

**SENATE**  
**STATE OF MINNESOTA**  
**NINETIETH SESSION**

**S.F. No. 498**

(SENATE AUTHORS: JOHNSON, Eken and Westrom)

DATE  
01/30/2017

D-PG  
452 Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
 1.2 relating to taxation; economic development; providing permanent tax reduction  
 1.3 authority to border city enterprise zones; amending Minnesota Statutes 2016,  
 1.4 section 469.169, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2016, section 469.169, is amended by adding a subdivision  
 1.7 to read:

1.8 Subd. 20. **Additional border city allocations.** (a) In addition to the tax reductions  
 1.9 authorized in subdivisions 12 to 19, the commissioner shall annually allocate \$3,000,000  
 1.10 for tax reductions to border city enterprise zones in cities located on the western border of  
 1.11 the state. The commissioner shall allocate this amount among cities on a per capita basis.  
 1.12 Allocations made under this subdivision may be used for tax reductions under sections  
 1.13 469.171, 469.1732, and 469.1734, or for other offsets of taxes imposed on or remitted by  
 1.14 businesses located in the enterprise zone, but only if the municipality determines that the  
 1.15 granting of the tax reduction or offset is necessary to retain a business within or attract a  
 1.16 business to the zone.

1.17 (b) The allocations under this subdivision do not cancel or expire, but remain available  
 1.18 until used by the city.

1.19 **EFFECTIVE DATE.** This section is effective July 1, 2017.