A bill for an act

relating to taxation; job opportunity building zones; modifying waiver authority; amending Minnesota Statutes 2010, section 469.319, subdivision 5.

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

Section 1. Minnesota Statutes 2010, section 469.319, subdivision 5, is amended to read:

Subd. 5. **Waiver authority.** (a) The commissioner may waive all or part of a repayment required under subdivision 1, if the commissioner, in consultation with the commissioner of employment and economic development and appropriate officials from the local government units in which the qualified business is located, determines that requiring repayment of the tax is not in the best interest of the state or the local government units and the business either:

(1) ceased operating as a result of circumstances beyond its control including, but not limited to:

~~(1)~~ (i) a natural disaster;

~~(2)~~ (ii) unforeseen industry trends; or

~~(3)~~ (iii) loss of a major supplier or customer~~.~~; or

(2) did not meet the goals described in the business subsidy agreement as a result of unforeseen economic or business conditions, including but not limited to those listed in clause (1), items (ii) and (iii), as long as the business:

(i) continues to maintain the same level of operations in the zone that it operated while receiving tax benefits listed in section 469.315; and

(ii) meets the employment requirements under section 469.310, subdivision 11, paragraph (d), clause (1), within one year from the date of ineligibility and maintains the employment requirements for three additional consecutive years.

(b)(1) The commissioner shall waive repayment required under subdivision 1a if the commissioner has waived repayment by the operating business under subdivision 1, unless the person that received benefits without having to operate a business in the zone was a contributing factor in the qualified business becoming subject to repayment under subdivision 1;

(2) the commissioner shall waive the repayment required under subdivision 1a, even if the repayment has not been waived for the operating business if:

(i) the person that received benefits without having to operate a business in the zone and the business that operated in the zone are not related parties as defined in section 267(b) of the Internal Revenue Code of 1986, as amended through December 31, 2007; and

(ii) actions of the person were not a contributing factor in the qualified business becoming subject to repayment under subdivision 1.

(c) Requests for waiver must be made no later than 60 days after the notice date of an order issued under subdivision 4, paragraph (d), or, in the case of property taxes, within 60 days of the date of a tax statement issued under subdivision 4, paragraph (c). Requests for waiver under paragraph (a), clause (2), must be made within 60 days of the effective date of this act.

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