

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

**S.F. No. 5353**

(SENATE AUTHORS: DIBBLE and Jasinski)

DATE  
04/08/2024

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13535 Introduction and first reading  
Referred to Transportation

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to transportation; taxation; modifying county requirements related to the  
1.3 county transportation sales and use tax; allowing for deduction to sales tax proceeds;  
1.4 amending Minnesota Statutes 2022, sections 297A.99, subdivision 11; 297A.993,  
1.5 subdivision 3; Minnesota Statutes 2023 Supplement, section 297A.993, subdivision  
1.6 2a.

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

1.8 Section 1. Minnesota Statutes 2022, section 297A.99, subdivision 11, is amended to read:

1.9 Subd. 11. **Revenues; cost of collection.** The commissioner shall remit the proceeds of  
1.10 the tax, less refunds and a proportionate share of the cost of collection, at least quarterly,  
1.11 to the political subdivision. The commissioner shall deduct from the proceeds remitted an  
1.12 amount that equals

1.13 (1) the direct and indirect costs of the department to administer, audit, and collect the  
1.14 political subdivision's tax, plus

1.15 (2) the political subdivision's proportionate share of the indirect cost of administering  
1.16 all taxes under this section, plus

1.17 (3) the cost of constructing and maintaining a zip code or geo-code database necessary  
1.18 for local sales tax collections under the Streamlined Sales and Use Tax Agreement in section  
1.19 297A.995, plus

1.20 (4) the deduction required under section 297A.993, subdivision 3, if any.

1.21 The initial cost of constructing a database under clause (3) shall be distributed among  
1.22 the cities with a local sales tax based on each city's population. The commissioner shall

2.1 develop a method for distributing the cost of maintaining the database among the cities with  
2.2 a local sales tax based on the number of boundary changes for each city.

2.3 Sec. 2. Minnesota Statutes 2023 Supplement, section 297A.993, subdivision 2a, is amended  
2.4 to read:

2.5 Subd. 2a. **Uses reporting.** By February 15 of each even-numbered year, a metropolitan  
2.6 county, as defined in section 473.121, subdivision 4, that imposes the taxes under this section  
2.7 must submit a report to the legislative committees with jurisdiction over transportation  
2.8 policy and finance, including partisan and nonpartisan committee staff. At a minimum, the  
2.9 report must include:

2.10 (1) actual transportation sales tax collections by the county over the previous five calendar  
2.11 years;

2.12 (2) an estimation of the total sales tax revenue that is estimated to be collected by the  
2.13 county in the current year and for the next ten calendar years; and

2.14 (3) for each of the previous five calendar years, the current calendar year, and for the  
2.15 next ten calendar years:

2.16 (i) the amount of sales tax revenue expended or proposed to be expended for each of  
2.17 the following:

2.18 (A) planning, construction, operation, or maintenance of guideways, as defined in section  
2.19 473.4485, subdivision 1, paragraph (d);

2.20 (B) nonguideway transit and active transportation uses;

2.21 (C) highway uses; and

2.22 (D) uses not otherwise specified in subitems (A) to (C); ~~and~~

2.23 (ii) completed, current, planned, and eligible projects for each category under item (i);  
2.24 and

2.25 (iii) an estimated balance of unspent or undesignated county sales tax revenue.

2.26 Sec. 3. Minnesota Statutes 2022, section 297A.993, subdivision 3, is amended to read:

2.27 Subd. 3. **Administration, collection, enforcement.** (a) The administration, collection,  
2.28 and enforcement provisions in section 297A.99, subdivisions 4 and 6 to 12, apply to all  
2.29 taxes imposed under this section.

- 3.1 (b) If the report under subdivision 2a is not submitted by a county to the legislature as  
3.2 required by February 15 in an even-numbered year, the commissioner must deduct \$10,000  
3.3 from the next quarterly proceeds remittance to the county immediately following that date  
3.4 and must deduct \$10,000 from each subsequent quarterly proceeds remittance until the  
3.5 report is submitted.