

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 254

(SENATE AUTHORS: MATHEWS)

DATE
01/17/2019

D-PG
114 Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; property; reimbursing taxing jurisdictions in Mille Lacs County
1.3 for lost revenue.

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

1.5 Section 1. MILLE LACS COUNTY; COUNTY, CITY, TOWNSHIP, SCHOOL
1.6 DISTRICT REIMBURSEMENT.

1.7 (a) A taxing jurisdiction located in Mille Lacs County that has lost property tax revenue
1.8 due to the placement of property into trust by the United States Department of the Interior
1.9 Bureau of Indian Affairs is eligible for reimbursement under this section in the following
1.10 manner:

1.11 (1) by July 1, 2019, the auditor of Mille Lacs County must certify to the commissioner
1.12 of revenue the amount of tax revenue lost by each taxing jurisdiction in the county due to
1.13 property being placed into trust between January 1, 2009, and December 31, 2018;

1.14 (2) by July 1 of each year, starting in 2019, the auditor of Mille Lacs County must certify
1.15 to the commissioner of revenue the amount of tax revenue lost by each taxing jurisdiction
1.16 in the county due to property being placed into trust during the preceding calendar year.

1.17 This clause only applies to properties that were the subject of an application for placement
1.18 into trust between January 1, 2009, and June 30, 2019; and

1.19 (3) in the first five years following certification under clause (1) or (2), the commissioner
1.20 of education must distribute to the county the full amount certified for school districts, and
1.21 the commissioner of revenue must distribute to the county the full amount certified for
1.22 taxing jurisdictions other than school districts. The county must distribute to each taxing

2.1 jurisdiction the certified amount of tax revenue lost by the jurisdiction. In the sixth year
2.2 following certification and in each year thereafter, the commissioners of education and
2.3 revenue must distribute to the county, for distribution to each taxing jurisdiction, an amount
2.4 equal to the previous year's amount minus 20 percent of the amount distributed in the first
2.5 year.

2.6 (b) Reimbursements required by this section must be paid to taxing jurisdictions other
2.7 than school districts at the times provided in Minnesota Statutes, section 477A.015, for
2.8 payment of local government aid. Aid to school districts must be certified to the
2.9 commissioner of education and paid under Minnesota Statutes, section 273.1392.

2.10 (c) An amount sufficient to make the payments to taxing jurisdictions other than school
2.11 districts is annually appropriated from the general fund to the commissioner of revenue. An
2.12 amount sufficient to make the payment to school districts is annually appropriated to the
2.13 commissioner of education.

2.14 (d) For purposes of this section, "taxing jurisdiction" means a political subdivision
2.15 including a county, city, town, township, school district, or special taxing district imposing
2.16 a levy on real property.

2.17 (e) For purposes of this section, "tax revenue lost" means the amount that was payable
2.18 in the year before the property became exempt.

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