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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2592

03/08/2016 Authored by Erickson

The bill was read for the first time and referred to the Committee on Mining and Outdoor Recreation Policy

03/10/2016 By motion, recalled and re-referred to the Committee on State Government Finance

1.1 A bill for an act  
1.2 relating to commerce; establishing an economic relief program; transferring  
1.3 money from the game and fish fund and natural resources fund to the general  
1.4 fund; authorizing special property tax abatement aid; appropriating money.

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

1.6 Section 1. MILLE LACS LAKE AREA ECONOMIC RELIEF PROGRAM.

1.7 (a) Mille Lacs County must develop and operate a Mille Lacs Lake area economic  
1.8 relief program to assist businesses adversely affected by the early closing of the 2015  
1.9 walleye fishing season on Mille Lacs Lake on August 3, 2015.

1.10 (b) The economic relief program established under this section may include grants,  
1.11 including grants for broadband development within the purpose of Minnesota Statutes,  
1.12 section 116J.395, subdivision 2; interest-free loans; or tourism promotion. Loans or grants  
1.13 available under this section may not exceed \$100,000 per business per year.

1.14 (c) To qualify for assistance under this section, a business must:

1.15 (1) be located within Aitkin, Crow Wing, or Mille Lacs County;

1.16 (2) document a reduction in gross receipts of at least five percent compared to  
1.17 2014; and

1.18 (3) be a business in one of the following industries, as defined within the North  
1.19 American Industry Classification System: lodging, restaurants, bars, amusement and  
1.20 recreation, food and beverages retail, sporting goods, miscellaneous retail, general retail,  
1.21 museums, historical sites, health and personal care, gas station, general merchandise,  
1.22 business and professional membership, movies, or nonstore retailer, as determined by  
1.23 Mille Lacs County in consultation with the commissioner of employment and economic  
1.24 development.

2.1 (d) Mille Lacs County may establish grant and loan application requirements,  
 2.2 duration, terms, and repayment requirements.

2.3 (e) The commissioner of employment and economic development must annually  
 2.4 audit Mille Lacs County's compliance with the provisions of this section, and Mille Lacs  
 2.5 County must comply with all requests made by the commissioner under this paragraph.

2.6 **Sec. 2. IN-LIEU SALES TAX DIVERSION; TRANSFER.**

2.7 Notwithstanding Minnesota Statutes, section 297A.94, paragraph (e), prior to the  
 2.8 deposit of any revenue, including interest and penalties under Minnesota Statutes, section  
 2.9 297A.94, paragraph (e), clauses (1) to (5), \$12,000,000 in fiscal year 2017, \$12,000,000 in  
 2.10 fiscal year 2018, and \$12,000,000 in fiscal year 2019 must be transferred to the general  
 2.11 fund. This is a onetime transfer.

2.12 **Sec. 3. APPROPRIATION; MILLE LACS LAKE AREA ECONOMIC RELIEF.**

2.13 \$5,200,000 in fiscal year 2017, \$6,000,000 in fiscal year 2018, and \$6,000,000  
 2.14 in fiscal year 2019 are appropriated from the general fund to the commissioner of  
 2.15 employment and economic development for a grant to Mille Lacs County to develop  
 2.16 and operate the Mille Lacs Lake area economic relief program established in section 1.  
 2.17 This is a onetime appropriation.

2.18 **Sec. 4. MILLE LACS LAKE AREA PROPERTY TAX ABATEMENTS;**  
 2.19 **ABATEMENT AID.**

2.20 (a) Notwithstanding Minnesota Statutes, section 375.192, the county boards of  
 2.21 Aitkin, Crow Wing, and Mille Lacs Counties may grant an abatement of net tax for taxes  
 2.22 payable in 2016, 2017, and 2018, provided that:

2.23 (1) the property is classified as 1c, 3a, 4c(1), 4c(10), or 4c(11);

2.24 (2) the taxpayer submits a written application to the county assessor prior to July 1,  
 2.25 2016; and

2.26 (3) the taxpayer meets the criteria established in section 1, paragraph (c), clauses  
 2.27 (1) to (3).

2.28 (b) The abatement may not exceed a percentage of net tax equal to the percentage  
 2.29 reduction in gross receipts in the current year compared to 2014.

2.30 (c) An appeal may not be taken to the Tax Court from any order of the county board  
 2.31 made in the exercise of the discretionary authority granted in this section.

3.1 (d) If an application for abatement is made under this section after payment of all  
3.2 or a portion of the taxes being abated, the portion already paid shall be refunded to the  
3.3 taxpayer by the county treasurer as soon as practicable.

3.4 (e) If the county grants an abatement under paragraph (a), the tax attributable to the  
3.5 state general tax is also abated.

3.6 (f) The county auditor shall certify the abatements granted under this section to the  
3.7 commissioner of revenue for reimbursement to each taxing jurisdiction in which the  
3.8 affected property is located. The commissioner shall make the payments to the taxing  
3.9 jurisdictions containing the property, other than school districts, at the time distributions  
3.10 are made under Minnesota Statutes, section 473H.10, subdivision 3. Reimbursements to  
3.11 school districts shall be made as provided in Minnesota Statutes, section 273.1392.

3.12 (g) \$6,000,000 in fiscal year 2017, \$6,000,000 in fiscal year 2018, and \$6,000,000 in  
3.13 fiscal year 2019 are appropriated from the general fund to the commissioner of revenue  
3.14 for Mille Lacs Lake area abatement aid payments to local governments for abatements  
3.15 authorized under paragraph (a). This is a onetime appropriation.

3.16 (h) The commissioner of revenue must annually audit Mille Lacs County's  
3.17 compliance with the provisions of this section and Mille Lacs County must comply with  
3.18 all requests made by the commissioner under this paragraph.

3.19 **Sec. 5. APPROPRIATION; MALONE ISLAND BRIDGE.**

3.20 \$800,000 in fiscal year 2017 is appropriated from the general fund to the  
3.21 commissioner of transportation for a grant to the city of Isle for demolition and  
3.22 construction necessary to replace the Malone Island Bridge, including the replacement  
3.23 of accompanying water and sewer lines.