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State of Minnesota  
HOUSE OF REPRESENTATIVES  
*First Division Engrossment*

NINETY-THIRD SESSION

H. F. No. **5198**

04/02/2024 Authored by Lislegard  
The bill was read for the first time and referred to the Committee on Taxes

**Division Action**

04/15/2024 Referred by Chair to the Property Tax Division  
Division action, to adopt as amended and return to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to taxation; modifying property taxes, local government aids, minerals  
1.3 taxes, and other tax-related provisions; modifying property tax exemptions, credits,  
1.4 classifications, and abatements; adjusting local government aid calculations and  
1.5 payments; providing for transfers and distributions of proceeds of minerals taxes;  
1.6 providing for issuance of revenue bonds; providing special tax increment financing  
1.7 authority; modifying certain special local taxes; providing for the establishment  
1.8 of land valuation districts; appropriating money; amending Minnesota Statutes  
1.9 2022, sections 272.02, by adding subdivisions; 273.13, subdivision 22; 273.135,  
1.10 subdivision 2; 275.065, by adding a subdivision; 276.04, by adding a subdivision;  
1.11 298.28, subdivision 8; 298.282, subdivision 1; 298.292, subdivision 2; 469.1812,  
1.12 by adding a subdivision; 469.1813, subdivisions 1, 6, by adding a subdivision;  
1.13 469.190, subdivisions 1, 7; 477A.013, subdivision 1; 477A.03, subdivision 2c;  
1.14 Minnesota Statutes 2023 Supplement, sections 298.018, subdivision 1; 298.28,  
1.15 subdivision 16; Laws 1986, chapter 396, section 5, as amended; Laws 1986, chapter  
1.16 400, section 44, as amended; Laws 2010, chapter 389, article 7, section 22, as  
1.17 amended; Laws 2014, chapter 308, article 6, section 9, as amended; Laws 2017,  
1.18 First Special Session chapter 1, article 6, section 22; proposing coding for new  
1.19 law in Minnesota Statutes, chapter 428A.

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

1.21 **ARTICLE 1**  
1.22 **PROPERTY TAXES AND LOCAL GOVERNMENT AIDS**

1.23 Section 1. Minnesota Statutes 2022, section 272.02, is amended by adding a subdivision  
1.24 to read:

1.25 Subd. 106. Certain property owned by an Indian Tribe. Property is exempt that:

1.26 (1) was classified as class 2b under section 273.13, subdivision 24, for taxes payable in  
1.27 2024;

2.1 (2) is located within a county with a population greater than 5,580 but less than 5,620  
2.2 according to the 2020 federal census;

2.3 (3) is located in an unorganized territory with a population less than 800 according to  
2.4 the 2020 federal census; and

2.5 (4) was on January 2, 2023, and is for the current assessment, owned by a federally  
2.6 recognized Indian Tribe, or its instrumentality, that is located within the state of Minnesota.

2.7 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2025.

2.8 Sec. 2. Minnesota Statutes 2022, section 272.02, is amended by adding a subdivision to  
2.9 read:

2.10 Subd. 107. **Certain property owned by an Indian Tribe.** (a) Property is exempt that:

2.11 (1) was classified as class 3a under section 273.13, subdivision 24, for taxes payable in  
2.12 2024;

2.13 (2) is located in a city of the first class with a population greater than 400,000 as of the  
2.14 2020 federal census;

2.15 (3) was on January 1, 2023, and is for the current assessment, owned by a federally  
2.16 recognized Indian Tribe, or its instrumentality, that is located within the state of Minnesota;  
2.17 and

2.18 (4) is used exclusively for Tribal purposes or institutions of purely public charity as  
2.19 defined in subdivision 7.

2.20 (b) Property that qualifies for the exemption under this subdivision is limited to one  
2.21 parcel that does not exceed 40,000 square feet. Property used for single-family housing,  
2.22 market-rate apartments, agriculture, or forestry does not qualify for this exemption.

2.23 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2025.

2.24 Sec. 3. Minnesota Statutes 2022, section 273.13, subdivision 22, is amended to read:

2.25 Subd. 22. **Class 1.** (a) Except as provided in subdivision 23 and in paragraphs (b) and  
2.26 (c), real estate which is residential and used for homestead purposes is class 1a. In the case  
2.27 of a duplex or triplex in which one of the units is used for homestead purposes, the entire  
2.28 property is deemed to be used for homestead purposes. The market value of class 1a property  
2.29 must be determined based upon the value of the house, garage, and land.

3.1 The first \$500,000 of market value of class 1a property has a net classification rate of  
3.2 one percent of its market value; and the market value of class 1a property that exceeds  
3.3 \$500,000 has a classification rate of 1.25 percent of its market value.

3.4 (b) Class 1b property includes homestead real estate or homestead manufactured homes  
3.5 used for the purposes of a homestead by:

3.6 (1) any person who is blind as defined in section 256D.35, or the person who is blind  
3.7 and the spouse of the person who is blind;

3.8 (2) any person who is permanently and totally disabled or by the person with a disability  
3.9 and the spouse of the person with a disability; or

3.10 (3) the surviving spouse of a veteran who was permanently and totally disabled  
3.11 homesteading a property classified under this paragraph for taxes payable in 2008.

3.12 Property is classified and assessed under clause (2) only if the government agency or  
3.13 income-providing source certifies, upon the request of the homestead occupant, that the  
3.14 homestead occupant satisfies the disability requirements of this paragraph, and that the  
3.15 property is not eligible for the valuation exclusion under subdivision 34.

3.16 Property is classified and assessed under paragraph (b) only if the commissioner of  
3.17 revenue or the county assessor certifies that the homestead occupant satisfies the requirements  
3.18 of this paragraph.

3.19 Permanently and totally disabled for the purpose of this subdivision means a condition  
3.20 which is permanent in nature and totally incapacitates the person from working at an  
3.21 occupation which brings the person an income. The first \$50,000 market value of class 1b  
3.22 property has a net classification rate of .45 percent of its market value. The remaining market  
3.23 value of class 1b property is classified as class 1a or class 2a property, whichever is  
3.24 appropriate.

3.25 (c) Class 1c property is commercial use real and personal property that abuts public  
3.26 water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by  
3.27 the Department of Natural Resources, and is devoted to temporary and seasonal residential  
3.28 occupancy for recreational purposes but not devoted to commercial purposes for more than  
3.29 250 days in the year preceding the year of assessment, and that includes a portion used as  
3.30 a homestead by the owner, which includes a dwelling occupied as a homestead by a  
3.31 shareholder of a corporation that owns the resort, a partner in a partnership that owns the  
3.32 resort, or a member of a limited liability company that owns the resort even if the title to  
3.33 the homestead is held by the corporation, partnership, or limited liability company. For

4.1 purposes of this paragraph, property is devoted to a commercial purpose on a specific day  
4.2 if any portion of the property, excluding the portion used exclusively as a homestead, is  
4.3 used for residential occupancy and a fee is charged for residential occupancy. Class 1c  
4.4 property must contain three or more rental units. A "rental unit" is defined as a cabin,  
4.5 condominium, townhouse, sleeping room, or individual camping site equipped with water  
4.6 and electrical hookups for recreational vehicles. Class 1c property must provide recreational  
4.7 activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill  
4.8 or cross-country ski equipment; provide marina services, launch services, or guide services;  
4.9 or sell bait and fishing tackle. Any unit in which the right to use the property is transferred  
4.10 to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies  
4.11 for class 1c even though it may remain available for rent. A camping pad offered for rent  
4.12 by a property that otherwise qualifies for class 1c is also class 1c, regardless of the term of  
4.13 the rental agreement, as long as the use of the camping pad does not exceed 250 days. If  
4.14 the same owner owns two separate parcels that are located in the same township, and one  
4.15 of those properties is classified as a class 1c property and the other would be eligible to be  
4.16 classified as a class 1c property if it was used as the homestead of the owner, both properties  
4.17 will be assessed as a single class 1c property; for purposes of this sentence, properties are  
4.18 deemed to be owned by the same owner if each of them is owned by a limited liability  
4.19 company, and both limited liability companies have the same membership. The portion of  
4.20 the property used as a homestead is class 1a property under paragraph (a). The remainder  
4.21 of the property is classified as follows: the first ~~\$600,000~~ \$1,100,000 of market value is tier  
4.22 I, the next ~~\$1,700,000~~ \$2,600,000 of market value is tier II, and any remaining market value  
4.23 is tier III. The classification rates for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent;  
4.24 and tier III, 1.25 percent. Owners of real and personal property devoted to temporary and  
4.25 seasonal residential occupancy for recreation purposes in which all or a portion of the  
4.26 property was devoted to commercial purposes for not more than 250 days in the year  
4.27 preceding the year of assessment desiring classification as class 1c, must submit a declaration  
4.28 to the assessor designating the cabins or units occupied for 250 days or less in the year  
4.29 preceding the year of assessment by January 15 of the assessment year. Those cabins or  
4.30 units and a proportionate share of the land on which they are located must be designated as  
4.31 class 1c as otherwise provided. The remainder of the cabins or units and a proportionate  
4.32 share of the land on which they are located must be designated as class 3a commercial. The  
4.33 owner of property desiring designation as class 1c property must provide guest registers or  
4.34 other records demonstrating that the units for which class 1c designation is sought were not  
4.35 occupied for more than 250 days in the year preceding the assessment if so requested. The  
4.36 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center

5.1 or meeting room, and (5) other nonresidential facility operated on a commercial basis not  
5.2 directly related to temporary and seasonal residential occupancy for recreation purposes  
5.3 does not qualify for class 1c.

5.4 (d) Class 1d property includes structures that meet all of the following criteria:

5.5 (1) the structure is located on property that is classified as agricultural property under  
5.6 section 273.13, subdivision 23;

5.7 (2) the structure is occupied exclusively by seasonal farm workers during the time when  
5.8 they work on that farm, and the occupants are not charged rent for the privilege of occupying  
5.9 the property, provided that use of the structure for storage of farm equipment and produce  
5.10 does not disqualify the property from classification under this paragraph;

5.11 (3) the structure meets all applicable health and safety requirements for the appropriate  
5.12 season; and

5.13 (4) the structure is not salable as residential property because it does not comply with  
5.14 local ordinances relating to location in relation to streets or roads.

5.15 The market value of class 1d property has the same classification rates as class 1a property  
5.16 under paragraph (a).

5.17 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2025.

5.18 Sec. 4. Minnesota Statutes 2022, section 469.1812, is amended by adding a subdivision  
5.19 to read:

5.20 Subd. 2a. **Land bank organization.** "Land bank organization" means an organization  
5.21 that, at least in part, acquires, holds, or manages vacant, blighted, foreclosed, or tax-forfeited  
5.22 property for future development, redevelopment, or disposal, and that is either:

5.23 (1) a nonprofit organization exempt from federal income taxation under section 501(c)(3)  
5.24 of the Internal Revenue Code whose governing board members are elected or appointed by  
5.25 the state of Minnesota, any political subdivision of the state of Minnesota, or an agency of  
5.26 the state of Minnesota or its political subdivisions, or are elected or appointed officials of  
5.27 the state of Minnesota or any of its political subdivisions; or

5.28 (2) a limited liability company of which a nonprofit organization described in clause (1)  
5.29 is the sole member.

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

6.1 Sec. 5. Minnesota Statutes 2022, section 469.1813, subdivision 1, is amended to read:

6.2 Subdivision 1. **Authority.** The governing body of a political subdivision may grant a  
6.3 current or prospective abatement, by contract or otherwise, of the taxes imposed by the  
6.4 political subdivision on a parcel of property, which may include personal property and  
6.5 machinery, or defer the payments of the taxes and abate the interest and penalty that otherwise  
6.6 would apply, if:

6.7 (1) it expects the benefits to the political subdivision of the proposed abatement agreement  
6.8 to at least equal the costs to the political subdivision of the proposed agreement or intends  
6.9 the abatement to phase in a property tax increase, as provided in clause (2)(vii); and

6.10 (2) it finds that doing so is in the public interest because it will:

6.11 (i) increase or preserve tax base;

6.12 (ii) provide employment opportunities in the political subdivision;

6.13 (iii) provide or help acquire or construct public facilities;

6.14 (iv) help redevelop or renew blighted areas;

6.15 (v) help provide access to services for residents of the political subdivision;

6.16 (vi) finance or provide public infrastructure;

6.17 (vii) phase in a property tax increase on the parcel resulting from an increase of 50  
6.18 percent or more in one year on the estimated market value of the parcel, other than increase  
6.19 attributable to improvement of the parcel; ~~or~~

6.20 (viii) stabilize the tax base through equalization of property tax revenues for a specified  
6.21 period of time with respect to a taxpayer whose real and personal property is subject to  
6.22 valuation under Minnesota Rules, chapter 8100;

6.23 (ix) provide for the development of affordable housing to households at or below 80  
6.24 percent of area median income; or

6.25 (x) allow the property to be held by a land bank organization for future development.

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

6.27 Sec. 6. Minnesota Statutes 2022, section 469.1813, subdivision 6, is amended to read:

6.28 Subd. 6. **Duration limit.** (a) A political subdivision may grant an abatement for a period  
6.29 no longer than 15 years, except as provided under ~~paragraph~~ paragraphs (b) and (c). The  
6.30 abatement period commences in the first year in which the abatement granted is either paid

7.1 or retained in accordance with section 469.1815, subdivision 2. The subdivision may specify  
7.2 in the abatement resolution a shorter duration. If the resolution does not specify a period of  
7.3 time, the abatement is for eight years. If an abatement has been granted to a parcel of property  
7.4 and the period of the abatement has expired, the political subdivision that granted the  
7.5 abatement may not grant another abatement for eight years after the expiration of the first  
7.6 abatement. This prohibition does not apply to improvements added after and not subject to  
7.7 the first abatement. Economic abatement agreements for real and personal property subject  
7.8 to valuation under Minnesota Rules, chapter 8100, are not subject to this prohibition and  
7.9 may be granted successively.

7.10 (b) A political subdivision proposing to abate taxes for a parcel may request, in writing,  
7.11 that the other political subdivisions in which the parcel is located grant an abatement for  
7.12 the property. If one of the other political subdivisions declines, in writing, to grant an  
7.13 abatement or if 90 days pass after receipt of the request to grant an abatement without a  
7.14 written response from one of the political subdivisions, the duration limit for an abatement  
7.15 for the parcel by the requesting political subdivision and any other participating political  
7.16 subdivision is increased to 20 years. If the political subdivision which declined to grant an  
7.17 abatement later grants an abatement for the parcel, the 20-year duration limit is reduced by  
7.18 one year for each year that the declining political subdivision grants an abatement for the  
7.19 parcel during the period of the abatement granted by the requesting political subdivision.  
7.20 The duration limit may not be reduced below the limit under paragraph (a).

7.21 (c) An abatement under subdivision 1, clause (2), items (ix) and (x), may be granted for  
7.22 a period no longer than five years. This limit also applies if the resolution does not specify  
7.23 a period of time.

7.24 **EFFECTIVE DATE.** This section is effective for abatement resolutions approved after  
7.25 the day following final enactment.

7.26 Sec. 7. Minnesota Statutes 2022, section 469.1813, is amended by adding a subdivision  
7.27 to read:

7.28 Subd. 11. **Repayment.** A land bank organization receiving an abatement under  
7.29 subdivision 1, clause (2), items (ix) and (x), must repay the abatement with interest if the  
7.30 land for which the abatement was granted is used for a purpose other than the purpose given  
7.31 by the land bank organization prior to redevelopment. This subdivision applies immediately  
7.32 after the abatement under this section expires. Land is subject to repayment under this  
7.33 subdivision for the same number of years that the abatement was granted. Interest under  
7.34 this section is payable at the rate determined in section 270C.40, subdivision 5.

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

8.2 Sec. 8. Minnesota Statutes 2022, section 477A.013, subdivision 1, is amended to read:

8.3 Subdivision 1. **Towns.** ~~(a) In 2014 and thereafter, each town is eligible for a distribution~~  
8.4 ~~under this subdivision equal to the product of (i) its agricultural property factor, (ii) its town~~  
8.5 ~~area factor, (iii) its population factor, and (iv) 0.0045.~~ As used in this subdivision, the  
8.6 following terms have the meanings given them:

8.7 (1) "agricultural property factor" means the ratio of the adjusted net tax capacity of  
8.8 agricultural property located in a town, to the adjusted net tax capacity of all other property  
8.9 located in the town. The agricultural property factor cannot exceed eight;

8.10 (2) "agricultural property" means property classified under section 273.13, as homestead  
8.11 and nonhomestead agricultural property, rural vacant land, and noncommercial seasonal  
8.12 recreational property;

8.13 (3) "town area factor" means the most recent estimate of total acreage, not to exceed  
8.14 50,000 acres, located in the township available as of July 1 in the aid calculation year,  
8.15 estimated or established by:

8.16 (i) the United States Bureau of the Census;

8.17 (ii) the State Land Management Information Center; or

8.18 (iii) the secretary of state; ~~and~~

8.19 (4) "population factor" means the square root of the towns' population; and

8.20 (5) "town aid factor" means the product of the town's (i) agricultural property factor, (ii)  
8.21 town area factor, and (iii) population factor.

8.22 ~~(b) If the sum of the aids payable to all towns under this subdivision exceeds the limit~~  
8.23 ~~under section 477A.03, subdivision 2c, the distribution to each town must be reduced~~  
8.24 ~~proportionately so that the total amount of aids distributed under this subdivision does not~~  
8.25 ~~exceed the limit in section 477A.03, subdivision 2c.~~

8.26 (b) Each town is eligible for a distribution under this subdivision equal to the product  
8.27 of (1) the total amount available for town aid under section 477A.03, subdivision 2c, and  
8.28 (2) the ratio of (i) the town's town aid factor to (ii) the sum of the town aid factors for all  
8.29 towns.



9.1 (c) Data used in calculating aids to towns under this subdivision, other than acreage,  
9.2 shall be the most recently available data as of January 1 in the year in which the aid is  
9.3 calculated.

9.4 **EFFECTIVE DATE.** This section is effective for aid payable in calendar year 2025  
9.5 and thereafter.

9.6 Sec. 9. Minnesota Statutes 2022, section 477A.03, subdivision 2c, is amended to read:

9.7 Subd. 2c. **Towns.** For aids payable in 2015 ~~and thereafter~~ through 2024, the total aids  
9.8 paid under section 477A.013, subdivision 1, is limited to \$10,000,000. For aids payable in  
9.9 2025 and thereafter, the total aid payable under section 477A.013, subdivision 1, is  
9.10 \$11,500,000.

9.11 **EFFECTIVE DATE.** This section is effective for aid payable in calendar year 2025  
9.12 and thereafter.

9.13 Sec. 10. **PROPERTY TAX EXEMPTION; RED LAKE NATION COLLEGE.**

9.14 (a) Notwithstanding Minnesota Statutes, section 272.02, subdivision 38, paragraph (b),  
9.15 and any other law to the contrary, property located in the city of Minneapolis acquired by  
9.16 Red Lake Nation in either August 2021 or September 2021 is exempt from property taxes  
9.17 payable in 2022 and the portion of property taxes payable in 2021 due after the property  
9.18 was acquired. The city assessor must provide the property owner with an application for  
9.19 exemption under this section and the property owner must file the application with the city  
9.20 assessor by August 1, 2024. An amount necessary to make a payment to the county for the  
9.21 property taxes attributable to the exemption is appropriated from the general fund to the  
9.22 commissioner of revenue in fiscal year 2024.

9.23 (b) By August 1, 2024, the auditor of the county in which the property is located must  
9.24 certify to the commissioner of revenue the amount to be paid by the commissioner of revenue  
9.25 to the county under paragraph (a). The commissioner of revenue must make this payment  
9.26 by August 15, 2024. The county auditor must distribute the payment to the property owner  
9.27 by August 31, 2024.

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

9.29 Sec. 11. **2023 AID PENALTY FORGIVENESS; CITY OF STEWART.**

9.30 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Stewart  
9.31 must receive its aid payment for calendar year 2023 under Minnesota Statutes, section

10.1 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,  
10.2 provided that the state auditor certifies to the commissioner of revenue that it received the  
10.3 annual financial reporting form for 2022 from the city by June 1, 2024. The commissioner  
10.4 of revenue must make a payment of \$87,501.50 to the city by June 30, 2024.

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

10.6 **ARTICLE 2**  
10.7 **MINERALS TAXES**

10.8 Section 1. Minnesota Statutes 2022, section 273.135, subdivision 2, is amended to read:

10.9 Subd. 2. **Reduction amount.** The amount of the reduction authorized by subdivision 1  
10.10 shall be:

10.11 (a) In the case of property located within a municipality as defined under section 273.134,  
10.12 paragraph (a), 66 percent of the tax, provided that the reduction shall not exceed the  
10.13 maximum amounts specified in paragraph (c).

10.14 (b) In the case of property located within the boundaries of a school district which  
10.15 qualifies as a tax relief area under section 273.134, paragraph (b), but which is outside the  
10.16 boundaries of a municipality which meets the qualifications prescribed in section 273.134,  
10.17 paragraph (a), 57 percent of the tax, provided that the reduction shall not exceed the  
10.18 maximum amounts specified in paragraph (c).

10.19 (c) The maximum reduction of the tax is ~~\$315.10~~ \$515 on property described in paragraph  
10.20 (a) and ~~\$289.80 on property described in~~ paragraph (b).

10.21 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
10.22 in 2025.

10.23 Sec. 2. Minnesota Statutes 2022, section 275.065, is amended by adding a subdivision to  
10.24 read:

10.25 Subd. 3c. **Notice of proposed taxes; property subject to chapter 276A.** In the case of  
10.26 property subject to the areawide tax under section 276A.06, subdivision 7, for both the  
10.27 current year taxes and the proposed tax amounts, the net tax capacity portion of the taxes  
10.28 shown for each taxing jurisdiction must be based on the property's total net tax capacity  
10.29 multiplied by the jurisdiction's actual or proposed net tax capacity tax rate. In addition to  
10.30 the tax amounts shown for each jurisdiction, the statement must include a line showing the  
10.31 "fiscal disparities adjustment" equal to the total gross tax payable minus the sum of the tax  
10.32 amounts shown for the individual taxing jurisdictions. The fiscal disparities adjustment may

11.1 be a negative number. If the fiscal disparities adjustment for either the current year taxes  
11.2 or the proposed tax amount is a negative number, the percentage change must not be shown.  
11.3 In all other respects the statement must fulfill the requirements of subdivision 3.

11.4 **EFFECTIVE DATE.** This section is effective beginning with proposed notices for  
11.5 property taxes payable in 2025.

11.6 Sec. 3. Minnesota Statutes 2022, section 276.04, is amended by adding a subdivision to  
11.7 read:

11.8 Subd. 2a. **Contents of tax statements; property subject to chapter 276A.** In the case  
11.9 of property subject to the areawide tax under section 276A.06, subdivision 7, for both the  
11.10 current year taxes and the previous year tax amounts, the net tax capacity portion of the tax  
11.11 shown for each taxing jurisdiction must be based on the property's total net tax capacity  
11.12 multiplied by the jurisdiction's net tax capacity tax rate. In addition to the tax amounts shown  
11.13 for each jurisdiction, the statement must include a line showing the "fiscal disparities  
11.14 adjustment" equal to the total gross tax payable minus the sum of the tax amounts shown  
11.15 for the individual taxing jurisdictions for each year. The fiscal disparities adjustment may  
11.16 be a negative number. In all other respects the statement must fulfill the requirements of  
11.17 subdivision 2.

11.18 **EFFECTIVE DATE.** This section is effective beginning with proposed notices for  
11.19 property taxes payable in 2025.

11.20 Sec. 4. Minnesota Statutes 2023 Supplement, section 298.018, subdivision 1, is amended  
11.21 to read:

11.22 Subdivision 1. **Within taconite assistance area.** (a) The proceeds of the tax paid under  
11.23 sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the  
11.24 taconite assistance area defined in section 273.1341, shall be allocated as follows:

11.25 (1) except as provided under paragraph (b), five percent to the city or town within which  
11.26 the minerals or energy resources are mined or extracted, or within which the concentrate  
11.27 was produced. If the mining and concentration, or different steps in either process, are  
11.28 carried on in more than one taxing district, the commissioner shall apportion equitably the  
11.29 proceeds among the cities and towns by attributing 50 percent of the proceeds of the tax to  
11.30 the operation of mining or extraction, and the remainder to the concentrating plant and to  
11.31 the processes of concentration, and with respect to each thereof giving due consideration  
11.32 to the relative extent of the respective operations performed in each taxing district;

12.1 (2) ten percent to the taconite municipal aid account to be distributed as provided in  
12.2 section 298.282, subdivisions 1 and 2, on the dates provided under this section;

12.3 (3) ten percent to the school district within which the minerals or energy resources are  
12.4 mined or extracted, or within which the concentrate was produced. If the mining and  
12.5 concentration, or different steps in either process, are carried on in more than one school  
12.6 district, distribution among the school districts must be based on the apportionment formula  
12.7 prescribed in clause (1);

12.8 (4) 20 percent to a group of school districts comprised of those school districts wherein  
12.9 the mineral or energy resource was mined or extracted or in which there is a qualifying  
12.10 municipality as defined by section 273.134, paragraph (b), in direct proportion to school  
12.11 district indexes as follows: for each school district, its pupil units determined under section  
12.12 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted  
12.13 net tax capacity per pupil unit for school districts receiving aid under this clause as calculated  
12.14 pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution  
12.15 to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that  
12.16 portion of the distribution which its index bears to the sum of the indices for all school  
12.17 districts that receive the distributions;

12.18 (5) ten percent to the county within which the minerals or energy resources are mined  
12.19 or extracted, or within which the concentrate was produced. If the mining and concentration,  
12.20 or different steps in either process, are carried on in more than one county, distribution  
12.21 among the counties must be based on the apportionment formula prescribed in clause (1),  
12.22 provided that any county receiving distributions under this clause shall pay one percent of  
12.23 its proceeds to the Range Association of Municipalities and Schools;

12.24 (6) five percent to St. Louis County acting as the counties' fiscal agent to be distributed  
12.25 as provided in sections 273.134 to 273.136;

12.26 (7) 20 percent to the commissioner of Iron Range resources and rehabilitation for the  
12.27 purposes of section 298.22;

12.28 (8) three percent to the Douglas J. Johnson economic protection trust fund;

12.29 (9) seven percent to the taconite environmental protection fund; and

12.30 (10) ten percent to the commissioner of Iron Range resources and rehabilitation for  
12.31 capital improvements to Giants Ridge Recreation Area.

12.32 (b) If the materials or energy resources are mined, extracted, or concentrated in School  
12.33 District No. 2711, Mesabi East, then the amount under paragraph (a), clause (1), must instead

13.1 be distributed pursuant to this paragraph. The cities of Aurora, Babbitt, Ely, and Hoyt Lakes  
13.2 must each receive 20 percent of the amount. The city of Biwabik and Embarrass Township  
13.3 must each receive ten percent of the amount.

13.4 (c) For the first five years that tax paid under section 298.015, subdivisions 1 and 2, is  
13.5 distributed under this subdivision, ten percent of the total proceeds distributed in each year  
13.6 must first be distributed pursuant to this paragraph. The remaining 90 percent of the total  
13.7 proceeds distributed in each of those years must be distributed as outlined in paragraph (a).  
13.8 Of the amount available under this paragraph, the cities of Aurora, Babbitt, Ely, and Hoyt  
13.9 Lakes must each receive 20 percent. Of the amount available under this paragraph, the city  
13.10 of Biwabik and Embarrass Township must each receive ten percent. This paragraph applies  
13.11 only to tax paid by a person engaged in the business of mining within the area described in  
13.12 section 273.1341, clauses (1) and (2).

13.13 **EFFECTIVE DATE.** This section is effective beginning with the 2025 distribution.

13.14 Sec. 5. Minnesota Statutes 2022, section 298.28, subdivision 8, is amended to read:

13.15 Subd. 8. **Range Association of Municipalities and Schools.** ~~30~~ 0.40 cent per taxable  
13.16 ton shall be paid to the Range Association of Municipalities and Schools, for the purpose  
13.17 of providing an areawide approach to problems which demand coordinated and cooperative  
13.18 actions and which are common to those areas of northeast Minnesota affected by operations  
13.19 involved in mining iron ore and taconite and producing concentrate therefrom, and for the  
13.20 purpose of promoting the general welfare and economic development of the cities, towns,  
13.21 and school districts within the Iron Range area of northeast Minnesota.

13.22 **EFFECTIVE DATE.** This section is effective beginning with the 2024 distribution.

13.23 Sec. 6. Minnesota Statutes 2023 Supplement, section 298.28, subdivision 16, is amended  
13.24 to read:

13.25 Subd. 16. **Transfer.** Of the amount annually distributed to the Douglas J. Johnson  
13.26 Economic Protection Trust Fund under this section, ~~\$3,500,000~~ the following amounts shall  
13.27 be transferred to the Iron Range school consolidation and cooperatively operated school  
13.28 account under subdivision 7a. For distributions in 2024, \$6,250,000 must be transferred.  
13.29 For distributions in 2025 through 2029, \$6,500,000 must be transferred. For distributions  
13.30 in 2030 through 2034, \$5,500,000 must be transferred. For distributions in 2035 and 2036,  
13.31 \$5,000,000 must be transferred. For distributions in 2037 and thereafter, \$3,500,000 must  
13.32 be transferred. Any remaining amount of the amount annually distributed to the Douglas J.  
13.33 Johnson Economic Protection Trust Fund shall be transferred to the Iron Range resources

14.1 and rehabilitation account under subdivision 7. The transfers under this subdivision must  
14.2 be made within ten days of the August payment.

14.3 **EFFECTIVE DATE.** This section is effective beginning with the 2024 distribution.

14.4 Sec. 7. Minnesota Statutes 2022, section 298.282, subdivision 1, is amended to read:

14.5 Subdivision 1. **Distribution of taconite municipal aid account.** (a) The amount  
14.6 deposited with the county as provided in section 298.28, subdivision 3, must be distributed  
14.7 as provided by this section among: (1) the municipalities located within a taconite assistance  
14.8 area under section 273.1341 that meet the criteria of section 273.1341, clause (1) or (2); (2)  
14.9 a township that contains a state park consisting primarily of an underground iron ore mine;  
14.10 (3) a city located within five miles of that state park; and (4) Breitung Township in St. Louis  
14.11 County, each being referred to in this section as a qualifying municipality. The distribution  
14.12 to Breitung Township under this subdivision shall be ~~\$15,000~~ \$25,000 annually.

14.13 (b) The amount deposited in the state general fund as provided in section 298.018,  
14.14 subdivision 1, must be distributed in the same manner as provided under paragraph (a),  
14.15 except that subdivisions 3, 4, and 5 do not apply, and the distributions shall be made on the  
14.16 dates provided under section 298.018, subdivision 1a.

14.17 **EFFECTIVE DATE.** This section is effective beginning with the 2024 distribution.

14.18 Sec. 8. Minnesota Statutes 2022, section 298.292, subdivision 2, is amended to read:

14.19 Subd. 2. **Use of money.** (a) Money in the Douglas J. Johnson economic protection trust  
14.20 fund may be used for the following purposes:

14.21 (1) to provide loans, loan guarantees, interest buy-downs and other forms of participation  
14.22 with private sources of financing, but a loan to a private enterprise shall be for a principal  
14.23 amount not to exceed one-half of the cost of the project for which financing is sought, and  
14.24 the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight  
14.25 percent or an interest rate three percentage points less than a full faith and credit obligation  
14.26 of the United States government of comparable maturity, at the time that the loan is approved;

14.27 (2) to fund reserve accounts established to secure the payment when due of the principal  
14.28 of and interest on bonds issued pursuant to section 298.2211, including bonds authorized  
14.29 by the legislature to be repaid from the distributions under section 298.28, subdivision 7a;

14.30 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest on  
14.31 bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or

15.1 retrofitting heating facilities in connection with district heating systems or systems utilizing  
15.2 alternative energy sources;

15.3 (4) to invest in a venture capital fund or enterprise that will provide capital to other  
15.4 entities that are engaging in, or that will engage in, projects or programs that have the  
15.5 purposes set forth in subdivision 1. No investments may be made in a venture capital fund  
15.6 or enterprise unless at least two other unrelated investors make investments of at least  
15.7 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J.  
15.8 Johnson economic protection trust fund may not exceed the amount of the largest investment  
15.9 by an unrelated investor in the venture capital fund or enterprise. For purposes of this  
15.10 subdivision, an "unrelated investor" is a person or entity that is not related to the entity in  
15.11 which the investment is made or to any individual who owns more than 40 percent of the  
15.12 value of the entity, in any of the following relationships: spouse, parent, child, sibling,  
15.13 employee, or owner of an interest in the entity that exceeds ten percent of the value of all  
15.14 interests in it. For purposes of determining the limitations under this clause, the amount of  
15.15 investments made by an investor other than the Douglas J. Johnson economic protection  
15.16 trust fund is the sum of all investments made in the venture capital fund or enterprise during  
15.17 the period beginning one year before the date of the investment by the Douglas J. Johnson  
15.18 economic protection trust fund; and

15.19 (5) to purchase forest land in the taconite assistance area defined in section 273.1341 to  
15.20 be held and managed as a public trust for the benefit of the area for the purposes authorized  
15.21 in section 298.22, subdivision 5a. Property purchased under this section may be sold by the  
15.22 commissioner, after consultation with the advisory board. The net proceeds must be deposited  
15.23 in the trust fund for the purposes and uses of this section.

15.24 (b) Money from the trust fund shall be expended only in ~~or for the benefit of~~ the taconite  
15.25 assistance area defined in section 273.1341.

15.26 (c) Money devoted to the trust fund under this section shall not be expended, appropriated,  
15.27 or transferred from the trust fund for any purpose except as provided in this section.

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

15.29 **Sec. 9. IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER;**  
15.30 **BONDS AUTHORIZED IN 2024.**

15.31 **Subdivision 1. Issuance; purpose.** (a) Notwithstanding any provision of Minnesota  
15.32 Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and  
15.33 **rehabilitation shall, in 2024, issue revenue bonds in a principal amount of up to \$49,000,000**

16.1 plus an amount sufficient to pay costs of issuance in one or more series, and thereafter may  
16.2 issue bonds to refund those bonds. The proceeds of the bonds must be used to pay the costs  
16.3 of issuance and to make distributions pursuant this section. The commissioner of Iron Range  
16.4 resources and rehabilitation must distribute these transferred funds as outlined in this section.  
16.5 In order to receive a distribution, a recipient must submit to the commissioner a plan of how  
16.6 the distribution will be spent and the commissioner must ensure that the plan matches the  
16.7 intended use outlined in this section. The plan must be submitted in a form and manner  
16.8 determined by the commissioner. The uses listed are not subject to review or recommendation  
16.9 by the Iron Range Resources and Rehabilitation Board. By December 31, 2025, each recipient  
16.10 must report to the commissioner how the distribution received under this section was spent.  
16.11 If a recipient's plan is submitted and approved, the commissioner must distribute the funds  
16.12 for the uses outlined in subdivision 3. The bonds issued under this section do not constitute  
16.13 public debt as that term is defined in article XI, section 4, of the Minnesota Constitution,  
16.14 and as such are not subject to its provisions.

16.15 (b) Funds under this section are available for four years from the date the bonds are  
16.16 issued. Any unexpended funds after that date cancel to the taconite environmental fund  
16.17 under Minnesota Statutes, section 298.28, subdivision 9b.

16.18 Subd. 2. **Appropriation.** (a) There is annually appropriated from the distribution of the  
16.19 taconite production tax revenues under Minnesota Statutes, section 298.28, subdivision 7a,  
16.20 an amount sufficient to pay when due the principal and interest on the bonds issued pursuant  
16.21 to subdivision 1. Payments must be made from the account annually after the distribution  
16.22 of the production tax revenues has been made.

16.23 (b) If in any year the amount available under paragraph (a) is insufficient to pay principal  
16.24 and interest due on the bonds in that year, an additional amount is appropriated from the  
16.25 Douglas J. Johnson economic protection trust fund to make up the deficiency.

16.26 (c) The appropriation under this subdivision terminates upon payment or maturity of  
16.27 the last of the bonds issued under this section.

16.28 Subd. 3. **Grants.** (a) The commissioner of Iron Range resources and rehabilitation must  
16.29 distribute funds available for distribution under subdivision 1 for the following uses:

16.30 (1) \$160,000 to the Grand Portage Band of Lake Superior Chippewa to construct a  
16.31 playground;

16.32 (2) \$3,600,000 to the Mesabi Fit Coalition for the renovation, reconstruction, and  
16.33 expansion of the former Mesabi Family YMCA in the city of Mountain Iron;



17.1 (3) \$950,000 to the Buyck Volunteer Fire Department for design, engineering, and  
17.2 construction of a new fire and training hall and related equipment;

17.3 (4) \$750,000 to the Voyageur Trail Society for a joint maintenance facility with Voyageur  
17.4 Country ATV in the city of Orr;

17.5 (5) \$2,250,000 to Cook County, of which \$250,000 must be spent to preserve affordable  
17.6 housing units for seniors in the city of Grand Marais and \$2,000,000 must be used to  
17.7 construct, furnish, and equip a solid waste transfer station in the county;

17.8 (6) \$1,200,000 to the Northland Learning Center for construction costs;

17.9 (7) \$2,720,000 to the city of Chisholm, of which \$520,000 must be used for the renovation  
17.10 of the Chisholm Ice Arena facility and parking and the remaining amount must be used for  
17.11 the public works facility;

17.12 (8) \$1,000,000 to the city of Gilbert for the Gilbert Community Center;

17.13 (9) \$360,000 to the city of Biwabik for housing and infrastructure;

17.14 (10) \$3,000,000 to the city of Tower for water management infrastructure projects;

17.15 (11) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct  
17.16 publicly owned infrastructure including sewers, water systems, utility extensions, street  
17.17 construction, wastewater treatment, stormwater management systems, sidewalks, and  
17.18 compliance with the Americans with Disabilities Act;

17.19 (12) \$2,275,000 to St. Louis County for the development of the Canyon Integrated Solid  
17.20 Waste Management Campus;

17.21 (13) \$3,475,000 to the city of Eveleth to design, engineer, and construct public utilities  
17.22 in its business park and construction of the Hat Trick Avenue slip ramp;

17.23 (14) \$700,000 to the city of Meadowlands for costs related to park improvements and  
17.24 a community center;

17.25 (15) \$600,000 to School District No. 2142, St. Louis County, of which \$400,000 must  
17.26 be used for septic system upgrades at South Ridge School and \$200,000 must be used for  
17.27 cafeteria renovations at Northeast Range School in Babbitt and Tower Elementary School  
17.28 in Tower;

17.29 (16) \$250,000 to the city of Two Harbors for band stand repairs and Odegard Park and  
17.30 Trail restoration;

18.1 (17) \$720,000 to the Central Iron Range Sanitary Sewer District for infrastructure  
18.2 projects;

18.3 (18) \$5,240,000 to the Minnesota Discovery Center to design, construct, renovate,  
18.4 furnish, and repair facilities, including HVAC upgrades, demolition, and compliance with  
18.5 the Americans with Disabilities Act, at the Minnesota Discovery Center in the city of  
18.6 Chisholm, and for historical research funding;

18.7 (19) \$5,200,000 to the commissioner of Iron Range resources and rehabilitation for the  
18.8 design, engineering, and upgrades or replacement of chair lifts and for the design,  
18.9 engineering, demolition, and construction of a nordic and welcome center at the Giants  
18.10 Ridge Recreation Area;

18.11 (20) \$250,000 to Independent School District No. 696, Ely, for baseball field renovation;

18.12 (21) \$500,000 to the city of Mountain Iron for the Outdoor Recreation Center;

18.13 (22) \$200,000 to Cook County Higher Education Board for costs to bring commercial  
18.14 drivers' licenses and trades training to the region along with educational training and academic  
18.15 support to remote populations;

18.16 (23) \$200,000 to Save Our Ship, Inc., for construction costs at Knife River;

18.17 (24) \$3,000,000 to Hibbing Public Utilities for water infrastructure projects;

18.18 (25) \$400,000 to Veterans On The Lake for demolition of existing structures and the  
18.19 building of a triplex that is compliant with the Americans with Disabilities Act;

18.20 (26) \$350,000 to the city of Eveleth for the Hippodrome renovation;

18.21 (27) \$500,000 to the Great Expectations School Foundation in Cook County for school  
18.22 facilities construction;

18.23 (28) \$225,000 to the Minnesota Forest Zone Trappers Association to plan, engineer,  
18.24 purchase land, and develop the Sportsperson Training and Development Center;

18.25 (29) \$200,000 to the Sturgeon Chain Lake Association to update the engineering and  
18.26 hydrology study of the lakes, for regulatory and community outreach, and for preparing  
18.27 recommendations to the commissioner of natural resources related to bank stabilization and  
18.28 maintenance;

18.29 (30) \$300,000 to the Northern Lights Music Festival to support programs, of this amount  
18.30 \$100,000 is available each year in calendar years 2025, 2026, and 2027;

18.31 (31) \$250,000 to Cherry Township for recreational facilities upgrades and lights;

19.1 (32) \$350,000 to the East Range Developmental Achievement Center for building  
19.2 renovations;

19.3 (33) \$500,000 to the Northland Foundation for grants or loans to (i) businesses or resorts  
19.4 that were economically damaged by floods that occurred in 2022 or 2023 and which are  
19.5 eligible under article 5 of the Canadian border counties economic relief program, or (ii)  
19.6 outfitters in the border region who experienced either more than a 50 percent reduction in  
19.7 Boundary Waters Canoe Area Wilderness permits obtained by their customers between  
19.8 2019 and 2021, or a 50 percent reduction between 2019 and 2021 in trips across the fee-based  
19.9 mechanical portages into the Boundary Waters Canoe Area Wilderness or Quetico Provincial  
19.10 Park. Businesses may be awarded a maximum grant under this clause of up to \$50,000,  
19.11 must be located within the taconite assistance area, as defined under Minnesota Statutes,  
19.12 section 273.1341, and must not have received a grant under the Canadian border counties  
19.13 economic relief program. The Northland Foundation may retain up to four percent of the  
19.14 amount under this clause for administration;

19.15 (34) \$3,300,000 to the city of Virginia for a grant to be used for: (i) modernization,  
19.16 renovation, and expansion of the Virginia Hospital emergency room complex to 12  
19.17 emergency rooms; (ii) construction of an emergency behavior health suite for adults and  
19.18 children; and (iii) security and safety upgrades. The grant must be transferred by the city  
19.19 within 30 days of receipt;

19.20 (35) \$100,000 to Crystal Bay Township for a septic project at the Clair Nelson  
19.21 Community Center;

19.22 (36) \$25,000 to the Northwoods Friends of the Arts in the city of Cook for facility  
19.23 upgrades and programs;

19.24 (37) \$50,000 to the Bois Forte Band of Chippewa for food shelf expenses;

19.25 (38) \$100,000 to the Lake Vermilion Cultural Center to improve and renovate the facility  
19.26 and its displays in Tower;

19.27 (39) \$50,000 to the Lyric Center for the Arts in Virginia for repairs and renovation;

19.28 (40) \$50,000 to the Pioneer Mine historical site for maintenance and displays in Ely;

19.29 (41) \$150,000 to the Lake Superior School District to support an emergency preparedness  
19.30 career introduction program; and

19.31 (42) \$500,000 for grants of \$25,000 distributed pursuant to paragraph (b).

20.1 (b) Of the amount under paragraph (a), clause (42), grants of \$25,000 to be used for trail  
20.2 grooming costs or equipment must be made available to the following entities:

20.3 (1) Alborn Dirt Devils ATV Club;

20.4 (2) Wild Country ATV Club;

20.5 (3) Ely Igloo Snowmobile Club;

20.6 (4) CC Riders Snowmobile Club;

20.7 (5) PathBlazers Snowmobile Club;

20.8 (6) Cook Timberwolves Snowmobile Club;

20.9 (7) Crane Lake Voyageurs Club;

20.10 (8) Pequaywan Area Trail Blazers Snowmobile Club;

20.11 (9) Eveleth Trail Hawks Snowmobile Club;

20.12 (10) Ranger Snowmobile/ATV Club;

20.13 (11) Silver Trail Riders Snowmobile and ATV Club;

20.14 (12) Voyageur Snowmobile Club;

20.15 (13) Mesabi Sno Voyageurs;

20.16 (14) Quad Cities ATV Club;

20.17 (15) Prospector ATV Club;

20.18 (16) Northern Traxx ATV Club;

20.19 (17) Finland Snowmobile and ATV Club;

20.20 (18) Babbitt ATV and Snowmobile Club;

20.21 (19) Cook County ATV Club; and

20.22 (20) Vermilion Penguins Snowmobile Club.

20.23 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
20.24 applies beginning with the 2024 distribution under Minnesota Statutes, section 298.28.

20.25 Sec. 10. **IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER;**  
20.26 **BONDS AUTHORIZED IN 2025.**

20.27 Subdivision 1. **Issuance; purpose.** (a) Notwithstanding any provision of Minnesota  
20.28 Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and

21.1 rehabilitation shall, in 2025, issue revenue bonds in a principal amount of up to \$30,500,000  
21.2 plus an amount sufficient to pay costs of issuance in one or more series, and thereafter may  
21.3 issue bonds to refund those bonds. The proceeds of the bonds must be used to pay the costs  
21.4 of issuance and to make distributions pursuant to this section. The commissioner of Iron  
21.5 Range resources and rehabilitation must distribute these transferred funds as outlined in  
21.6 this section. In order to receive a distribution, a recipient must submit to the commissioner  
21.7 a plan of how the distribution will be spent and the commissioner must ensure that the plan  
21.8 matches the intended use outlined in this section. The plan must be submitted in a form and  
21.9 manner determined by the commissioner. The uses listed are not subject to review or  
21.10 recommendation by the Iron Range Resources and Rehabilitation Board. By December 31,  
21.11 2026, each recipient must report to the commissioner how the distribution received under  
21.12 this section was spent. If a recipient's plan is submitted and approved, the commissioner  
21.13 must distribute the funds for the uses outlined in subdivision 3. The bonds issued under this  
21.14 section do not constitute public debt as that term is defined in article XI, section 4, of the  
21.15 Minnesota Constitution, and as such are not subject to its provisions.

21.16 (b) Funds under this section are available for four years from the date the bonds are  
21.17 issued. Any unexpended funds after that date cancel to the taconite environmental fund  
21.18 under Minnesota Statutes, section 298.28, subdivision 9b.

21.19 Subd. 2. **Appropriation.** (a) There is annually appropriated from the distribution of the  
21.20 taconite production tax revenues under Minnesota Statutes, section 298.28, subdivision 7a,  
21.21 an amount sufficient to pay when due the principal and interest on the bonds issued pursuant  
21.22 to subdivision 1. Payments must be made from the account annually after the distribution  
21.23 of the production tax revenues has been made.

21.24 (b) If in any year the amount available under paragraph (a) is insufficient to pay principal  
21.25 and interest due on the bonds in that year, an additional amount is appropriated from the  
21.26 Douglas J. Johnson economic protection trust fund to make up the deficiency.

21.27 (c) The appropriation under this subdivision terminates upon payment or maturity of  
21.28 the last of the bonds issued under this section.

21.29 Subd. 3. **Grants.** The commissioner of Iron Range resources and rehabilitation must  
21.30 distribute funds available for distribution under subdivision 1 for the following uses:

21.31 (1) \$5,000,000 to the Minnesota Discovery Center to design, construct, renovate, furnish,  
21.32 and repair facilities, including HVAC upgrades, demolition, and compliance with the  
21.33 Americans with Disabilities Act, at the Minnesota Discovery Center in the city of Chisholm,  
21.34 and for historical research funding;

- 22.1 (2) \$7,800,000 to the commissioner of Iron Range resources and rehabilitation for the  
22.2 design, engineering, and upgrades or replacement of chair lifts and for the design,  
22.3 engineering, demolition, and construction of a nordic and welcome center at the Giants  
22.4 Ridge Recreation Area;
- 22.5 (3) \$600,000 to the Central Iron Range Sanitary Sewer District for infrastructure projects;
- 22.6 (4) \$500,000 to the city of Eveleth to design, engineer, and construct public utilities in  
22.7 the city of Eveleth's business park and construction of the Hat Trick Avenue slip ramp;
- 22.8 (5) \$1,200,000 to Independent School District No. 2909, Rock Ridge, for demolition of  
22.9 the James Madison Elementary School in Virginia;
- 22.10 (6) \$500,000 to the city of Buhl for infrastructure projects;
- 22.11 (7) \$500,000 to St. Louis and Lake Counties Regional Railroad Authority to design,  
22.12 engineer, acquire right-of-way, and construct the Mesabi Trail Spur from Aurora to Hoyt  
22.13 Lakes;
- 22.14 (8) \$2,000,000 to the city of Mountain Iron for infrastructure projects including but not  
22.15 limited to Enterprise Drive North East infrastructure development, water main and other  
22.16 infrastructure in the city, waste water plant improvements to comply with new permits,  
22.17 supervisory control and data acquisition on lift stations, and recreation projects;
- 22.18 (9) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct  
22.19 publicly owned infrastructure including sewers, water systems, utility extensions, street  
22.20 construction, wastewater treatment, stormwater management systems, sidewalks, and  
22.21 compliance with the Americans with Disabilities Act;
- 22.22 (10) \$5,000,000 to Independent School District No. 696, Ely, for planning, design,  
22.23 engineering, demolition, and construction related to the district's athletic complex;
- 22.24 (11) \$1,080,000 to the Northland Learning Center to construct the Alternative Learning  
22.25 Center on the campus in the city of Mountain Iron;
- 22.26 (12) \$1,000,000 for the city of Biwabik for a public safety facility;
- 22.27 (13) \$1,820,000 to Hibbing Public Utilities for water infrastructure projects; and
- 22.28 (14) \$500,000 to St. Louis County for the demolition of the public school in Hoyt Lakes.
- 22.29 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
22.30 applies beginning with the 2025 distribution under Minnesota Statutes, section 298.28.

23.1 Sec. 11. **TRANSFER 2024 DISTRIBUTION ONLY; TACONITE ECONOMIC**  
23.2 **DEVELOPMENT FUND.**

23.3 Of the funds distributed to the taconite economic development fund under Minnesota  
23.4 Statutes, section 298.28, subdivision 9a, for the 2024 distribution only, an amount equal to  
23.5 \$300,000 shall be transferred from the taconite economic development fund to the city of  
23.6 Chisholm for the Senator David Tomassoni Bridge of Peace. The transfer must be made  
23.7 within ten days of the August 2024 payment. If less than \$300,000 is distributed to the  
23.8 taconite economic development fund in 2024, distributions to the fund in future years must  
23.9 be transferred to the city of Chisholm, pursuant to this paragraph, until the total amount  
23.10 transferred equals \$300,000.

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

23.12 **ARTICLE 3**  
23.13 **TAX INCREMENT FINANCING**

23.14 Section 1. Laws 2010, chapter 389, article 7, section 22, as amended by Laws 2011, chapter  
23.15 112, article 11, section 16, is amended to read:

23.16 Sec. 22. **CITY OF RAMSEY; TAX INCREMENT FINANCING DISTRICT;**  
23.17 **SPECIAL RULES.**

23.18 (a) If the city of Ramsey or an authority of the city elects upon the adoption of a tax  
23.19 increment financing plan for a district, the rules under this section apply to a redevelopment  
23.20 tax increment financing district established by the city or an authority of the city. The  
23.21 redevelopment tax increment district includes parcels within the area bounded on the east  
23.22 by Ramsey Boulevard, on the north by Bunker Lake Boulevard as extended west to Llama  
23.23 Street, on the west by Llama Street, and on the south by a line running parallel to and 600  
23.24 feet south of the southerly right-of-way for U.S. Highway 10, but including Parcels  
23.25 28-32-25-43-0007 and 28-32-25-34-0002 in their entirety, and excluding the Anoka County  
23.26 Regional Park property in its entirety. A parcel within this area that is included in a tax  
23.27 increment financing district that was certified before the date of enactment of this act may  
23.28 be included in the district created under this act if the initial district is decertified.

23.29 (b) The requirements for qualifying a redevelopment tax increment district under  
23.30 Minnesota Statutes, section 469.174, subdivision 10, do not apply to the parcels located  
23.31 within the district.

24.1 (c) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.

24.2 Eligible expenditures within the district include but are not limited to (1) the city's share of  
24.3 the costs necessary to provide for the construction of the Northstar Transit Station and  
24.4 related infrastructure, including structured parking, a pedestrian overpass, and roadway  
24.5 improvements, (2) the cost of land acquired by the city or the housing and redevelopment  
24.6 authority in and for the city of Ramsey within the district prior to the establishment of the  
24.7 district, and (3) the cost of public improvements installed within the tax increment financing  
24.8 district prior to the establishment of the district.

24.9 (d) The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities  
24.10 must be undertaken within a five-year period from the date of certification of a tax increment  
24.11 financing district, is considered to be met for the district if the activities were undertaken  
24.12 within ten years from the date of certification of the district.

24.13 (e) Except for administrative expenses, the in-district percentage for purposes of the  
24.14 restriction on pooling under Minnesota Statutes, section 469.1763, subdivision 2, for this  
24.15 district is 100 percent.

24.16 (f) The requirement of Minnesota Statutes, section 469.177, subdivision 4, does not  
24.17 apply to Parcels 28-32-25-42-0021 and 28-32-25-41-0014, where development occurred  
24.18 after enactment of Laws 2010, chapter 389, article 7, section 22, and prior to adoption of  
24.19 the tax increment financing plan for the district.

24.20 (g) The requirements of Minnesota Statutes, section 469.178, subdivision 7, for advancing  
24.21 or loaning money to finance eligible expenditures under Minnesota Statutes, section 469.176,  
24.22 subdivision 4, do not apply to: (1) the city's share of the costs necessary to provide for the  
24.23 construction of the Northstar Transit Station and related infrastructure, including structured  
24.24 parking, a pedestrian overpass, and roadway improvements; and (2) the cost of public  
24.25 improvements installed within the tax increment financing district after the establishment  
24.26 of the district.

24.27 **EFFECTIVE DATE.** This section is effective the day after the city of Ramsey and its  
24.28 chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and  
24.29 3.



25.1 Sec. 2. Laws 2014, chapter 308, article 6, section 9, as amended by Laws 2017, First  
25.2 Special Session chapter 1, article 6, section 12, is amended to read:

25.3 **Sec. 9. CITY OF MAPLE GROVE; TAX INCREMENT FINANCING DISTRICT.**

25.4 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
25.5 the meanings given them.

25.6 (b) "City" means the city of Maple Grove.

25.7 (c) "Project area" means all or a portion of the area in the city commencing at a point  
25.8 130 feet East and 120 feet North of the southwest corner of the Southeast Quarter of Section  
25.9 23, Township 119, Range 22, Hennepin County, said point being on the easterly right-of-way  
25.10 line of Hemlock Lane; thence northerly along said easterly right-of-way line of Hemlock  
25.11 Lane to a point on the west line of the east one-half of the Southeast Quarter of section 23,  
25.12 thence south along said west line a distance of 1,200 feet; thence easterly to the east line of  
25.13 Section 23, 1,030 feet North from the southeast corner thereof; thence South 74 degrees  
25.14 East 1,285 feet; thence East a distance of 1,000 feet; thence North 59 degrees West a distance  
25.15 of 650 feet; thence northerly to a point on the northerly right-of-way line of 81st Avenue  
25.16 North, 650 feet westerly measured at right angles, from the east line of the Northwest Quarter  
25.17 of Section 24; thence North 13 degrees West a distance of 795 feet; thence West to the west  
25.18 line of the Southeast Quarter of the Northwest Quarter of Section 24; thence North 55  
25.19 degrees West to the south line of the Northwest Quarter of the Northwest Quarter of Section  
25.20 24; thence West along said south line to the east right-of-way line of Zachary Lane; thence  
25.21 North along the east right-of-way line of Zachary Lane to the southwest corner of Lot 1,  
25.22 Block 1, Metropolitan Industrial Park 5th Addition; thence East along the south line of said  
25.23 Lot 1 to the northeast corner of Outlot A, Metropolitan Industrial Park 5th Addition; thence  
25.24 South along the east line of said Outlot A and its southerly extension to the south right-of-way  
25.25 line of County State-Aid Highway (CSAH) 109; thence easterly along the south right-of-way  
25.26 line of CSAH 109 to the east line of the Northwest Quarter of the Northeast Quarter of  
25.27 Section 24; thence South along said east line to the north line of the South Half of the  
25.28 Northeast Quarter of Section 24; thence East along said north line to the westerly right-of-way  
25.29 line of Jefferson Highway North; thence southerly along the westerly right-of-way line of  
25.30 Jefferson Highway to the centerline of CSAH 130; thence continuing South along the west  
25.31 right-of-way line of Pilgrim Lane North to the westerly extension of the north line of Outlot  
25.32 A, Park North Fourth Addition; thence easterly along the north line of Outlot A, Park North  
25.33 Fourth Addition to the northeast corner of said Outlot A; thence southerly along the east  
25.34 line of said Outlot A to the southeast corner of said Outlot A; thence easterly along the south

26.1 line of Lot 1, Block 1, Park North Fourth Addition to the westerly right-of-way line of State  
26.2 Highway 169; thence southerly, southwesterly, westerly, and northwesterly along the  
26.3 westerly right-of-way line of State Highway 169 and the northerly right-of-way line of  
26.4 Interstate 694 to its intersection with the southerly extension of the easterly right-of-way  
26.5 line of Zachary Lane North; thence northerly along the easterly right-of-way line of Zachary  
26.6 Lane North and its northerly extension to the north right-of-way line of CSAH 130; thence  
26.7 westerly, southerly, northerly, southwesterly, and northwesterly to the point of beginning  
26.8 and there terminating, provided that the project area includes the rights-of-way for all present  
26.9 and future highway interchanges ~~abutting~~ servicing the area described in this paragraph, and  
26.10 may include any additional property necessary to cause the property included in the tax  
26.11 increment financing district to consist of complete parcels.

26.12 (d) "Soil deficiency district" means a type of tax increment financing district consisting  
26.13 of a portion of the project area in which the city finds by resolution that the following  
26.14 conditions exist:

26.15 (1) unusual terrain or soil deficiencies that occurred over 80 percent of the acreage in  
26.16 the district require substantial filling, grading, or other physical preparation for use; and

26.17 (2) the estimated cost of the physical preparation under clause (1), but excluding costs  
26.18 directly related to roads as defined in Minnesota Statutes, section 160.01, and local  
26.19 improvements as described in Minnesota Statutes, sections 429.021, subdivision 1, clauses  
26.20 (1) to (7), (11), and (12), and 430.01, exceeds the fair market value of the land before  
26.21 completion of the preparation.

26.22 Subd. 2. **Special rules.** (a) If the city elects, upon the adoption of the tax increment  
26.23 financing plan for a district, the rules under this section apply to a redevelopment district,  
26.24 renewal and renovation district, soil condition district, or soil deficiency district established  
26.25 by the city or a development authority of the city in the project area.

26.26 (b) Prior to or upon the adoption of the first tax increment plan subject to the special  
26.27 rules under this subdivision, the city must find by resolution that parcels consisting of at  
26.28 least 80 percent of the acreage of the project area, excluding street and railroad rights-of-way,  
26.29 are characterized by one or more of the following conditions:

26.30 (1) peat or other soils with geotechnical deficiencies that impair development of  
26.31 commercial buildings or infrastructure;

26.32 (2) soils or terrain that require substantial filling in order to permit the development of  
26.33 commercial buildings or infrastructure;

27.1 (3) landfills, dumps, or similar deposits of municipal or private waste;

27.2 (4) quarries or similar resource extraction sites;

27.3 (5) floodway; and

27.4 (6) substandard buildings, within the meaning of Minnesota Statutes, section 469.174,  
27.5 subdivision 10.

27.6 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the  
27.7 relevant condition if at least 70 percent of the area of the parcel contains the relevant  
27.8 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by  
27.9 substandard buildings if substandard buildings occupy at least 30 percent of the area of the  
27.10 parcel.

27.11 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is  
27.12 extended to ~~eight~~ 13 years for any district, and Minnesota Statutes, section 469.1763,  
27.13 subdivision 4, does not apply to any district.

27.14 (e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763,  
27.15 subdivision 2, paragraph (a), not more than 40 percent of the total revenue derived from tax  
27.16 increments paid by properties in any district, measured over the life of the district, may be  
27.17 expended on activities outside the district but within the ~~project area~~ city.

27.18 (f) For a soil deficiency district:

27.19 (1) increments may be collected through ~~20~~ 25 years after the receipt by the authority  
27.20 of the first increment from the district;

27.21 (2) increments may be used only to:

27.22 (i) acquire parcels on which the improvements described in item (ii) will occur;

27.23 (ii) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional  
27.24 cost of installing public improvements directly caused by the deficiencies; and

27.25 (iii) pay for the administrative expenses of the authority allocable to the district; and

27.26 (3) any parcel acquired with increments from the district must be sold at no less than  
27.27 their fair market value.

27.28 (g) Increments spent for any infrastructure costs, whether inside a district or outside a  
27.29 district but within the ~~project area~~ city, are deemed to satisfy the requirements of Minnesota  
27.30 Statutes, section 469.176, subdivision 4j.

28.1 (h) The authority to approve tax increment financing plans to establish tax increment  
28.2 financing districts under this section expires June 30, 2020.

28.3 (i) Notwithstanding the restrictions in paragraph (f), clause (2), ~~the city may use~~  
28.4 increments from a soil deficiency district to acquire parcels may be used to pay for land  
28.5 acquisition costs and for other infrastructure costs either inside or outside of the district,  
28.6 but within the ~~project area~~ city, if the acquisition or infrastructure is for a qualified  
28.7 development. For purposes of this paragraph, a development is a qualified development  
28.8 only if all of the following requirements are satisfied:

28.9 (1) the city finds, by resolution, that the land acquisition and infrastructure are undertaken  
28.10 primarily to serve the development;

28.11 (2) the city has a binding, written commitment and adequate financial assurances from  
28.12 the developer that the development will be constructed; and

28.13 (3) the development does not consist of retail trade or housing improvements.

28.14 (j) Notwithstanding the restrictions in paragraph (f), clause (2), or paragraph (i),  
28.15 increments from a soil deficiency district may be used to pay for improvements to the  
28.16 Highway 169 and County Road 130 interchange.

28.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
28.18 city of Maple Grove and its chief clerical officer comply with Minnesota Statutes, section  
28.19 645.021, subdivisions 2 and 3.

28.20 Sec. 3. Laws 2017, First Special Session chapter 1, article 6, section 22, is amended to  
28.21 read:

28.22 **Sec. 22. CITY OF ST. PAUL; FORD SITE REDEVELOPMENT TIF DISTRICT.**

28.23 (a) For purposes of computing the duration limits under Minnesota Statutes, section  
28.24 469.176, subdivision 1b, the housing and redevelopment authority of the city of St. Paul  
28.25 may waive receipt of increment for the Ford Site Redevelopment Tax Increment Financing  
28.26 District. This authority is limited to the first four years of increment or increments derived  
28.27 from taxes payable in 2023, whichever occurs first.

28.28 (b) If the city elects to waive receipt of increment under paragraph (a), for purposes of  
28.29 applying any limits based on when the district was certified under Minnesota Statutes,  
28.30 section 469.176, subdivision 6, or 469.1763, the date of certification for the district is deemed  
28.31 to be January 2 of the property tax assessment year for which increment is first received  
28.32 under the waiver.

29.1 (c) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
29.2 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
29.3 4, relating to the use of increment after the expiration of the five-year period, is extended  
29.4 to 11 years for the Ford Site Redevelopment Tax Increment Financing District in the city  
29.5 of St. Paul.

29.6 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
29.7 city of St. Paul and its chief clerical officer comply with the requirements of Minnesota  
29.8 Statutes, section 645.021, subdivisions 2 and 3.

29.9 **Sec. 4. CITY OF BROOKLYN CENTER; TAX INCREMENT FINANCING**  
29.10 **AUTHORITY.**

29.11 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
29.12 economic development authority of the city of Brooklyn Center or the city of Brooklyn  
29.13 Center may establish one or more redevelopment tax increment financing districts located  
29.14 wholly within the area in the city identified as the "Opportunity Site," which includes the  
29.15 area bounded by Shingle Creek Parkway from Hennepin County State-Aid Highway 10 to  
29.16 Summit Drive North; Summit Drive North from Shingle Creek Parkway to marked Trunk  
29.17 Highway 100; marked Trunk Highway 100 from Summit Drive North to Hennepin County  
29.18 State-Aid Highway 10; and Hennepin County State-Aid Highway 10 from marked Trunk  
29.19 Highway 100 to Shingle Creek Parkway, together with internal and adjacent roads and rights  
29.20 of way.

29.21 Subd. 2. **Special rules.** If the city or the authority establishes a tax increment financing  
29.22 district under this section, the following special rules apply:

29.23 (1) the district is deemed to meet all the requirements of Minnesota Statutes, section  
29.24 469.174, subdivision 10;

29.25 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district;  
29.26 and

29.27 (3) increment generated from the district may be expended on activities within the area  
29.28 described in subdivision 1 and all such expenditures are deemed expended on activities  
29.29 within the district for purposes of Minnesota Statutes, section 469.1763.

29.30 Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish  
29.31 a tax increment financing district under this section expires on December 31, 2030.

30.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
30.2 city of Brooklyn Center and its chief clerical officer comply with the requirements of  
30.3 Minnesota Statutes, section 645.021, subdivisions 2 and 3.

30.4 Sec. 5. **CITY OF EDEN PRAIRIE; TAX INCREMENT FINANCING AUTHORITY;**  
30.5 **EDEN PRAIRIE CENTER.**

30.6 Subdivision 1. **Establishment.** Pursuant to the special rules established in subdivision  
30.7 2, the economic development authority of the city of Eden Prairie or the city of Eden Prairie  
30.8 may establish one or more redevelopment districts located within the area of the city of  
30.9 Eden Prairie consisting of parcels, together with adjacent roads and rights-of-way, within  
30.10 the area surrounded by Flying Cloud Drive, West 78th Street, and Prairie Center Drive.

30.11 Subd. 2. **Special rules.** If the city or authority establishes a tax increment financing  
30.12 district under this section, the following special rules apply:

30.13 (1) the districts are deemed to meet the requirements of Minnesota Statutes, section  
30.14 469.174, subdivision 10; and

30.15 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.

30.16 Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish  
30.17 a tax increment financing district under this section expires December 31, 2025.

30.18 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
30.19 city of Eden Prairie and its chief clerical officer comply with Minnesota Statutes, section  
30.20 645.021, subdivisions 2 and 3.

30.21 Sec. 6. **CITY OF EDINA; 72ND & FRANCE 2 TIF DISTRICT; FIVE-YEAR RULE**  
30.22 **EXTENSION; DURATION EXTENSION.**

30.23 (a) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
30.24 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
30.25 4, relating to the use of increment after the expiration of the five-year period, is extended  
30.26 to 11 years for Tax Increment Financing District 72nd & France 2 in the city of Edina.

30.27 (b) Notwithstanding Minnesota Statutes, section 469.176, subdivisions 1b and 1d, the  
30.28 city of Edina or its housing and redevelopment authority may elect to extend the duration  
30.29 of the district by five years for Tax Increment Financing District 72nd & France 2.

30.30 **EFFECTIVE DATE.** Paragraph (a) is effective the day after the governing body of the  
30.31 city of Edina and its chief clerical officer comply with the requirements of Minnesota

31.1 Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance  
31.2 by the city of Edina, Hennepin County, and Independent School District No. 273 with the  
31.3 requirements of Minnesota Statutes, section 469.1782, subdivision 2.

31.4 **Sec. 7. CITY OF EDINA; 70TH & FRANCE TIF DISTRICT; FIVE-YEAR RULE**  
31.5 **EXTENSION; DURATION EXTENSION.**

31.6 (a) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
31.7 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
31.8 4, relating to the use of increment after the expiration of the five-year period, is extended  
31.9 to 11 years for Tax Increment Financing District 70th & France in the city of Edina.

31.10 (b) Notwithstanding Minnesota Statutes, section 469.176, subdivisions 1b and 1d, the  
31.11 city of Edina or its housing and redevelopment authority may elect to extend the duration  
31.12 of the district by ten years for Tax Increment Financing District 70th & France.

31.13 **EFFECTIVE DATE.** Paragraph (a) is effective the day after the governing body of the  
31.14 city of Edina and its chief clerical officer comply with the requirements of Minnesota  
31.15 Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance  
31.16 by the city of Edina, Hennepin County, and Independent School District No. 273 with the  
31.17 requirements of Minnesota Statutes, section 469.1782, subdivision 2.

31.18 **Sec. 8. CITY OF MINNETONKA; TAX INCREMENT FINANCING AUTHORITY.**

31.19 Subdivision 1. **Establishment.** The special rules provided in this section apply to the  
31.20 renewal and renovation tax increment financing district established in 2021 by the Economic  
31.21 Development Authority in and for the City of Minnetonka and the city of Minnetonka under  
31.22 Minnesota Statutes, sections 469.174 to 469.1794.

31.23 Subd. 2. **Requirements deemed met.** The tax increment financing district is deemed  
31.24 to meet the requirements of Minnesota Statutes, section 469.176, subdivision 4j.

31.25 Subd. 3. **Eligible expenditures within district.** (a) Eligible expenditures within the tax  
31.26 increment financing district include but are not limited to: (1) infrastructure and roadway  
31.27 improvements, including but not limited to sanitary sewer, water, storm sewer, and utility  
31.28 improvements; (2) costs related to environmental remediation, soil correction, demolition,  
31.29 and relocation; (3) site improvement costs; (4) land acquisition; (5) right-of-way acquisition  
31.30 for road improvements; (6) surface and structured parking; (7) related administrative costs;  
31.31 and (8) any expenditures detailed in the city of Minnetonka Final Alternative Urban Area  
31.32 Review Opus Study Area, dated December 2020.

32.1 (b) The eligible expenditures described in paragraph (a) are deemed to meet the  
32.2 requirements of Minnesota Statutes, section 469.176, subdivision 4j.

32.3 Subd. 4. **Five-year rule.** The requirements of Minnesota Statutes, section 469.1763,  
32.4 subdivision 3, that activities must be undertaken within a five-year period from the date of  
32.5 certification of a tax increment financing district, is considered to be met for the tax increment  
32.6 financing district if the activities are undertaken within ten years from the date of certification  
32.7 of the district.

32.8 Subd. 5. **Six-year rule.** The requirements of Minnesota Statutes, section 469.1763,  
32.9 subdivision 4, do not apply to the tax increment district.

32.10 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
32.11 city of Minnetonka and its chief clerical officer comply with the requirements of Minnesota  
32.12 Statutes, section 645.021, subdivisions 2 and 3.

32.13 Sec. 9. **CITY OF MOORHEAD; TAX INCREMENT FINANCING DISTRICT NO.**  
32.14 **31; FIVE-YEAR RULE EXTENSION.**

32.15 The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
32.16 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
32.17 4, relating to the use of increment after the expiration of the five-year period, is extended  
32.18 to 11 years for Tax Increment Financing District No. 31 administered by the city of  
32.19 Moorhead.

32.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
32.21 city of Moorhead and its chief clerical officer comply with the requirements of Minnesota  
32.22 Statutes, section 645.021, subdivisions 2 and 3.

32.23 Sec. 10. **CITY OF PLYMOUTH; TAX INCREMENT FINANCING AUTHORITY.**

32.24 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
32.25 city of Plymouth may establish one or more redevelopment districts located wholly within  
32.26 the city of Plymouth, Hennepin County, Minnesota, limited to the area identified as the city  
32.27 center district in the Plymouth, Minnesota Zoning Map in effect on January 1, 2024, and  
32.28 adopted pursuant to section 21000.12 of the Plymouth Zoning Code of Ordinances.

32.29 Subd. 2. **Special rules.** If the city establishes a tax increment financing district under  
32.30 this section, the following special rules apply:

32.31 (1) the district is deemed to meet the requirements of Minnesota Statutes, section 469.174,  
32.32 subdivision 10;



33.1 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district;

33.2 (3) the five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
33.3 extended to ten years;

33.4 (4) increments from a district may be expended outside of the district and within the  
33.5 boundaries of the city and are deemed expended on activities within the district for purposes  
33.6 of Minnesota Statutes, section 469.1763; and

33.7 (5) Minnesota Statutes, section 469.1763, subdivision 4, does not apply to the district.

33.8 Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish  
33.9 a tax increment financing district under this section expires December 31, 2030.

33.10 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
33.11 city of Plymouth and its chief clerical officer comply with Minnesota Statutes, section  
33.12 645.021, subdivisions 2 and 3.

33.13 Sec. 11. **CITY OF ST. CLOUD; TAX INCREMENT FINANCING AUTHORITY.**

33.14 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
33.15 economic development authority of the city of St. Cloud or the city of St. Cloud may establish  
33.16 one or more redevelopment districts adjacent to the Division Street corridor or within the  
33.17 Central Business District or Fringe Central District, limited to the following parcels identified  
33.18 by tax identification numbers, together with the adjacent roads and rights-of-way:

33.19 (1) in Stearns County: 82517020000 (Lady Slipper Catalyst Site); 82515440001 (North  
33.20 Riverfront Catalyst Site); 82515470000; 82515480000 (Empire Catalyst Site); 82518760015  
33.21 (Swan Lot Catalyst Site); 82528850020 (Riverboat Lot Catalyst Site); and 82528850001  
33.22 (Former Herberger's); and

33.23 (2) in Benton County: 170037810 (Transit Oriented Development Catalyst Site);  
33.24 170058101 (Ace Block Catalyst Site); 170042000; 170041600; 170041100; 170041601;  
33.25 170041200; 170041800; 170059600 (Star Bank Catalyst Site); 170059300 (Riverfront South  
33.26 Catalyst Site); 170058300; 170059200; 170058600; 170058800; 170059100; and 170058900.

33.27 Subd. 2. **Special rules.** If the city or authority establishes a tax increment financing  
33.28 district under this section, the following special rules apply:

33.29 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
33.30 469.174, subdivision 10;

34.1 (2) expenditures incurred in connection with the development of the property described  
34.2 in subdivision 1 are deemed to meet the requirements of Minnesota Statutes, section 469.176,  
34.3 subdivision 4j; and

34.4 (3) increments generated from the districts may be expended for the reconstruction,  
34.5 expansion, or new construction of adjacent public infrastructure, including but not limited  
34.6 to public parking, streets, and utilities necessary to serve the development, and all  
34.7 expenditures under this clause are deemed expended on activities within the district for  
34.8 purposes of Minnesota Statutes, section 469.1763.

34.9 **EFFECTIVE DATE.** This section is effective the day after the city of St. Cloud and  
34.10 its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2  
34.11 and 3.

#### 34.12 **ARTICLE 4**

#### 34.13 **SPECIAL LOCAL TAXES**

34.14 Section 1. Minnesota Statutes 2022, section 469.190, subdivision 1, is amended to read:

34.15 Subdivision 1. **Authorization.** (a) Notwithstanding section 477A.016 or any other law,  
34.16 a statutory or home rule charter city may by ordinance, and a town may by the affirmative  
34.17 vote of the electors at the annual town meeting, or at a special town meeting, impose a tax  
34.18 of up to three percent on the gross receipts from the furnishing for consideration of lodging  
34.19 at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing  
34.20 of it for a continuous period of 30 days or more. A statutory or home rule charter city may  
34.21 by ordinance impose the tax authorized under this subdivision on the camping site receipts  
34.22 of a municipal campground.

34.23 (b) A lodging tax imposed under this section, a city charter, or a special law applies to  
34.24 the entire consideration paid to obtain access to lodging, including ancillary or related  
34.25 services, such as services provided by an accommodations intermediary as defined in section  
34.26 297A.61, subdivision 47.

34.27 **EFFECTIVE DATE.** This section is effective July 1, 2024.

34.28 Sec. 2. Minnesota Statutes 2022, section 469.190, subdivision 7, is amended to read:

34.29 Subd. 7. **Collection.** (a) The statutory or home rule charter city may agree with the  
34.30 commissioner of revenue that a tax imposed pursuant to this section shall be collected by  
34.31 the commissioner together with the tax imposed by chapter 297A, and subject to the same

35.1 interest, penalties, and other rules and that its proceeds, less the cost of collection, shall be  
35.2 remitted to the city.

35.3 (b) If a lodging tax imposed under this section, a city charter, or a special law is not  
35.4 collected by the commissioner of revenue, the local government imposing the tax may, by  
35.5 ordinance, limit the required filing and remittance of the tax by an accommodations  
35.6 intermediary to once per calendar year. The local government must inform the  
35.7 accommodations intermediary of the date when the return or remittance is due and the dates  
35.8 must coincide with one of the monthly dates for filing and remitting state sales tax under  
35.9 chapter 297A. The local government must electronically provide an accommodations  
35.10 intermediary with the geographic and zip code information necessary to properly collect  
35.11 the tax.

35.12 **EFFECTIVE DATE.** This section is effective July 1, 2024.

35.13 Sec. 3. Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special Session  
35.14 chapter 5, article 12, section 87, Laws 2012, chapter 299, article 3, section 3, and Laws  
35.15 2019, First Special Session chapter 6, article 6, section 5, is amended to read:

35.16 Sec. 5. **LIQUOR, LODGING, AND RESTAURANT TAXES.**

35.17 The city may, by resolution, levy in addition to taxes authorized by other law:

35.18 (1) a sales tax of not more than ~~three~~ 2.5 percent on the gross receipts on retail on-sales  
35.19 of intoxicating liquor and fermented malt beverages when sold at licensed on-sale liquor  
35.20 establishments located within the downtown taxing area, provided that this tax may not be  
35.21 imposed if sales of intoxicating liquor and fermented malt beverages are exempt from  
35.22 taxation under chapter 297A;

35.23 (2) a sales tax of not more than three percent on the gross receipts from the furnishing  
35.24 for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming  
35.25 house, tourist court, or trailer camp located within the city by a hotel or motel which has  
35.26 more than 50 rooms available for lodging; the tax imposed under this clause shall be at a  
35.27 rate that, when added to the sum of the rate of all other city taxes on lodging in the city of  
35.28 Minneapolis, equals 6.5 percent; and

35.29 (3) a sales tax of not more than ~~three~~ 2.5 percent on the gross receipts on all sales of  
35.30 food primarily for consumption on or off the premises by restaurants and places of  
35.31 refreshment as defined by resolution of the city that occur within the downtown taxing area.

36.1 The taxes authorized by this section must not be terminated before January 1, 2047. The  
36.2 taxes shall be imposed and may be adjusted periodically by the city council such that the  
36.3 rates imposed produce revenue sufficient, together with the tax imposed under section 4,  
36.4 to finance the purposes described in Minnesota Statutes, section 297A.994, and section 4,  
36.5 subdivisions 3 and 4. These taxes shall be applied, first, as provided in Minnesota Statutes,  
36.6 section 297A.994, subdivision 3, clauses (1) to (3), and then, solely to pay, secure, maintain,  
36.7 and fund the payment of any principal of, premium on, and interest on any bonds or any  
36.8 other purposes in section 4, subdivision 3 or 4. The commissioner of revenue may enter  
36.9 into appropriate agreements with the city to provide for the collection of these taxes by the  
36.10 state on behalf of the city. These taxes shall be subject to the same interest, penalties, and  
36.11 enforcement provisions as the taxes imposed under Minnesota Statutes, chapter 297A.

36.12 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
36.13 September 30, 2024.

36.14 Sec. 4. Laws 1986, chapter 400, section 44, as amended by Laws 1995, chapter 264, article  
36.15 2, section 39, and Laws 2009, chapter 88, article 4, section 13, is amended to read:

36.16 Sec. 44. **DOWNTOWN TAXING AREA.**

36.17 If a bill is enacted into law in the 1986 legislative session which authorizes the city of  
36.18 Minneapolis to issue bonds and expend certain funds including taxes to finance the  
36.19 acquisition and betterment of a convention center and related facilities, which authorizes  
36.20 certain taxes to be levied in a downtown taxing area, then, notwithstanding the provisions  
36.21 of that law "downtown taxing area" shall mean the geographic area bounded by the portion  
36.22 of the Mississippi River between I-35W and Washington Avenue, the portion of Washington  
36.23 Avenue between the river and I-35W, the portion of I-35W between Washington Avenue  
36.24 and ~~8th Street~~ Portland Avenue South, the portion of 8th Street South between I-35W and  
36.25 Portland Avenue South, the portion of Portland Avenue South between 8th Street South  
36.26 and I-94, the portion of I-94 from the intersection of Portland Avenue South to the  
36.27 intersection of I-94 and ~~the Burlington Northern Railroad tracks~~ Plymouth Avenue North,  
36.28 the portion of ~~the Burlington Northern Railroad tracks from I-94~~ Plymouth Avenue North  
36.29 to the Mississippi River. From Plymouth Avenue North and the Mississippi River south to  
36.30 Main Street and including Nicollet Island, and the portion of Main Street to Hennepin  
36.31 Avenue and the portion of Hennepin Avenue between Main Street and 2nd Street S.E., and  
36.32 the portion of 2nd Street S.E. between Main Street and Bank Street, and the portion of Bank  
36.33 Street between 2nd Street S.E. and University Avenue S.E., and the portion of University  
36.34 Avenue S.E. between Bank Street and I-35W, and by I-35W from University Avenue S.E.,

37.1 to the river. The downtown taxing area excludes the area bounded on the south and west  
37.2 by Oak Grove Street, on the east by Spruce Place, and on the north by West 15th Street.  
37.3 The downtown taxing area also excludes any property located in a zone that is contained  
37.4 in chapter 546 of the Minneapolis Zoning Code of Ordinances on which a restaurant with  
37.5 a wine license is operated.

37.6 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
37.7 September 30, 2024.

## 37.8 **ARTICLE 5**

### 37.9 **MISCELLANEOUS**

37.10 Section 1. **[428A.30] DEFINITIONS.**

37.11 Subdivision 1. **Scope.** For purposes of sections 428A.30 to 428A.34, the terms defined  
37.12 in this section have the meanings given them, unless the context indicates otherwise.

37.13 Subd. 2. **City.** "City" means a statutory or home rule charter city.

37.14 Subd. 3. **District.** "District" means a land-value taxation district established under section  
37.15 428A.31.

37.16 Subd. 4. **Ordinance.** "Ordinance" means the ordinance establishing a land-value taxation  
37.17 district under section 428A.31.

37.18 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2025.

37.19 Sec. 2. **[428A.31] ESTABLISHMENT OF LAND-VALUE TAXATION DISTRICT.**

37.20 Subdivision 1. **Ordinance.** (a) The governing body of a city may adopt an ordinance  
37.21 establishing a land-value taxation district. The ordinance must describe:

37.22 (1) the parcels of property constituting the district, either by specific identification of  
37.23 each parcel, or by defining a geographic area or areas within the city, and then within that  
37.24 area or those areas, identifying the specific types of property, as defined under section  
37.25 273.13, to be included in the district; and

37.26 (2) the procedure for reallocating the collective property tax of all parcels within the  
37.27 district.

37.28 (b) In addition, the ordinance must provide for an evaluation of the economic effects of  
37.29 the district, including the impact on redevelopment of and investment in the district, within  
37.30 a specified period of time, but not less than 15 years after the district becomes effective.

38.1 Subd. 2. **Hearing; notice.** Before adopting an ordinance, the city must hold a public  
38.2 hearing on the question. Notice of the hearing must include the time and place of the hearing,  
38.3 a description of the parcels to be included in the district, a description of the procedure for  
38.4 reallocating the tax burden among the parcels, and the duration of the district. Each person  
38.5 owning property in the proposed district must be given the opportunity to be heard at the  
38.6 hearing. Notice of the hearing must be published on the city's website and in at least two  
38.7 issues of the official newspaper of the city. The two publications must be two weeks apart  
38.8 and the hearing must be held at least three days after the last publication. Not less than ten  
38.9 days before the hearing, notice must be mailed to the owner of each parcel proposed to be  
38.10 included in the district. For the purpose of the mailed notice, owners are those shown on  
38.11 the records of the county auditor. Other records may be used to supply the necessary  
38.12 information. At the public hearing, a person affected by the proposed district may testify  
38.13 on any issues relevant to the proposed district. The hearing may be adjourned from time to  
38.14 time and the ordinance establishing the district may be adopted at any time within six months  
38.15 after the date of the conclusion of the hearing by a vote of the majority of the governing  
38.16 body of the city. Within 30 days after adoption of the ordinance, the governing body shall  
38.17 send a copy of the ordinance to the commissioner of revenue.

38.18 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2025.

38.19 **Sec. 3. [428A.32] RESTRICTIONS ON TAX REALLOCATION PROCEDURE.**

38.20 A tax reallocation procedure under section 428A.31, subdivision 1, paragraph (a), clause  
38.21 (2), must distribute taxes on taxable properties in the district by applying uniform rates to  
38.22 one or more of the following tax bases:

38.23 (1) net tax capacity, as defined under section 273.13, subdivision 21b;

38.24 (2) referendum market value, as defined under section 126C.01, subdivision 3;

38.25 (3) a tax base consisting of each property's estimated market value excluding the market  
38.26 value attributable to improvements; or

38.27 (4) a tax base consisting of each property's estimated market value excluding the market  
38.28 value attributable to improvements made after a date specified in the ordinance.

38.29 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2025.

38.30 **Sec. 4. [428A.33] TAXATION WITHIN DISTRICT.**

38.31 Subdivision 1. **Initial taxation within district.** For each property taxes payable year,  
38.32 the city must compile the total property taxes imposed upon all properties within the district

39.1 for each taxing jurisdiction after final property tax statements are issued under section  
39.2 276.04. For the purposes of this section, the areawide taxes under chapters 276A and 473F,  
39.3 and the state general levy under section 275.025, are considered to be taxing jurisdictions.

39.4 Subd. 2. **Final taxation within district.** The city must allocate the tax, as determined  
39.5 under subdivision 1, among all properties in the district according to the terms of the  
39.6 ordinance, such that the entire amount of tax payable to each taxing jurisdiction under  
39.7 subdivision 1 is allocated among the properties constituting the district. The city must report  
39.8 the revised property tax amounts for each parcel of property to the county treasurer by April  
39.9 30 of the year the tax is payable. The city must provide for revised property tax statements  
39.10 to be mailed to all properties within the district by April 30 of the year the tax is payable.  
39.11 Taxpayers must make payments according to the dates specified in section 279.01 as if the  
39.12 property tax statements were mailed 21 days prior to May 15 of the year the taxes are  
39.13 payable.

39.14 Subd. 3. **Report to commissioner of revenue.** By September 1 of each year, the county  
39.15 treasurer must report the initial and final distribution of the net tax for each parcel of property  
39.16 in the district to the commissioner of revenue on a form prescribed by the commissioner of  
39.17 revenue.

39.18 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2025.

39.19 Sec. 5. **[428A.34] APPEAL OF LAND VALUE.**

39.20 The owner of any property included in a land-value taxation district under section  
39.21 428A.31 may appeal the valuation attributable to land separately from the valuation  
39.22 attributable to improvements upon the land under sections 274.01 and 274.13 or chapter  
39.23 271.

39.24 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2025.

39.25 Sec. 6. **APPROPRIATION; CITY OF SOUTH ST. PAUL; GRANT.**

39.26 (a) \$100,000 in fiscal year 2024 is appropriated from the general fund to the commissioner  
39.27 of revenue for a grant to the city of South St. Paul. This is a onetime appropriation. The  
39.28 grant must be paid by June 30, 2024.

39.29 (b) The grant under this section must be used by the city of South St. Paul to pay for  
39.30 planning and development costs within the city.

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