

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

**S.F. No. 1879**

(SENATE AUTHORS: JASINSKI)

DATE	D-PG	OFFICIAL STATUS
03/07/2017	1144	Introduction and first reading
		Referred to Transportation Finance and Policy
03/09/2017	1199	Comm report: To pass and re-referred to Taxes

1.1 A bill for an act

1.2 relating to transportation; modifying sales tax deposits and accounts for

1.3 transportation purposes; amending Minnesota Statutes 2016, sections 297A.815,

1.4 subdivision 3; 297A.94.

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

1.6 Section 1. Minnesota Statutes 2016, section 297A.815, subdivision 3, is amended to read:

1.7 Subd. 3. **Motor vehicle lease sales tax revenue.** (a) ~~For purposes of this subdivision,~~

1.8 ~~"net revenue" means an amount equal to the revenues, including interest and penalties,~~

1.9 ~~collected under this section, during the fiscal year, less \$32,000,000 in each fiscal year.~~

1.10 ~~(b)~~ On or before June 30 of each fiscal year, the commissioner of revenue ~~shall~~ must

1.11 estimate the amount of the ~~net revenue~~ revenues for the current fiscal year, including interest

1.12 and penalties collected during the fiscal year under this section.

1.13 ~~(e)~~ (b) On or after July 1 of the subsequent fiscal year, the commissioner of management

1.14 and budget ~~shall~~ must transfer the ~~net revenue~~ as revenues estimated in paragraph ~~(b)~~ (a)

1.15 from the general fund, as follows:

1.16 (1) ~~\$9,000,000 annually until January 1, 2015, and~~ \$32,000,000 to the highway user tax

1.17 distribution fund;

1.18 (2) 50 percent annually thereafter of the remainder to the county state-aid highway fund.

1.19 Notwithstanding any other law to the contrary, the commissioner of transportation shall

1.20 allocate the funds transferred under this clause to the counties in the metropolitan area, as

1.21 defined in section 473.121, subdivision 4, excluding the counties of Hennepin and Ramsey,

1.22 so that each county shall receive of such amount the percentage that its population, as defined

1.23 in section 477A.011, subdivision 3, estimated or established by July 15 of the year prior to

the current calendar year, bears to the total population of the counties receiving funds under this clause; and

~~(2)~~ (3) the remainder to the greater Minnesota transit account.

**EFFECTIVE DATE.** This section is effective January 1, 2018.

Sec. 2. Minnesota Statutes 2016, 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 must deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, 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

3.1 tax distribution fund an amount equal to the excess fees collected under section 297A.64,  
3.2 subdivision 5, for the previous calendar year.

3.3 ~~(e)~~ (f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the  
3.4 deposit of revenues under paragraph (d), the commissioner must deposit into the state  
3.5 treasury and credit to the highway user tax distribution fund an amount equal to the estimated  
3.6 revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the  
3.7 lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64.  
3.8 The commissioner must estimate the amount of sales tax revenue deposited under this  
3.9 paragraph based on the amount of revenue deposited under paragraph (d).

3.10 (g) 72.43 percent of the revenues, including interest and penalties, transmitted to the  
3.11 commissioner under section 297A.65, must be deposited by the commissioner in the state  
3.12 treasury as follows:

3.13 (1) 50 percent of the receipts must be deposited in the heritage enhancement account in  
3.14 the game and fish fund, and may be spent only on activities that improve, enhance, or protect  
3.15 fish and wildlife resources, including conservation, restoration, and enhancement of land,  
3.16 water, and other natural resources of the state;

3.17 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may  
3.18 be spent only for state parks and trails;

3.19 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may  
3.20 be spent only on metropolitan park and trail grants;

3.21 (4) three percent of the receipts must be deposited in the natural resources fund, and  
3.22 may be spent only on local trail grants; and

3.23 (5) two percent of the receipts must be deposited in the natural resources fund, and may  
3.24 be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory,  
3.25 and the Duluth Zoo.

3.26 ~~(f)~~ (h) The revenue dedicated under paragraph ~~(e)~~ (g) may not be used as a substitute  
3.27 for traditional sources of funding for the purposes specified, but the dedicated revenue shall  
3.28 supplement traditional sources of funding for those purposes. Land acquired with money  
3.29 deposited in the game and fish fund under paragraph ~~(e)~~ (g) must be open to public hunting  
3.30 and fishing during the open season, except that in aquatic management areas or on lands  
3.31 where angling easements have been acquired, fishing may be prohibited during certain times  
3.32 of the year and hunting may be prohibited. At least 87 percent of the money deposited in

4.1 the game and fish fund for improvement, enhancement, or protection of fish and wildlife  
4.2 resources under paragraph ~~(e)~~ (g) must be allocated for field operations.

4.3 ~~(g)~~ (i) The revenues deposited under paragraphs (a) to ~~(f)~~ (h) do not include the revenues,  
4.4 including interest and penalties, generated by the sales tax imposed under section 297A.62,  
4.5 subdivision 1a, which must be deposited as provided under the Minnesota Constitution,  
4.6 article XI, section 15.

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