax benefits beginning with goods or services purchased or put to a taxable use on the day that it is no longer a qualified business under paragraph (c). Property is not exempt from tax under section 272.02, subdivision 64, for any taxes payable in the year following the year in which the business is no longer a qualified business under paragraph (c), and thereafter.

(e) A business described in paragraph (a) that wants to resume eligibility for benefits under section 469.315 must request that the commissioner of employment and economic development determine the length of time that the business is ineligible for benefits. The commissioner shall determine the length of ineligibility by applying the proportionate level of performance under the agreement to the total duration of the zone as measured from the date that the business subsidy agreement was executed. The length of time must not be less than one full year for each tax benefit listed in section 469.315. The commissioner of employment and economic development and the appropriate local government officials shall consult with the commissioner of revenue to ensure that the period of ineligibility includes at least one full year of benefits for each tax.

(f) The length of ineligibility determined under paragraph (e) must be applied by reducing the zone duration for the property by the duration of the ineligibility.

(g) The zone duration of property that has been adjusted under paragraph (f) must not be altered again to permit the business additional benefits under section 469.315.

(h) A business described in paragraph (a) becomes eligible for benefits available under section 469.315 by entering into a new or amended business subsidy agreement with the appropriate local government unit. The new or amended agreement must cover a period beginning from the date of ineligibility under the original business subsidy agreement, through the zone duration determined by the commissioner under paragraph (f). No exemption of property taxes under section 272.02, subdivision 64, is available under the new or amended agreement for property taxes due or paid before the date of the final execution of the new or amended agreement, but unpaid taxes due after that date need not be paid.

(i) A business that violates the terms of an agreement authorized under paragraph (h) is permanently barred from seeking benefits under section 469.315 and is subject to the repayment provisions under section 469.319 effective from the day that the business ceases to operate as a qualified business in the zone under the second agreement.

469.3192 PROHIBITION AGAINST AMENDMENTS TO BUSINESS SUBSIDY AGREEMENT.

Except as authorized under section 469.3191, under no circumstance shall terms of any agreement required as a condition for eligibility for benefits listed under section 469.315 be amended to change job creation, job retention, or wage goals included in the agreement.

469.3193 CERTIFICATION OF CONTINUING ELIGIBILITY FOR JOBZ BENEFITS.

(a) By October 15 of each year, every qualified business must certify to the commissioner of revenue, on a form prescribed by the commissioner of revenue, whether it is in compliance with any agreement required as a condition for eligibility for benefits listed under section 469.315. A

business that fails to submit the certification, or any business, including those still operating in the zone, that submits a certification that the commissioner of revenue later determines materially misrepresents the business's compliance with the agreement, is subject to the repayment provisions under section 469.319 from January 1 of the year in which the report is due or the date that the business became subject to section 469.319, whichever is earlier. Any such business is permanently barred from obtaining benefits under section 469.315. For purposes of this section, the bar applies to an entity and also applies to any individuals or entities that have an ownership interest of at least 20 percent of the entity.

(b) Before the sanctions under paragraph (a) apply to a business that fails to submit the certification, the commissioner of revenue shall send notice to the business, demanding that the certification be submitted within 30 days and advising the business of the consequences for failing to do so. The commissioner of revenue shall notify the commissioner of employment and economic development and the appropriate job opportunity subzone administrator whenever notice is sent to a business under this paragraph.

(c) The certification required under this section is public.

(d) The commissioner of revenue shall promptly notify the commissioner of employment and economic development of all businesses that certify that they are not in compliance with the terms of their business subsidy agreement and all businesses that fail to file the certification.

469.320 ZONE PERFORMANCE; REMEDIES.

Subdivision 1. **Reporting requirement.** An applicant receiving designation of a job opportunity building zone under section 469.314 must annually report to the commissioner on its progress in meeting the zone performance goals under the development plan for the zone and the applicant's compliance with the business subsidy law under sections 116J.993 to 116J.995.

Subd. 2. **Procedures.** For reports required by subdivision 1, the commissioner may prescribe:

(1) the required time or times by which the reports must be filed;

(2) the form of the report; and

(3) the information required to be included in the report.

Subd. 3. **Remedies.** If the commissioner determines, based on a report filed under subdivision 1 or other available information, that a zone or subzone is failing to meet its performance goals, the commissioner may take any actions the commissioner determines appropriate, including modification of the boundaries of the zone or a subzone or termination of the zone or a subzone. Before taking any action, the commissioner shall consult with the applicant and the affected local government units, including notifying them of the proposed actions to be taken. The applicant may appeal the commissioner's order under the contested case procedures of chapter 14.

Subd. 4. **Existing businesses.** (a) An action to remove area from a zone or to terminate a zone under this section does not apply to:

(1) the property tax on improvements constructed before the first January 2 following publication of the commissioner's order;

(2) sales tax on purchases made before the first day of the next calendar month beginning at least 30 days after publication of the commissioner's order; and

(3) individual income tax or corporate franchise tax attributable to a facility that was in operation before the publication of the commissioner's order.

(b) The tax exemptions specified in paragraph (a) terminate on the date on which the zone expires under the original designation.

469.3201 LEGISLATIVE AUDITOR; AUDITS OF JOB OPPORTUNITY BUILDING ZONES AND BUSINESS SUBSIDY AGREEMENTS.

As resources allow, the legislative auditor must audit the creation and operation of all job opportunity building zones and business subsidy agreements entered into under sections 469.310 to 469.320. All public officials and parties to the agreements shall provide the legislative auditor with all documents and data the legislative auditor deems necessary and in all other respects comply with the requirements of section 3.978, subdivision 2.

477A.085 DEBT SERVICE AID; CITY OF MINNEAPOLIS.

On or before November 1, 2016, and the first day of each November thereafter, the commissioner shall pay to the city of Minneapolis an amount equal to 40 percent of the city's otherwise required levy to pay its general obligation library referendum bonds for the following calendar year. The levy excludes any amount to pay bonds, other than refunding bonds, issued after May 1, 2013. An amount sufficient to pay the aid under this section is appropriated from the general fund to the commissioner of revenue.

477A.18 PRODUCTION PROPERTY TRANSITION AID.

Subdivision 1. **Definitions.** (a) When used in this section, the following terms have the meanings indicated in this subdivision.

(b) "Local unit" means a home rule charter or statutory city, or a town.

(c) "Net tax capacity differential" means the positive difference, if any, by which the local unit's net tax capacity was reduced from assessment year 2014 to assessment year 2015 due to the change in the definition of real property in section 272.03, subdivision 1, enacted by Laws 2014, chapter 308, article 2, section 9. For purposes of determining the net tax capacity differential, any property in a job opportunity building zone under section 469.314 may not be included when calculating a local unit's net tax capacity.

Subd. 2. **Aid eligibility; payment.** (a) If the net tax capacity differential of the local unit exceeds five percent of its 2015 net tax capacity, the local unit is eligible for transition aid computed under paragraphs (b) to (f).

(b) For aids payable in 2016, transition aid under this section for an eligible local unit equals (1) the net tax capacity differential, times (2) the jurisdiction's tax rate for taxes payable in 2015.

(c) For aids payable in 2017, transition aid under this section for an eligible local unit equals 80 percent of (1) the net tax capacity differential, times (2) the jurisdiction's tax rate for taxes payable in 2016.

(d) For aids payable in 2018, transition aid under this section for an eligible local unit equals 60 percent of (1) the net tax capacity differential, times (2) the jurisdiction's tax rate for taxes payable in 2017.

(e) For aids payable in 2019, transition aid under this section for an eligible local unit equals 40 percent of (1) the net tax capacity differential, times (2) the jurisdiction's tax rate for taxes payable in 2018.

(f) For aids payable in 2020, transition aid under this section for an eligible local unit equals 20 percent of (1) the net tax capacity differential, times (2) the jurisdiction's tax rate for taxes payable in 2019.

(g) No aids shall be payable under this section in 2021 and thereafter.

(h) The commissioner of revenue shall compute the amount of transition aid payable to each local unit under this section. On or before August 1 of each year, the commissioner shall certify the amount of transition aid computed for aids payable in the following year for each recipient local unit. The commissioner shall pay transition aid to local units annually at the times provided in section 477A.015.

(i) The commissioner of revenue may require counties to provide any data that the commissioner deems necessary to administer this section.

Subd. 3. **Appropriation.** An amount sufficient to pay transition aid under this section is annually appropriated to the commissioner of revenue from the general fund.

477A.30 LOCAL HOMELESS PREVENTION AID.

Subd. 8. **Expiration.** Distributions under this section expire after aids payable in 2028 have been distributed.