

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

**S.F. No. 5234**

**(SENATE AUTHORS: REST)**

<b>DATE</b>	<b>D-PG</b>	<b>OFFICIAL STATUS</b>
04/02/2024	13330	Introduction and first reading Referred to Taxes
05/03/2024	16035a 16162	Comm report: To pass as amended Second reading Referred to for comparison with HF5247
05/06/2024	16321a	Rule 45-amend, subst. General Orders HF5247

1.1 A bill for an act

1.2 relating to taxation; modifying individual income taxes, corporate franchise taxes,

1.3 property taxes, local government aids, minerals taxes, sales and use taxes, gross

1.4 receipts taxes, excise taxes, and other tax-related provisions; modifying and

1.5 establishing income tax credits and subtractions; expanding the child tax credit

1.6 and providing for a minimum credit; providing for nonconformity to certain worker

1.7 classification rules; providing for an online political contribution refund system;

1.8 modifying property tax exemptions, classifications, and abatements; adjusting

1.9 local government aid calculations and payments and forgiving local government

1.10 aid penalties; providing for transfers and distributions of proceeds of minerals

1.11 taxes; providing for issuance of revenue bonds; modifying sales and use tax

1.12 exemptions; providing sales and use tax construction materials exemptions;

1.13 repealing the tax on illegal marijuana and controlled substances; providing special

1.14 tax increment financing authority; authorizing cities and counties to impose local

1.15 sales and use taxes for certain projects; providing for taxpayer assistance and

1.16 outreach grants; providing aid for various uses; providing for certain policy and

1.17 technical modifications; requiring reports; transferring money; appropriating

1.18 money; amending Minnesota Statutes 2022, sections 10A.02, subdivision 11b;

1.19 10A.322, subdivision 4; 116U.27, subdivision 2; 123B.53, subdivision 1; 123B.71,

1.20 subdivision 8; 270C.21; 270C.33, by adding a subdivision; 270C.445, subdivision

1.21 6; 272.01, subdivision 2; 272.02, subdivision 19, by adding subdivisions; 273.13,

1.22 subdivisions 22, 23; 273.135, subdivision 2; 273.38; 273.41; 275.065, by adding

1.23 a subdivision; 276.04, by adding a subdivision; 276A.01, subdivision 17; 276A.06,

1.24 subdivision 8; 289A.08, subdivision 1; 289A.12, subdivision 18; 290.0132, by

1.25 adding subdivisions; 290.0686; 295.53, subdivision 4a; 297A.68, subdivision 42;

1.26 297A.70, subdivision 19; 297A.75, subdivision 1, as amended; 297A.99,

1.27 subdivision 3; 297F.01, subdivisions 10b, 19; 297I.20, subdivision 4; 298.17;

1.28 298.2215, subdivision 1; 298.28, subdivision 8; 298.282, subdivision 1; 298.292,

1.29 subdivision 2; 375.192, subdivision 2; 446A.086, subdivision 1; 469.104; 469.1812,

1.30 by adding a subdivision; 469.1813, subdivisions 1, 6, by adding a subdivision;

1.31 473.757, subdivision 10; 474A.091, subdivisions 2, 2a; 609.902, subdivision 4;

1.32 Minnesota Statutes 2023 Supplement, sections 123B.71, subdivision 12; 126C.40,

1.33 subdivision 6; 273.128, subdivision 1; 290.01, subdivisions 19, 31; 290.0132,

1.34 subdivisions 4, 26, 34; 290.0134, subdivision 20; 290.06, subdivision 23; 290.0661,

1.35 subdivisions 7, 8, by adding a subdivision; 290.0674, subdivision 1a; 290.0693,

1.36 subdivisions 1, 6, 8; 290.0695, subdivisions 1, 2, 3; 290.091, subdivision 2;

1.37 290A.03, subdivision 3; 297A.67, subdivision 40; 297A.99, subdivision 1; 297E.06,

1.38 subdivision 4; 297H.13, subdivision 2; 298.018, subdivision 1; 298.28, subdivisions

2.1 7a, 16; 477A.015; 477A.35, subdivisions 2, 4, 5, 6, by adding a subdivision;  
 2.2 477A.40, subdivisions 4, 5; Laws 2010, chapter 389, article 7, section 22, as  
 2.3 amended; Laws 2014, chapter 308, article 6, section 9, as amended; Laws 2017,  
 2.4 First Special Session chapter 1, article 6, section 22; Laws 2023, chapter 1, sections  
 2.5 22; 28; Laws 2023, chapter 64, article 4, section 27, by adding a subdivision; article  
 2.6 5, section 25, subdivision 1; proposing coding for new law in Minnesota Statutes,  
 2.7 chapters 270C; 290; 297A; repealing Minnesota Statutes 2022, sections 13.4967,  
 2.8 subdivision 5; 297D.02; 297D.03; 297D.05; 297D.09, subdivisions 1, 2; 297D.12;  
 2.9 297D.13; Minnesota Statutes 2023 Supplement, sections 297A.99, subdivision 3a;  
 2.10 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision  
 2.11 1a; 297D.10; 297D.11; 477A.35, subdivision 1; Laws 2023, chapter 64, article 15,  
 2.12 section 24.

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

## 2.14 ARTICLE 1

### 2.15 INCOME AND CORPORATE FRANCHISE TAXES

2.16 Section 1. Minnesota Statutes 2022, section 10A.02, subdivision 11b, is amended to read:

2.17 Subd. 11b. **Data privacy related to electronic reporting system.** (a) The board may  
 2.18 develop and maintain systems to enable treasurers to enter and store electronic records  
 2.19 online for the purpose of complying with this chapter. Data entered into such systems by  
 2.20 treasurers or their authorized agents is not government data under chapter 13 and may not  
 2.21 be accessed or used by the board for any purpose without the treasurer's written consent.  
 2.22 Data from such systems that has been submitted to the board as a filed report is government  
 2.23 data under chapter 13.

2.24 (b) For purposes of administering the refund under section 290.06, subdivision 23, the  
 2.25 board may access or use the following data entered and stored in an electronic reporting  
 2.26 system and share the data with the commissioner of revenue: (1) the amount of the  
 2.27 contribution; (2) the name and address of the contributor; (3) any unique identifier for the  
 2.28 contribution; (4) the name and campaign identification number of the party or candidate  
 2.29 that received the contribution; and (5) the date on which the contribution was received. Data  
 2.30 accessed, used, or maintained by the board under this paragraph are classified as nonpublic  
 2.31 data, as defined in section 13.02, subdivision 9, and private data on individuals, as defined  
 2.32 in section 13.02, subdivision 12.

2.33 **EFFECTIVE DATE.** This section is effective January 1, 2026.

2.34 Sec. 2. Minnesota Statutes 2022, section 10A.322, subdivision 4, is amended to read:

2.35 Subd. 4. **Refund ~~receipt forms~~ receipts; penalty.** (a) The board must make available  
 2.36 to a political party on request and to any candidate for whom an agreement under this section

3.1 is effective, ~~a supply of official refund receipt forms~~ receipts in an electronic format that  
 3.2 state in boldface type that:

3.3 (1) a contributor who is given a receipt ~~form~~ is eligible to claim a refund as provided in  
 3.4 section 290.06, subdivision 23; and

3.5 (2) if the contribution is to a candidate, that the candidate has signed an agreement to  
 3.6 limit campaign expenditures as provided in this section.

3.7 ~~The forms must provide duplicate copies of the receipt to be attached to the contributor's~~  
 3.8 ~~claim.~~ An official refund receipt must only be issued for a contribution of \$10 or more.  
 3.9 Each receipt must be in an electronic format and include a unique receipt validation number  
 3.10 that allows the commissioner of revenue to verify the information on the receipt with the  
 3.11 Campaign Finance Board. A political party or candidate may provide a printed copy of the  
 3.12 electronic receipt to the contributor.

3.13 (b) At least once a week, the board must provide the commissioner of revenue a receipt  
 3.14 validation report. For each contribution reported to the board during the week, the report  
 3.15 must include:

3.16 (1) the date and amount of the contribution;

3.17 (2) the name and address of the contributor;

3.18 (3) the name and campaign identification number of the party or candidate that received  
 3.19 the contribution; and

3.20 (4) the receipt validation number assigned to the contribution.

3.21 ~~(b)~~ (c) The willful issuance of an official refund receipt ~~form or a facsimile of one~~ to  
 3.22 any of the candidate's contributors by a candidate or treasurer of a candidate who did not  
 3.23 sign an agreement under this section is subject to a civil penalty of up to \$3,000 imposed  
 3.24 by the board.

3.25 ~~(e)~~ (d) The willful issuance of an official refund receipt ~~form or a facsimile~~ to an  
 3.26 individual not eligible to claim a refund under section 290.06, subdivision 23, is subject to  
 3.27 a civil penalty of up to \$3,000 imposed by the board.

3.28 ~~(d)~~ (e) A violation of paragraph ~~(b)~~ (c) or ~~(e)~~ (d) is a misdemeanor.

3.29 (f) A receipt validation report and a receipt validation number prepared pursuant to this  
 3.30 section are classified as nonpublic data, as defined in section 13.02, subdivision 9, and  
 3.31 private data on individuals, as defined in section 13.02, subdivision 12.

4.1 **EFFECTIVE DATE.** This section is effective for contributions made after December  
4.2 31, 2025.

4.3 Sec. 3. Minnesota Statutes 2022, section 289A.08, subdivision 1, is amended to read:

4.4 Subdivision 1. **Generally; individuals.** (a) A taxpayer must file a return for each taxable  
4.5 year the taxpayer is required to file a return under section 6012 of the Internal Revenue  
4.6 Code or meets the requirements under paragraph (d) to file a return, except that:

4.7 (1) an individual who is not a Minnesota resident for any part of the year is not required  
4.8 to file a Minnesota income tax return if the individual's gross income derived from Minnesota  
4.9 sources as determined under sections 290.081, paragraph (a), and 290.17, is less than the  
4.10 filing requirements for a single individual who is a full year resident of Minnesota; and

4.11 (2) an individual who is a Minnesota resident is not required to file a Minnesota income  
4.12 tax return if the individual's gross income derived from Minnesota sources as determined  
4.13 under section 290.17, less the subtractions allowed under section 290.0132, subdivisions  
4.14 12 and 15, is less than the filing requirements for a single individual who is a full-year  
4.15 resident of Minnesota.

4.16 (b) The decedent's final income tax return, and other income tax returns for prior years  
4.17 where the decedent had gross income in excess of the minimum amount at which an  
4.18 individual is required to file and did not file, must be filed by the decedent's personal  
4.19 representative, if any. If there is no personal representative, the return or returns must be  
4.20 filed by the transferees, as defined in section 270C.58, subdivision 3, who receive property  
4.21 of the decedent.

4.22 (c) The term "gross income," as it is used in this section, has the same meaning given it  
4.23 in section 290.01, subdivision 20.

4.24 (d) The commissioner of revenue must annually determine the gross income levels at  
4.25 which individuals are required to file a return for each taxable year based on the amounts  
4.26 allowed as a deduction under section 290.0123.

4.27 (e) Notwithstanding paragraph (a), an individual must file a Minnesota income tax return  
4.28 for each taxable year that the taxpayer has made an election to receive advance payments  
4.29 of the child tax credit under section 290.0661, subdivision 8.

4.30 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
4.31 31, 2024.

5.1 Sec. 4. Minnesota Statutes 2023 Supplement, section 290.01, subdivision 31, is amended  
5.2 to read:

5.3 Subd. 31. **Internal Revenue Code.** (a) Unless specifically defined otherwise, "Internal  
5.4 Revenue Code" means the Internal Revenue Code of 1986, as amended through May 1,  
5.5 2023. Internal Revenue Code also includes any uncodified provision in federal law that  
5.6 relates to provisions of the Internal Revenue Code that are incorporated into Minnesota law.

5.7 (b) For purposes of this chapter, "Internal Revenue Code" does not include section 530  
5.8 of Public Law 95-600, as amended.

5.9 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
5.10 31, 2024.

5.11 Sec. 5. Minnesota Statutes 2023 Supplement, section 290.0132, subdivision 4, is amended  
5.12 to read:

5.13 Subd. 4. **Education expenses.** (a) Subject to the limits in paragraph (b), the following  
5.14 amounts paid to others for each qualifying child are a subtraction:

5.15 (1) education-related expenses; plus

5.16 (2) tuition and fees paid to attend a school described in section 290.0674, subdivision  
5.17 1a, paragraph ~~(b)~~ (c), clause (4), that are not included in education-related expenses; less

5.18 (3) any amount used to claim the credit under section 290.0674.

5.19 (b) The maximum subtraction allowed under this subdivision is:

5.20 (1) \$1,625 for each qualifying child in kindergarten through grade 6; and

5.21 (2) \$2,500 for each qualifying child in grades 7 through 12.

5.22 (c) The definitions in section 290.0674, subdivision 1a, apply to this subdivision.

5.23 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
5.24 31, 2023.

5.25 Sec. 6. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision  
5.26 to read:

5.27 Subd. 36. **Foreign service pension; retirement pay.** (a) Compensation received from  
5.28 a pension or other retirement pay from the federal government for service in the foreign  
5.29 service and established under United States Code, title 22, section 4071, is a subtraction.

5.30 (b) The subtraction equals the product of:

6.1 (1) the amount of compensation received under paragraph (a); and

6.2 (2) the number of years of foreign service divided by the total number of years of civil  
 6.3 service for which the taxpayer receives pension income.

6.4 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 6.5 31, 2023.

6.6 Sec. 7. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision  
 6.7 to read:

6.8 **Subd. 37. Discharges of indebtedness; coerced debt.** The amount of discharge of  
 6.9 indebtedness awarded to a debtor under section 332.74, subdivision 3, is a subtraction.

6.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 6.11 31, 2023.

6.12 Sec. 8. Minnesota Statutes 2023 Supplement, section 290.06, subdivision 23, is amended  
 6.13 to read:

6.14 **Subd. 23. Refund of contributions to political parties and candidates.** (a) A taxpayer  
 6.15 may claim a refund equal to the amount of the taxpayer's contributions made in the calendar  
 6.16 year to candidates and to a political party. The maximum total refund per calendar year for  
 6.17 an individual must not exceed \$75 and for a married couple, filing jointly, must not exceed  
 6.18 \$150. The commissioner must not issue a refund, whether in one payment or in aggregate,  
 6.19 to a taxpayer that exceeds the maximum refund amounts specified in this subdivision. A  
 6.20 refund of a contribution is allowed only if the taxpayer files:

6.21 (1) a form required by the commissioner and attaches to the form ~~a copy of an official~~  
 6.22 refund receipt form issued by the candidate or party and signed by the candidate, the treasurer  
 6.23 of the candidate's principal campaign committee, or the chair or treasurer of the party unit,  
 6.24 after the contribution was received. ~~The receipt forms must be numbered, and the data on~~  
 6.25 the receipt that are not public must be made available to the campaign finance and public  
 6.26 disclosure board upon its request; or

6.27 (2) a claim using the electronic filing system authorized in paragraph (i).

6.28 The form or claim must include one or more unique receipt validation numbers from receipts  
 6.29 issued pursuant to section 10A.322, subdivision 4.

6.30 (b) A claim must be filed with the commissioner no sooner than January 1 of the calendar  
 6.31 year in which the contribution was made and no later than April 15 of the calendar year

7.1 following the calendar year in which the contribution was made. ~~A taxpayer may file only~~  
7.2 ~~one claim per calendar year.~~ A claim must be for a minimum of \$10. Amounts paid by the  
7.3 commissioner after June 15 of the calendar year following the calendar year in which the  
7.4 contribution was made must include interest at the rate specified in section 270C.405.

7.5 ~~(b)~~ (c) No refund is allowed under this subdivision for a contribution to a candidate  
7.6 unless the candidate:

7.7 (1) has signed an agreement to limit campaign expenditures as provided in section  
7.8 10A.322;

7.9 (2) is seeking an office for which voluntary spending limits are specified in section  
7.10 10A.25; and

7.11 (3) has designated a principal campaign committee.

7.12 This subdivision does not limit the campaign expenditures of a candidate who does not  
7.13 sign an agreement but accepts a contribution for which the contributor improperly claims  
7.14 a refund.

7.15 ~~(e)~~ (d) For purposes of this subdivision, "political party" means a major political party  
7.16 as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion  
7.17 on the income tax or property tax refund form under section 10A.31, subdivision 3a.

7.18 A "major party" or "minor party" includes the aggregate of that party's organization  
7.19 within each house of the legislature, the state party organization, and the party organization  
7.20 within congressional districts, counties, legislative districts, municipalities, and precincts.

7.21 "Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a  
7.22 candidate for judicial office.

7.23 "Contribution" means a gift of money.

7.24 ~~(d)~~ (e) The commissioner shall make copies of the form available to the public and  
7.25 candidates upon request.

7.26 ~~(e)~~ (f) The following data collected or maintained by the commissioner under this  
7.27 subdivision are private: the identities of individuals claiming a refund, the identities of  
7.28 candidates to whom those individuals have made contributions, and the amount of each  
7.29 contribution.

7.30 ~~(f)~~ (g) The commissioner shall report to the campaign finance and public disclosure  
7.31 board by each August 1 a summary showing the total number and aggregate amount of

8.1 political contribution refunds made on behalf of each candidate and each political party.

8.2 These data are public.

8.3 ~~(g)~~ (h) The amount necessary to pay claims for the refund provided in this section is  
8.4 appropriated from the general fund to the commissioner of revenue.

8.5 ~~(h) For a taxpayer who files a claim for refund via the Internet or other electronic means,~~  
8.6 ~~the commissioner may accept the number on the official receipt as documentation that a~~  
8.7 ~~contribution was made rather than the actual receipt as required by paragraph (a) (i) The~~  
8.8 commissioner must establish an electronic filing system by which refunds are claimed.

8.9 **EFFECTIVE DATE.** This section is effective for contributions made after December  
8.10 31, 2025.

8.11 Sec. 9. Minnesota Statutes 2023 Supplement, section 290.0661, subdivision 7, is amended  
8.12 to read:

8.13 Subd. 7. **Inflation adjustment.** (a) For taxable years beginning after December 31,  
8.14 2025, the commissioner of revenue must annually adjust for inflation the credit amount in  
8.15 subdivision 3 as provided in section 270C.22. The adjusted amounts must be rounded to  
8.16 the nearest \$60. The statutory year is taxable year 2025.

8.17 (b) For taxable years beginning after December 31, 2023, the commissioner of revenue  
8.18 must annually adjust for inflation the phaseout thresholds in subdivision 4, as provided in  
8.19 section 270C.22. The statutory year is taxable year 2023.

8.20 (c) For taxable years beginning after December 31, 2025, and before January 1, 2029,  
8.21 the commissioner of revenue must annually adjust for inflation the limitations for adjusted  
8.22 gross income in subdivision 9, paragraph (a), clause (2), as provided in section 270C.22.  
8.23 The statutory year is taxable year 2025.

8.24 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
8.25 31, 2025.

8.26 Sec. 10. Minnesota Statutes 2023 Supplement, section 290.0661, subdivision 8, is amended  
8.27 to read:

8.28 Subd. 8. **Advance payment of credits.** (a) The commissioner of revenue ~~may~~ must  
8.29 establish a process to allow taxpayers to elect to receive one or more advance payments of  
8.30 the credit under this section. The amount of advance payments must be based on the taxpayer  
8.31 and commissioner's estimate of the amount of credits for which the taxpayer would be  
8.32 eligible in the taxable year beginning in the calendar year in which the payments were made.



9.1 The commissioner must not distribute advance payments to a taxpayer who does not elect  
9.2 to receive advance payments.

9.3 (b) The amount of a taxpayer's credit under this section for the taxable year is reduced  
9.4 by the amount of advance payments received by the taxpayer in the calendar year during  
9.5 which the taxable year began. If a taxpayer's advance payments exceeded the credit the  
9.6 taxpayer was eligible to receive for the taxable year, the taxpayer's liability for tax is increased  
9.7 by the difference between the amount of advance payments received and the credit amount.

9.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
9.9 31, 2024.

9.10 Sec. 11. Minnesota Statutes 2023 Supplement, section 290.0661, is amended by adding  
9.11 a subdivision to read:

9.12 Subd. 9. **Minimum credit.** (a) For taxable years beginning after December 31, 2024,  
9.13 and before January 1, 2029, an eligible taxpayer is allowed the greater of the credit allowed  
9.14 under subdivision 2 or the minimum credit described in this subdivision. A taxpayer is  
9.15 eligible for the minimum credit under this subdivision if the taxpayer:

9.16 (1) received an advance payment of the credit under subdivision 8 in the preceding  
9.17 taxable year; and

9.18 (2) has adjusted gross income in the current taxable year equal to or less than:

9.19 (i) \$60,100 for married taxpayers filing a joint return with one qualifying child; or

9.20 (ii) \$49,570 for all other filers with one qualifying child.

9.21 (b) The adjusted gross income limitations in paragraph (a), clause (2), are increased by  
9.22 \$9,000 for each additional qualifying child.

9.23 (c) The credit allowed under this subdivision is equal to 50 percent of the credit received  
9.24 under subdivision 2 in the prior taxable year, unless paragraph (d) applies.

9.25 (d) If a taxpayer is claiming fewer qualifying children in the current taxable year than  
9.26 in the prior taxable year, the minimum credit allowed under this subdivision is equal to 50  
9.27 percent of the credit received under this section in the prior taxable year multiplied by a  
9.28 fraction in which:

9.29 (1) the numerator is the number of qualifying children in the current taxable year; and

9.30 (2) the denominator is the number of qualifying children in the prior taxable year.

10.1 (e) The commissioner must certify the total change in individual income tax liability  
 10.2 from the credit allowed under this subdivision compared to the credit calculated under  
 10.3 subdivision 2 to the commissioner of management and budget by June 30 of each year.

10.4 (f) A minimum child tax credit account is created in the special revenue fund. Money  
 10.5 in the account is appropriated to the commissioner of management and budget for transfers  
 10.6 to the general fund required in paragraph (h).

10.7 (g) \$9,900,000 in fiscal year 2025 is transferred from the general fund to the minimum  
 10.8 child tax credit account established in paragraph (f). This transfer is for fiscal year 2025  
 10.9 only.

10.10 (h) In fiscal years 2026 and 2027, the commissioner of management and budget must  
 10.11 transfer an amount equal to the amount certified in paragraph (e) from the minimum child  
 10.12 tax credit account to the general fund beginning in fiscal year 2026. Any amount remaining  
 10.13 in the minimum child tax credit account on June 30, 2027, cancels to the general fund.

10.14 (i) This subdivision expires January 1, 2029, for taxable years beginning after December  
 10.15 31, 2028.

10.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 10.17 31, 2024.

10.18 Sec. 12. Minnesota Statutes 2023 Supplement, section 290.0674, subdivision 1a, is amended  
 10.19 to read:

10.20 Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the  
 10.21 meanings given them.

10.22 (b) "Career and technical education program" means a program which has received  
 10.23 approval under section 124D.4531 or 136F.32 and that provides individuals with coherent  
 10.24 rigorous content aligned with academic standards and relevant technical knowledge and  
 10.25 skills needed to prepare for further education and careers in current and emerging professions  
 10.26 and provides technical skill proficiency, an industry-recognized credential, and a certificate,  
 10.27 a diploma, or an associate degree.

10.28 ~~(b)~~ (c) "Education-related expenses" means:

10.29 (1) qualifying instructional fees or tuition;

10.30 (2) expenses for textbooks, including books and other instructional materials and  
 10.31 equipment purchased or leased for use in elementary and secondary schools in teaching  
 10.32 only those subjects legally and commonly taught in public elementary and secondary schools

11.1 in this state. "Textbooks" does not include instructional books and materials used in the  
 11.2 teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such  
 11.3 tenets, doctrines, or worship, nor does it include books or materials for extracurricular  
 11.4 activities including sporting events, musical or dramatic events, speech activities, driver's  
 11.5 education, or similar programs;

11.6 (3) a maximum expense of \$200 per family for personal computer hardware, excluding  
 11.7 single purpose processors, and educational software that assists a dependent to improve  
 11.8 knowledge of core curriculum areas or to expand knowledge and skills under the required  
 11.9 academic standards under section 120B.021, subdivision 1, and the elective standard under  
 11.10 section 120B.022, subdivision 1, clause (2), purchased for use in the taxpayer's home and  
 11.11 not used in a trade or business regardless of whether the computer is required by the  
 11.12 dependent's school; ~~and~~

11.13 (4) the amount paid to others for transportation of a qualifying child attending an  
 11.14 elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa,  
 11.15 or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory  
 11.16 attendance laws, which is not operated for profit, and which adheres to the provisions of  
 11.17 the Civil Rights Act of 1964 and chapter 363A. For a qualifying child participating in a  
 11.18 career and technical education program, education-related expenses includes the amount  
 11.19 paid to others for transportation outside regular school hours that is directly related to the  
 11.20 qualifying child's participation in the program. Amounts under this clause exclude any  
 11.21 expense the taxpayer incurred in using the taxpayer's or the qualifying child's vehicle; and

11.22 (5) for a qualifying child participating in a career and technical education program,  
 11.23 expenses for:

11.24 (i) participation in a student organization that is a requirement of the program curriculum;  
 11.25 and

11.26 (ii) equipment not eligible under clause (2) that is required for participation in the  
 11.27 program.

11.28 ~~(e)~~ (d) "Qualified instructor" means an individual who is not a lineal ancestor or sibling  
 11.29 of the dependent and who is:

11.30 (1) an instructor under section 120A.22, subdivision 10, clause (1), (2), (3), (4), or (5);  
 11.31 or

11.32 (2) a member of the Minnesota Music Teachers Association.

12.1 ~~(d)~~(e) "Qualifying child" has the meaning given in section 32(c)(3) of the Internal  
12.2 Revenue Code.

12.3 ~~(e)~~(f) "Qualifying instructional fees or tuition" means fees or tuition for instruction by  
12.4 a qualified instructor outside the regular school day or school year, and that does not include  
12.5 the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such  
12.6 tenets, doctrines, or worship, including:

12.7 (1) driver's education offered as part of school curriculum, regardless of whether it is  
12.8 taken from a public or private entity; or

12.9 (2) tutoring or summer camps that:

12.10 (i) are in grade or age appropriate curricula that supplement curricula and instruction  
12.11 available during the regular school year;

12.12 (ii) assist a dependent to improve knowledge of core curriculum areas; or

12.13 (iii) expand knowledge and skills under:

12.14 (A) the required academic standards under section 120B.021, subdivision 1; and

12.15 (B) the world languages standards under section 120B.022, subdivision 1.

12.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
12.17 31, 2023.

12.18 Sec. 13. Minnesota Statutes 2022, section 290.0686, is amended to read:

12.19 **290.0686 CREDIT FOR ATTAINING MASTER'S DEGREE IN TEACHER'S**  
12.20 **LICENSURE FIELD.**

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

12.23 (b) "Master's degree program" means a graduate-level program at an accredited university  
12.24 leading to a master of arts or science degree in either a core content area directly related to  
12.25 a qualified teacher's licensure field or in special education. Except for a special education  
12.26 program, the master's degree program may not include pedagogy or a pedagogy component.  
12.27 To be eligible under this credit, a licensed elementary school teacher must pursue and  
12.28 complete a master's degree program in either a core content area in which the teacher provides  
12.29 direct classroom instruction or in special education.

12.30 (c) "Qualified teacher" means a person who:

13.1 (1) holds a teaching license issued by the licensing division in the Department of  
 13.2 Education on behalf of the Professional Educator Licensing and Standards Board ~~both when~~  
 13.3 ~~the teacher begins the master's degree program and when~~ or receives the license within six  
 13.4 months of the date the teacher completes the master's degree program;

13.5 (2) began a master's degree program after June 30, 2017; and

13.6 (3) completes the master's degree program during the taxable year.

13.7 (d) "Core content area" means the academic subject of reading, English or language arts,  
 13.8 mathematics, science, foreign languages, civics and government, economics, arts, history,  
 13.9 or geography.

13.10 (e) "Special education" means a program of study directly related to licensure in  
 13.11 developmental disabilities, early childhood special education, deaf and hard of hearing  
 13.12 education, blind and visually impaired education, emotional or behavioral disorders, autism  
 13.13 spectrum disorders, or learning disabilities.

13.14 Subd. 2. **Credit allowed.** (a) An individual who is a qualified teacher is allowed a credit  
 13.15 against the tax imposed under this chapter. The credit equals the lesser of \$2,500 or the  
 13.16 amount the individual paid for tuition, fees, books, and instructional materials necessary to  
 13.17 completing the master's degree program and for which the individual did not receive  
 13.18 reimbursement from an employer or scholarship.

13.19 (b) For a nonresident or a part-year resident, the credit under this subdivision must be  
 13.20 allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph  
 13.21 (e).

13.22 (c) A qualified teacher may claim the credit in this section: (1) in the later of the year  
 13.23 the master's degree program is completed or the year the teaching license is received; and  
 13.24 (2) only one time for each master's degree program completed in a core content area or in  
 13.25 special education.

13.26 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 13.27 31, 2023.

13.28 Sec. 14. **[290.0687] AEROSPACE AND AVIATION CREDIT.**

13.29 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
 13.30 the meanings given.

13.31 (b) "Aerospace" means relating to vehicles or objects for the purpose of suborbital,  
 13.32 orbital, or space flight, whether for private or public, or civil or defense-related purposes.

14.1 (c) "Aviation" means relating to vehicles or objects, except parachutes, used for the  
14.2 purpose of controlled flight through the air, regardless of how the vehicle or object is  
14.3 propelled or controlled, and regardless of whether the vehicle or object is manned or  
14.4 unmanned, for private or for public use, or for civil or defense-related purposes, or equipped  
14.5 with parachute systems.

14.6 (d) "Aviation and aerospace sector" means a private or public organization engaged in  
14.7 the manufacture of aviation or aerospace hardware or software, aviation or aerospace  
14.8 maintenance, aviation or aerospace repair and overhaul, supply of parts to the aviation or  
14.9 aerospace industry, provision of services and support relating to the aviation or aerospace  
14.10 industry, research and development of aviation or aerospace technology and systems, or  
14.11 education and training of aviation or aerospace personnel.

14.12 (e) "Eligible institution" means any postsecondary institution that participates in the  
14.13 federal Pell Grant Program under Title IV of the Higher Education Act of 1965, Public Law  
14.14 89-329, as amended.

14.15 (f) "Full-time basis" means at least 40 hours per week.

14.16 (g) "Qualified employee" means any individual who is a resident of Minnesota who  
14.17 meets the following requirements:

14.18 (1) was newly employed by a qualified employer on a full-time basis, or first contracted  
14.19 with a qualified employer on a full-time basis, on or after January 1, 2025; and

14.20 (2) has been awarded, within one year before or after the beginning date of employment,  
14.21 an undergraduate degree, graduate degree, technical degree, or certificate in a qualified  
14.22 program by a qualified institution.

14.23 (h) "Qualified employer" means a sole proprietorship, general partnership, limited  
14.24 partnership, limited liability company, corporation, other legally recognized business entity,  
14.25 fiduciaries, estates, trusts, or public entity whose principal business activity involves the  
14.26 aviation and aerospace sector and who employs a qualified employee.

14.27 (i) "Qualified program" means a program at an eligible institution that:

14.28 (1) has been accredited by the Engineering Accreditation Commission of the Accreditation  
14.29 Board for Engineering and Technology, the Federal Aviation Administration, or a regional  
14.30 accrediting body and that awards an undergraduate or graduate degree;

14.31 (2) is within the meaning of an associate of applied science degree program or career  
14.32 technical education program that results in the awarding of a degree or certificate that  
14.33 prepares the graduate for gainful employment with a qualified employer; or

15.1 (3) results in obtaining a certification or rating which directly relates to the aviation and  
15.2 aerospace sector and is granted through the Federal Aviation Administration or regional  
15.3 accredited body.

15.4 (j) "Tuition" means the amount paid for enrollment, program-specific course fees, and  
15.5 instruction in a qualified program that includes both amounts paid during participation in  
15.6 a qualified program and amounts paid for tuition debt upon completion of a qualified  
15.7 program. Tuition does not include the cost of books, fees that are not program-specific  
15.8 course fees, or room and board.

15.9 Subd. 2. **Credit for tuition paid by qualified employers; limitation.** (a) A qualified  
15.10 employer is allowed a credit against the tax imposed under this chapter for tuition reimbursed  
15.11 each year to a qualified employee in the first through fifth consecutive years of employment.

15.12 (b) The credit equals 50 percent of the amount of tuition reimbursed by the qualified  
15.13 employer to each qualified employee in the taxable year, except that the credit must not  
15.14 exceed 50 percent of the average annual amount paid by a qualified employee for enrollment  
15.15 and instruction in a qualified program. The credit is limited to the qualified employer's  
15.16 liability for tax. The credit is not refundable and may not be carried forward.

15.17 Subd. 3. **Qualified employer credits; pass through entities.** Credits allowed to a  
15.18 partnership, a limited liability company taxed as a partnership, an S corporation, or multiple  
15.19 owners of property are passed through to the partners, members, shareholders, or owners,  
15.20 respectively, pro rata to each based on the partner's, member's, shareholder's, or owner's  
15.21 share of the entity's assets or as specially allocated in the organizational documents or any  
15.22 other executed agreement, as of the last day of the taxable year.

15.23 Subd. 4. **Reports.** Beginning January 15, 2027, and each year thereafter, the  
15.24 commissioner must submit a written report to the chairs and ranking minority members of  
15.25 the legislative committees with jurisdiction over taxes, in compliance with sections 3.195  
15.26 and 3.197, on the tax credits issued under this section. The report must include information  
15.27 regarding the cost and effectiveness of the tax credit program. The report may also include  
15.28 any recommendations for changes to law necessary to implement the credit.

15.29 Subd. 5. **Expiration.** This section expires January 1, 2034, for taxable years beginning  
15.30 after December 31, 2033.

15.31 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
15.32 31, 2024.

16.1 Sec. 15. Minnesota Statutes 2023 Supplement, section 290.0693, subdivision 1, is amended  
 16.2 to read:

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

16.5 (b) "Combined exemption amount" means the sum of:

16.6 (1) for the taxpayer's first dependent, the exemption amount multiplied by 1.4;

16.7 (2) for the taxpayer's second dependent, the exemption amount multiplied by 1.3;

16.8 (3) for the taxpayer's third dependent, the exemption amount multiplied by 1.2;

16.9 (4) for the taxpayer's fourth dependent, the exemption amount multiplied by 1.1;

16.10 (5) for the taxpayer's fifth dependent, the exemption amount; and

16.11 (6) if the taxpayer or taxpayer's spouse had a disability or attained the age of 65 on or  
 16.12 before the close of the taxable year, the exemption amount.

16.13 ~~(b)~~ (c) "Dependent" means any individual who is considered a dependent under sections  
 16.14 151 and 152 of the Internal Revenue Code.

16.15 ~~(c)~~ (d) "Disability" has the meaning given in section 290A.03, subdivision 10.

16.16 ~~(d)~~ (e) "Exemption amount" means the exemption amount under section 290.0121,  
 16.17 subdivision 1, paragraph (b).

16.18 ~~(e)~~ (f) "Gross rent" means rent paid for the right of occupancy, at arm's length, of a  
 16.19 homestead, exclusive of charges for any medical services furnished by the landlord as a  
 16.20 part of the rental agreement, whether expressly set out in the rental agreement or not. The  
 16.21 gross rent of a resident of a nursing home or intermediate care facility is \$600 per month.  
 16.22 The gross rent of a resident of an adult foster care home is \$930 per month. The commissioner  
 16.23 shall annually adjust the amounts in this paragraph as provided in section 270C.22. The  
 16.24 statutory year is 2023. If the landlord and tenant have not dealt with each other at arm's  
 16.25 length and the commissioner determines that the gross rent charged was excessive, the  
 16.26 commissioner may adjust the gross rent to a reasonable amount for purposes of this section.

16.27 ~~(f)~~ (g) "Homestead" has the meaning given in section 290A.03, subdivision 6.

16.28 ~~(g)~~ (h) "Household" has the meaning given in section 290A.03, subdivision 4.

16.29 ~~(h)~~ (i) "Household income" means all income received by all persons of a household in  
 16.30 a taxable year while members of the household, other than income of a dependent.

16.31 ~~(i)~~ (j) "Income" means adjusted gross income, minus:



17.1 ~~(1) for the taxpayer's first dependent, the exemption amount multiplied by 1.4 the~~  
 17.2 ~~taxpayer's combined exemption amount; and~~

17.3 ~~(2) for the taxpayer's second dependent, the exemption amount multiplied by 1.3; the~~  
 17.4 ~~amount of discharge of indebtedness subtracted under section 290.0132, subdivision 37.~~

17.5 ~~(3) for the taxpayer's third dependent, the exemption amount multiplied by 1.2;~~

17.6 ~~(4) for the taxpayer's fourth dependent, the exemption amount multiplied by 1.1;~~

17.7 ~~(5) for the taxpayer's fifth dependent, the exemption amount; and~~

17.8 ~~(6) if the taxpayer or taxpayer's spouse had a disability or attained the age of 65 on or~~  
 17.9 ~~before the close of the taxable year, the exemption amount.~~

17.10 ~~(j)~~ (k) "Rent constituting property taxes" means 17 percent of the gross rent actually  
 17.11 paid in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any  
 17.12 taxable year by a claimant for the right of occupancy of the claimant's Minnesota homestead  
 17.13 in the taxable year, and which rent constitutes the basis, in the succeeding taxable year of  
 17.14 a claim for a credit under this section by the claimant. If an individual occupies a homestead  
 17.15 with another person or persons not related to the individual as the individual's spouse or as  
 17.16 dependents, and the other person or persons are residing at the homestead under a rental or  
 17.17 lease agreement with the individual, the amount of rent constituting property tax for the  
 17.18 individual equals that portion not covered by the rental agreement.

17.19 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 17.20 31, 2023.

17.21 Sec. 16. Minnesota Statutes 2023 Supplement, section 290.0695, subdivision 1, is amended  
 17.22 to read:

17.23 Subdivision 1. **Definitions.** (a) For ~~purpose~~ purposes of this section, the following terms  
 17.24 have the meanings given them.

17.25 (b) "Credit certificate" means the certificate issued by the commissioner of transportation  
 17.26 under subdivision 3, paragraph (a).

17.27 ~~(b)~~ (c) "Eligible taxpayer" means any railroad that is classified by the United States  
 17.28 Surface Transportation Board as a Class II or Class III railroad.

17.29 ~~(e)~~ (d) "Eligible transferee" means any taxpayer subject to tax under this chapter or  
 17.30 chapter 297I.

18.1 ~~(d)~~ (e) "Qualified railroad reconstruction or replacement expenditures" means gross  
 18.2 expenditures in the taxable year for maintenance, reconstruction, or replacement of railroad  
 18.3 infrastructure, including track, roadbed, bridges, industrial leads and sidings, and track-related  
 18.4 structures owned or leased by a Class II or Class III railroad in Minnesota as of January 1,  
 18.5 2021. Qualified railroad reconstruction or replacement expenditures also includes new  
 18.6 construction of industrial leads, switches, spurs and sidings and extensions of existing sidings  
 18.7 in Minnesota by a Class II or Class III railroad.

18.8 (f) "Transfer credit certificate" means the certificate issued to a transferee by the  
 18.9 commissioner under subdivision 3, paragraph (d).

18.10 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
 18.11 after December 31, 2022.

18.12 Sec. 17. Minnesota Statutes 2023 Supplement, section 290.0695, subdivision 3, is amended  
 18.13 to read:

18.14 Subd. 3. ~~**Transferability Credit certificates; written agreement required; credit**~~  
 18.15 ~~**certificate transferability.**~~ (a) To qualify for a credit under this section, an eligible taxpayer  
 18.16 must apply to the commissioner of transportation for a credit certificate. The application  
 18.17 for the credit certificate must be in the form and manner prescribed by the commissioner  
 18.18 of transportation, in consultation with the commissioner. If the application is approved, the  
 18.19 commissioner of transportation must issue the credit certificate to the eligible taxpayer  
 18.20 within 30 days of receipt of the application. The credit certificate must state, at a minimum,  
 18.21 the number of miles of qualified railroad reconstruction or replacement expenditures in the  
 18.22 taxable year and the total amount of credit calculated under the provisions of subdivision  
 18.23 2, paragraph (a). The commissioner of transportation must provide a copy of the credit  
 18.24 certificate to the commissioner of revenue. The commissioner of transportation must not  
 18.25 issue more than one credit certificate to an eligible taxpayer in a taxable year.

18.26 (b) By written agreement, an eligible taxpayer may transfer the credit allowed under  
 18.27 this section by written agreement to an eligible transferee. ~~The amount of the transferred~~  
 18.28 ~~credit is limited to the unused, remaining portion of the credit~~ as follows:

18.29 (1) any amount of the credit allowed that is stated in the credit certificate before any of  
 18.30 the credit is claimed; or

18.31 (2) the entire amount of the credit carryover in each of the five succeeding taxable years.

18.32 ~~(b)~~ (c) The eligible taxpayer and the eligible transferee must jointly file a copy of the  
 18.33 written transfer agreement with the commissioner within 30 days of the transfer. The written

19.1 agreement must contain the name, address, and taxpayer identification number of the parties  
 19.2 to the transfer; the taxable year the eligible taxpayer incurred the qualified expenditures;  
 19.3 the amount of credit being transferred; and the taxable year or years for which the transferred  
 19.4 credit may be claimed.

19.5 ~~(e)~~ (d) The commissioner must issue a transfer credit certificate to the transferee within  
 19.6 30 days of the joint filing of a copy of the written transfer agreement with the commissioner.

19.7 ~~(d) In the case of an audit or assessment, the transferee is liable for repayment of credits~~  
 19.8 ~~claimed in excess of the allowed amount.~~

19.9 (e) An eligible taxpayer must not transfer a credit to an eligible transferee more than  
 19.10 once in a taxable year.

19.11 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
 19.12 after December 31, 2022.

19.13 Sec. 18. Minnesota Statutes 2023 Supplement, section 290.091, subdivision 2, is amended  
 19.14 to read:

19.15 Subd. 2. **Definitions.** For purposes of the tax imposed by this section, the following  
 19.16 terms have the meanings given.

19.17 (a) "Alternative minimum taxable income" means the sum of the following for the taxable  
 19.18 year:

19.19 (1) the taxpayer's federal alternative minimum taxable income as defined in section  
 19.20 55(b)(1)(D) of the Internal Revenue Code;

19.21 (2) the taxpayer's itemized deductions allowed in computing federal alternative minimum  
 19.22 taxable income, but excluding:

19.23 (i) the charitable contribution deduction under section 170 of the Internal Revenue Code;

19.24 (ii) the medical expense deduction;

19.25 (iii) the casualty, theft, and disaster loss deduction; and

19.26 (iv) the impairment-related work expenses of a person with a disability;

19.27 (3) for depletion allowances computed under section 613A(c) of the Internal Revenue  
 19.28 Code, with respect to each property (as defined in section 614 of the Internal Revenue Code),  
 19.29 to the extent not included in federal alternative minimum taxable income, the excess of the  
 19.30 deduction for depletion allowable under section 611 of the Internal Revenue Code for the

20.1 taxable year over the adjusted basis of the property at the end of the taxable year (determined  
20.2 without regard to the depletion deduction for the taxable year);

20.3 (4) to the extent not included in federal alternative minimum taxable income, the amount  
20.4 of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue  
20.5 Code determined without regard to subparagraph (E);

20.6 (5) to the extent not included in federal alternative minimum taxable income, the amount  
20.7 of interest income as provided by section 290.0131, subdivision 2;

20.8 (6) the amount of addition required by section 290.0131, subdivisions 9, 10, and 16;

20.9 (7) the deduction allowed under section 199A of the Internal Revenue Code, to the extent  
20.10 not included in the addition required under clause (6); and

20.11 (8) to the extent not included in federal alternative minimum taxable income, the amount  
20.12 of foreign-derived intangible income deducted under section 250 of the Internal Revenue  
20.13 Code;

20.14 less the sum of the amounts determined under the following:

20.15 (i) interest income as defined in section 290.0132, subdivision 2;

20.16 (ii) an overpayment of state income tax as provided by section 290.0132, subdivision  
20.17 3, to the extent included in federal alternative minimum taxable income;

20.18 (iii) the amount of investment interest paid or accrued within the taxable year on  
20.19 indebtedness to the extent that the amount does not exceed net investment income, as defined  
20.20 in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted  
20.21 in computing federal adjusted gross income;

20.22 (iv) amounts subtracted from federal taxable or adjusted gross income as provided by  
20.23 section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, 26 to 29, 31, and 34, ~~and 35~~ to 36;

20.24 (v) the amount of the net operating loss allowed under section 290.095, subdivision 11,  
20.25 paragraph (c); and

20.26 (vi) the amount allowable as a Minnesota itemized deduction under section 290.0122,  
20.27 subdivision 7.

20.28 In the case of an estate or trust, alternative minimum taxable income must be computed  
20.29 as provided in section 59(c) of the Internal Revenue Code, except alternative minimum  
20.30 taxable income must be increased by the addition in section 290.0131, subdivision 16.

21.1 (b) "Investment interest" means investment interest as defined in section 163(d)(3) of  
21.2 the Internal Revenue Code.

21.3 (c) "Net minimum tax" means the minimum tax imposed by this section.

21.4 (d) "Regular tax" means the tax that would be imposed under this chapter (without regard  
21.5 to this section, section 290.033, and section 290.032), reduced by the sum of the  
21.6 nonrefundable credits allowed under this chapter.

21.7 (e) "Tentative minimum tax" equals 6.75 percent of alternative minimum taxable income  
21.8 after subtracting the exemption amount determined under subdivision 3.

21.9 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
21.10 31, 2023.

21.11 Sec. 19. **SHAKOPEE AREA WORKFORCE DEVELOPMENT SCHOLARSHIP**  
21.12 **CREDIT.**

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

21.15 (b) "Employer-sponsored applicant" means a student applicant with a local employer  
21.16 scholarship equal to or greater than 25 percent of the workforce development scholarship.

21.17 (c) "Local employer" means an employer with a physical location in a county within the  
21.18 service area of the foundation as listed in paragraph (d).

21.19 (d) "Shakopee Chamber Foundation" or "foundation" means a nonprofit organization  
21.20 which provides workforce and charitable services to Scott County as well as the Shakopee  
21.21 Mdewakanton Sioux Community.

21.22 **Subd. 2. Local employer scholarships tax credit.** (a) A local employer is allowed a  
21.23 credit against the tax due under Minnesota Statutes, chapter 290, equal to the amount of the  
21.24 local employer's scholarship awarded to an employer-sponsored applicant that is matching  
21.25 funds for a Shakopee area workforce development scholarship to the applicant.

21.26 (b) The credit allowed to a local employer under this subdivision per scholarship awarded  
21.27 to an employer-sponsored applicant for a taxable year is limited to the total amount of the  
21.28 local employer's scholarship awarded to an employer-sponsored applicant.

21.29 (c) If the amount of credit which a claimant is eligible to receive under this subdivision  
21.30 exceeds the claimant's tax liability under Minnesota Statutes, chapter 290, the commissioner  
21.31 of revenue shall refund the excess to the claimant.

22.1 (d) Credits allowed to a partnership, a limited liability company taxed as a partnership,  
 22.2 an S corporation, or multiple owners of property are passed through to the partners, members,  
 22.3 shareholders, or owners, respectively, pro rata to each partner, member, shareholder, or  
 22.4 owner based on their share of the entity's assets or as specially allocated in their  
 22.5 organizational documents or any other executed document, as of the last day of the taxable  
 22.6 year.

22.7 (e) For nonresidents and part-year residents, the credit must be allocated based on the  
 22.8 percentage calculated under Minnesota Statutes, section 290.06, subdivision 2c, paragraph  
 22.9 (e).

22.10 (f) Unless specifically provided otherwise by this section, the audit, assessment, refund,  
 22.11 penalty, interest, enforcement, collection remedies, appeal, and administrative provisions  
 22.12 of Minnesota Statutes, chapters 270C and 289A, that are applicable to taxes imposed under  
 22.13 Minnesota Statutes, chapter 290, apply to the tax credit allowed under this section.

22.14 (g) This subdivision expires for taxable years beginning after December 31, 2028, except  
 22.15 that the expiration of this subdivision does not affect the commissioner of revenue's authority  
 22.16 to audit or power of examination and assessment for credits claimed under this subdivision.

22.17 (h) An amount sufficient to pay the refunds required by this section is appropriated to  
 22.18 the commissioner of revenue from the general fund.

22.19 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 22.20 31, 2023, and before January 1, 2029, provided that Senate File 5289, article 2, section 9,  
 22.21 or similarly styled legislation is enacted in the 2024 regular legislative session.

22.22 **Sec. 20. APPROPRIATION; POLITICAL CONTRIBUTION REFUND**  
 22.23 **ELECTRONIC FILING SYSTEM.**

22.24 \$147,000 in fiscal year 2025 is appropriated from the general fund to the commissioner  
 22.25 of revenue to establish and implement an electronic filing system for political contribution  
 22.26 refund claims. This appropriation is available until June 30, 2026. The base for this  
 22.27 appropriation is \$59,000 for fiscal year 2026 and \$59,000 for fiscal year 2027.

22.28 **Sec. 21. APPROPRIATION; DEPARTMENT OF TRANSPORTATION.**

22.29 \$33,000 in fiscal year 2025 is appropriated from the general fund to the commissioner  
 22.30 of transportation to implement the requirements of Minnesota Statutes, section 290.0695.

23.1 Sec. 22. **TRANSFER.**

23.2 On July 1, 2024, \$5,000,000 is transferred to the general fund from the tax filing  
 23.3 modernization account in the special revenue fund established in Laws 2023, chapter 64,  
 23.4 article 15, section 24.

23.5 Sec. 23. **REPEALER.**

23.6 Laws 2023, chapter 64, article 15, section 24, is repealed.

23.7 **EFFECTIVE DATE.** This section is effective July 2, 2024.

23.8 **ARTICLE 2**23.9 **PROPERTY TAXES AND LOCAL GOVERNMENT AIDS**

23.10 Section 1. Minnesota Statutes 2022, section 272.01, subdivision 2, is amended to read:

23.11 Subd. 2. **Exempt property used by private entity for profit.** (a) When any real or  
 23.12 personal property which is exempt from ad valorem taxes, and taxes in lieu thereof, is leased,  
 23.13 loaned, or otherwise made available and used by a private individual, association, or  
 23.14 corporation in connection with a business conducted for profit, there shall be imposed a  
 23.15 tax, for the privilege of so using or possessing such real or personal property, in the same  
 23.16 amount and to the same extent as though the lessee or user was the owner of such property.

23.17 (b) The tax imposed by this subdivision shall not apply to:

23.18 (1) property leased or used as a concession in or relative to the use in whole or part of  
 23.19 a public park, market, fairgrounds, port authority, economic development authority  
 23.20 established under chapter 469, municipal auditorium, municipal parking facility, municipal  
 23.21 museum, or municipal stadium;

23.22 (2) property of an airport owned by a city, town, county, or group thereof which is:

23.23 (i) leased to or used by any person or entity including a fixed base operator; and

23.24 (ii) used as a hangar for the storage or repair of aircraft or to provide aviation goods,  
 23.25 services, or facilities to the airport or general public;

23.26 the exception from taxation provided in this clause does not apply to:

23.27 (i) property located at an airport owned or operated by the Metropolitan Airports  
 23.28 Commission or by a city of over 50,000 population according to the most recent federal  
 23.29 census or such a city's airport authority; or

24.1 (ii) hangars leased by a private individual, association, or corporation in connection with  
 24.2 a business conducted for profit other than an aviation-related business;

24.3 (3) property constituting or used as a public pedestrian ramp or concourse in connection  
 24.4 with a public airport;

24.5 (4) property constituting or used as a passenger check-in area or ticket sale counter,  
 24.6 boarding area, or luggage claim area in connection with a public airport but not the airports  
 24.7 owned or operated by the Metropolitan Airports Commission or cities of over 50,000  
 24.8 population or an airport authority therein. Real estate owned by a municipality in connection  
 24.9 with the operation of a public airport and leased or used for agricultural purposes is not  
 24.10 exempt;

24.11 (5) property leased, loaned, or otherwise made available to a private individual,  
 24.12 corporation, or association under a cooperative farming agreement made pursuant to section  
 24.13 97A.135; ~~or~~

24.14 (6) property leased, loaned, or otherwise made available to a private individual,  
 24.15 corporation, or association under section 272.68, subdivision 4; or

24.16 (7) property owned by a nonprofit conservation organization that is leased, loaned, or  
 24.17 otherwise made available to a private individual, corporation, or association for grazing  
 24.18 activities that further the nonprofit conservation organization's conservation objectives for  
 24.19 the property, as shown in a management or restoration plan.

24.20 (c) Taxes imposed by this subdivision are payable as in the case of personal property  
 24.21 taxes and shall be assessed to the lessees or users of real or personal property in the same  
 24.22 manner as taxes assessed to owners of real or personal property, except that such taxes shall  
 24.23 not become a lien against the property. When due, the taxes shall constitute a debt due from  
 24.24 the lessee or user to the state, township, city, county, and school district for which the taxes  
 24.25 were assessed and shall be collected in the same manner as personal property taxes. If  
 24.26 property subject to the tax imposed by this subdivision is leased or used jointly by two or  
 24.27 more persons, each lessee or user shall be jointly and severally liable for payment of the  
 24.28 tax.

24.29 (d) The tax on real property of the federal government, the state or any of its political  
 24.30 subdivisions that is leased, loaned, or otherwise made available to a private individual,  
 24.31 association, or corporation and becomes taxable under this subdivision or other provision  
 24.32 of law must be assessed and collected as a personal property assessment. The taxes do not  
 24.33 become a lien against the real property.



25.1 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
25.2 in 2025.

25.3 Sec. 2. Minnesota Statutes 2022, section 272.02, subdivision 19, is amended to read:

25.4 Subd. 19. **Property used to distribute electricity to farmers.** Electric power distribution  
25.5 lines and their attachments and appurtenances systems, not including substations or  
25.6 transmission or generation equipment, that are used primarily for supplying electricity to  
25.7 farmers at retail, are exempt.

25.8 **EFFECTIVE DATE.** This section is effective for assessment year 2024 and thereafter.

25.9 Sec. 3. Minnesota Statutes 2022, section 272.02, is amended by adding a subdivision to  
25.10 read:

25.11 Subd. 106. **Certain property owned by an Indian Tribe.** (a) Property is exempt that:

25.12 (1) was classified as class 2b under section 273.13, subdivision 24, for taxes payable in  
25.13 2024;

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

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

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

25.20 (b) Property that qualifies for exemption under this subdivision is limited to not more  
25.21 than five parcels.

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

25.23 Sec. 4. Minnesota Statutes 2022, section 272.02, is amended by adding a subdivision to  
25.24 read:

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

25.26 (1) was classified as class 3a under section 273.13, subdivision 24, for taxes payable in  
25.27 2024;

25.28 (2) is located in a city of the first class with a population greater than 400,000 as of the  
25.29 2020 federal census;

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

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

26.6 (b) Property that qualifies for the exemption under this subdivision is limited to one  
26.7 parcel that does not exceed 40,000 square feet and that was acquired by the Indian Tribe in  
26.8 July 2019. Property used for single-family housing, market-rate apartments, agriculture, or  
26.9 forestry does not qualify for this exemption.

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

26.11 Sec. 5. Minnesota Statutes 2023 Supplement, section 273.128, subdivision 1, is amended  
26.12 to read:

26.13 Subdivision 1. **Requirement.** (a) Low-income rental property classified as class 4d(1)  
26.14 under section 273.13, subdivision 25, is entitled to valuation under this section if at least  
26.15 20 percent of the units in the rental housing property meet any of the following qualifications:

26.16 (1) the units are subject to a housing assistance payments contract under Section 8 of  
26.17 the United States Housing Act of 1937, as amended;

26.18 (2) the units are rent-restricted and income-restricted units of a qualified low-income  
26.19 housing project receiving tax credits under section 42(g) of the Internal Revenue Code;

26.20 (3) the units are financed by the Rural Housing Service of the United States Department  
26.21 of Agriculture and receive payments under the rental assistance program pursuant to section  
26.22 521(a) of the Housing Act of 1949, as amended; or

26.23 (4) the units are subject to rent and income restrictions under the terms of financial  
26.24 assistance provided to the rental housing property by the federal government or the state of  
26.25 Minnesota, or a local unit of government, as evidenced by a document recorded against the  
26.26 property. The restrictions under this clause must require assisted units to be occupied by  
26.27 residents whose household income at the time of initial occupancy does not exceed 60  
26.28 percent of the greater of area or state median income, adjusted for family size, as determined  
26.29 by the United States Department of Housing and Urban Development. The restriction must  
26.30 also require the rents for assisted units to not exceed 30 percent of 60 percent of the greater  
26.31 of area or state median income, adjusted for family size, as determined by the United States  
26.32 Department of Housing and Urban Development.

27.1 ~~The restrictions must require assisted units to be occupied by residents whose household~~  
 27.2 ~~income at the time of initial occupancy does not exceed 60 percent of the greater of area or~~  
 27.3 ~~state median income, adjusted for family size, as determined by the United States Department~~  
 27.4 ~~of Housing and Urban Development. The restriction must also require the rents for assisted~~  
 27.5 ~~units to not exceed 30 percent of 60 percent of the greater of area or state median income,~~  
 27.6 ~~adjusted for family size, as determined by the United States Department of Housing and~~  
 27.7 ~~Urban Development.~~

27.8 (b) The owner of a property certified as class 4d(1) under this section must use the  
 27.9 property tax savings received from the 4d(1) classification for one or more of the following  
 27.10 eligible uses: property maintenance, property security, improvements to the property, rent  
 27.11 stabilization, or increases to the property's replacement reserve account. To maintain the  
 27.12 class 4d(1) classification, the property owner must annually reapply and certify to the  
 27.13 Housing Finance Agency that the property tax savings were used for one or more eligible  
 27.14 uses.

27.15 (c) In order to meet the requirements of this section, property which received the 4d(1)  
 27.16 classification in the prior year must demonstrate compliance with paragraph (b).

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

27.18 Sec. 6. Minnesota Statutes 2022, section 273.13, subdivision 23, is amended to read:

27.19 Subd. 23. **Class 2.** (a) An agricultural homestead consists of class 2a agricultural land  
 27.20 that is homesteaded, along with any class 2b rural vacant land that is contiguous to the class  
 27.21 2a land under the same ownership. The market value of the house and garage and immediately  
 27.22 surrounding one acre of land has the same classification rates as class 1a or 1b property  
 27.23 under subdivision 22. The value of the remaining land including improvements up to the  
 27.24 first tier valuation limit of agricultural homestead property has a classification rate of 0.5  
 27.25 percent of market value. The remaining property over the first tier has a classification rate  
 27.26 of one percent of market value. For purposes of this subdivision, the "first tier valuation  
 27.27 limit of agricultural homestead property" and "first tier" means the limit certified under  
 27.28 section 273.11, subdivision 23.

27.29 (b) Class 2a agricultural land consists of parcels of property, or portions thereof, that  
 27.30 are agricultural land and buildings. Class 2a property has a classification rate of one percent  
 27.31 of market value, unless it is part of an agricultural homestead under paragraph (a). Class 2a  
 27.32 property must also include any property that would otherwise be classified as 2b, but is  
 27.33 interspersed with class 2a property, including but not limited to sloughs, wooded wind  
 27.34 shelters, acreage abutting ditches, ravines, rock piles, land subject to a setback requirement,

28.1 and other similar land that is impractical for the assessor to value separately from the rest  
28.2 of the property or that is unlikely to be able to be sold separately from the rest of the property.

28.3 An assessor may classify the part of a parcel described in this subdivision that is used  
28.4 for agricultural purposes as class 2a and the remainder in the class appropriate to its use.

28.5 (c) Class 2b rural vacant land consists of parcels of property, or portions thereof, that  
28.6 are unplatted real estate, rural in character and not used for agricultural purposes, including  
28.7 land used for growing trees for timber, lumber, and wood and wood products, that is not  
28.8 improved with a structure. The presence of a minor, ancillary nonresidential structure as  
28.9 defined by the commissioner of revenue does not disqualify the property from classification  
28.10 under this paragraph. Any parcel of 20 acres or more improved with a structure that is not  
28.11 a minor, ancillary nonresidential structure must be split-classified, and ten acres must be  
28.12 assigned to the split parcel containing the structure. If a parcel of 20 acres or more is enrolled  
28.13 in the sustainable forest management incentive program under chapter 290C, the number  
28.14 of acres assigned to the split parcel improved with a structure that is not a minor, ancillary  
28.15 nonresidential structure must equal three acres or the number of acres excluded from the  
28.16 sustainable forest incentive act covenant due to the structure, whichever is greater. Class  
28.17 2b property has a classification rate of one percent of market value unless it is part of an  
28.18 agricultural homestead under paragraph (a), or qualifies as class 2c under paragraph (d).

28.19 (d) Class 2c managed forest land consists of no less than 20 and no more than 1,920  
28.20 acres statewide per taxpayer that is being managed under a forest management plan that  
28.21 meets the requirements of chapter 290C, but is not enrolled in the sustainable forest resource  
28.22 management incentive program. It has a classification rate of .65 percent, provided that the  
28.23 owner of the property must apply to the assessor in order for the property to initially qualify  
28.24 for the reduced rate and provide the information required by the assessor to verify that the  
28.25 property qualifies for the reduced rate. If the assessor receives the application and information  
28.26 before May 1 in an assessment year, the property qualifies beginning with that assessment  
28.27 year. If the assessor receives the application and information after April 30 in an assessment  
28.28 year, the property may not qualify until the next assessment year. The commissioner of  
28.29 natural resources must concur that the land is qualified. The commissioner of natural  
28.30 resources shall annually provide county assessors verification information on a timely basis.  
28.31 The presence of a minor, ancillary nonresidential structure as defined by the commissioner  
28.32 of revenue does not disqualify the property from classification under this paragraph.

28.33 (e) Agricultural land as used in this section means:

29.1 (1) contiguous acreage of ten acres or more, used during the preceding year for  
 29.2 agricultural purposes; or

29.3 (2) contiguous acreage used during the preceding year for an intensive livestock or  
 29.4 poultry confinement operation, provided that land used only for pasturing or grazing does  
 29.5 not qualify under this clause.

29.6 "Agricultural purposes" as used in this section means the raising, cultivation, drying, or  
 29.7 storage of agricultural products for sale, or the storage of machinery or equipment used in  
 29.8 support of agricultural production by the same farm entity. For a property to be classified  
 29.9 as agricultural based only on the drying or storage of agricultural products, the products  
 29.10 being dried or stored must have been produced by the same farm entity as the entity operating  
 29.11 the drying or storage facility. "Agricultural purposes" also includes (i) enrollment in a local  
 29.12 conservation program or the Reinvest in Minnesota program under sections 103F.501 to  
 29.13 103F.535 or the federal Conservation Reserve Program as contained in Public Law 99-198  
 29.14 or a similar state or federal conservation program if the property was classified as agricultural  
 29.15 (A) under this subdivision for taxes payable in 2003 because of its enrollment in a qualifying  
 29.16 program and the land remains enrolled or (B) in the year prior to its enrollment, or (ii) use  
 29.17 of land, not to exceed three acres, to provide environmental benefits such as buffer strips,  
 29.18 old growth forest restoration or retention, or retention ponds to prevent soil erosion. For  
 29.19 purposes of this section, a "local conservation program" means a program administered by  
 29.20 a town, statutory or home rule charter city, or county, including a watershed district, water  
 29.21 management organization, or soil and water conservation district, in which landowners  
 29.22 voluntarily enroll land and receive incentive payments equal to at least \$50 per acre in  
 29.23 exchange for use or other restrictions placed on the land. In order for property to qualify  
 29.24 under the local conservation program provision, a taxpayer must apply to the assessor by  
 29.25 February 1 of the assessment year and must submit the information required by the assessor,  
 29.26 including but not limited to a copy of the program requirements, the specific agreement  
 29.27 between the land owner and the local agency, if applicable, and a map of the conservation  
 29.28 area. Agricultural classification shall not be based upon the market value of any residential  
 29.29 structures on the parcel or contiguous parcels under the same ownership.

29.30 "Contiguous acreage," for purposes of this paragraph, means all of, or a contiguous  
 29.31 portion of, a tax parcel as described in section 272.193, or all of, or a contiguous portion  
 29.32 of, a set of contiguous tax parcels under that section that are owned by the same person.

29.33 (f) Agricultural land under this section also includes:

30.1 (1) contiguous acreage that is less than ten acres in size and exclusively used in the  
 30.2 preceding year for raising or cultivating agricultural products; ~~or~~

30.3 (2) contiguous acreage that contains a residence and is less than 11 acres in size, if the  
 30.4 contiguous acreage exclusive of the house, garage, and surrounding one acre of land was  
 30.5 used in the preceding year for one or more of the following three uses:

30.6 (i) for an intensive grain drying or storage operation, or for intensive machinery or  
 30.7 equipment storage activities used to support agricultural activities on other parcels of property  
 30.8 operated by the same farming entity;

30.9 (ii) as a nursery, provided that only those acres used intensively to produce nursery stock  
 30.10 are considered agricultural land; or

30.11 (iii) for intensive market farming; ~~for purposes of this paragraph, "market farming"~~  
 30.12 ~~means the cultivation of one or more fruits or vegetables or production of animal or other~~  
 30.13 ~~agricultural products for sale to local markets by the farmer or an organization with which~~  
 30.14 ~~the farmer is affiliated. or~~

30.15 (3) contiguous acreage that contains a residence and is less than 11 acres in size, if the  
 30.16 contiguous acreage exclusive of the house, garage, and surrounding one acre of land was  
 30.17 used in the preceding year for market farming; and:

30.18 (i) the owner provides the county assessor with federal Schedule F (Form 1040) for the  
 30.19 most recent tax year which reports gross income of at least \$5,000; or

30.20 (ii) if the owner has not filed federal Schedule F (Form 1040) for the most recent tax  
 30.21 year, the owner provides the county assessor with a farm financial plan prepared by a  
 30.22 financial management program approved by the commissioner of agriculture that  
 30.23 demonstrates a plan to earn \$5,000 annually in gross income in each of the next two years.

30.24 For purposes of this paragraph, "market farming" means the cultivation of one or more  
 30.25 fruits or vegetables or production of animal or other agricultural products for sale to local  
 30.26 markets by the farmer or an organization with which the farmer is affiliated, and "contiguous  
 30.27 acreage," for purposes of this paragraph, means all of a tax parcel as described in section  
 30.28 272.193, or all of a set of contiguous tax parcels under that section that are owned by the  
 30.29 same person.

30.30 (g) Land shall be classified as agricultural even if all or a portion of the agricultural use  
 30.31 of that property is the leasing to, or use by another person for agricultural purposes.

30.32 Classification under this subdivision is not determinative for qualifying under section  
 30.33 273.111.

31.1 (h) The property classification under this section supersedes, for property tax purposes  
31.2 only, any locally administered agricultural policies or land use restrictions that define  
31.3 minimum or maximum farm acreage.

31.4 (i) The term "agricultural products" as used in this subdivision includes production for  
31.5 sale of:

31.6 (1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing  
31.7 animals, horticultural and nursery stock, fruit of all kinds, vegetables, forage, grains, bees,  
31.8 and apiary products by the owner;

31.9 (2) aquacultural products for sale and consumption, as defined under section 17.47, if  
31.10 the aquaculture occurs on land zoned for agricultural use;

31.11 (3) the commercial boarding of horses, which may include related horse training and  
31.12 riding instruction, if the boarding is done on property that is also used for raising pasture  
31.13 to graze horses or raising or cultivating other agricultural products as defined in clause (1);

31.14 (4) property which is owned and operated by nonprofit organizations used for equestrian  
31.15 activities, excluding racing;

31.16 (5) game birds and waterfowl bred and raised (i) on a game farm licensed under section  
31.17 97A.105, provided that the annual licensing report to the Department of Natural Resources,  
31.18 which must be submitted annually by March 30 to the assessor, indicates that at least 500  
31.19 birds were raised or used for breeding stock on the property during the preceding year and  
31.20 that the owner provides a copy of the owner's most recent schedule F; or (ii) for use on a  
31.21 shooting preserve licensed under section 97A.115;

31.22 (6) insects primarily bred to be used as food for animals;

31.23 (7) trees, grown for sale as a crop, including short rotation woody crops, and not sold  
31.24 for timber, lumber, wood, or wood products; and

31.25 (8) maple syrup taken from trees grown by a person licensed by the Minnesota  
31.26 Department of Agriculture under chapter 28A as a food processor.

31.27 (j) If a parcel used for agricultural purposes is also used for commercial or industrial  
31.28 purposes, including but not limited to:

31.29 (1) wholesale and retail sales;

31.30 (2) processing of raw agricultural products or other goods;

31.31 (3) warehousing or storage of processed goods; and

32.1 (4) office facilities for the support of the activities enumerated in clauses (1), (2), and  
32.2 (3), the assessor shall classify the part of the parcel used for agricultural purposes as class  
32.3 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use.  
32.4 The grading, sorting, and packaging of raw agricultural products for first sale is considered  
32.5 an agricultural purpose. A greenhouse or other building where horticultural or nursery  
32.6 products are grown that is also used for the conduct of retail sales must be classified as  
32.7 agricultural if it is primarily used for the growing of horticultural or nursery products from  
32.8 seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products.  
32.9 Use of a greenhouse or building only for the display of already grown horticultural or nursery  
32.10 products does not qualify as an agricultural purpose.

32.11 (k) The assessor shall determine and list separately on the records the market value of  
32.12 the homestead dwelling and the one acre of land on which that dwelling is located. If any  
32.13 farm buildings or structures are located on this homesteaded acre of land, their market value  
32.14 shall not be included in this separate determination.

32.15 (l) Class 2d airport landing area consists of a landing area or public access area of a  
32.16 privately owned public use airport. It has a classification rate of one percent of market value.  
32.17 To qualify for classification under this paragraph, a privately owned public use airport must  
32.18 be licensed as a public airport under section 360.018. For purposes of this paragraph, "landing  
32.19 area" means that part of a privately owned public use airport properly cleared, regularly  
32.20 maintained, and made available to the public for use by aircraft and includes runways,  
32.21 taxiways, aprons, and sites upon which are situated landing or navigational aids. A landing  
32.22 area also includes land underlying both the primary surface and the approach surfaces that  
32.23 comply with all of the following:

32.24 (i) the land is properly cleared and regularly maintained for the primary purposes of the  
32.25 landing, taking off, and taxiing of aircraft; but that portion of the land that contains facilities  
32.26 for servicing, repair, or maintenance of aircraft is not included as a landing area;

32.27 (ii) the land is part of the airport property; and

32.28 (iii) the land is not used for commercial or residential purposes.

32.29 The land contained in a landing area under this paragraph must be described and certified  
32.30 by the commissioner of transportation. The certification is effective until it is modified, or  
32.31 until the airport or landing area no longer meets the requirements of this paragraph. For  
32.32 purposes of this paragraph, "public access area" means property used as an aircraft parking  
32.33 ramp, apron, or storage hangar, or an arrival and departure building in connection with the  
32.34 airport.



33.1 (m) Class 2e consists of land with a commercial aggregate deposit that is not actively  
33.2 being mined and is not otherwise classified as class 2a or 2b, provided that the land is not  
33.3 located in a county that has elected to opt-out of the aggregate preservation program as  
33.4 provided in section 273.1115, subdivision 6. It has a classification rate of one percent of  
33.5 market value. To qualify for classification under this paragraph, the property must be at  
33.6 least ten contiguous acres in size and the owner of the property must record with the county  
33.7 recorder of the county in which the property is located an affidavit containing:

33.8 (1) a legal description of the property;

33.9 (2) a disclosure that the property contains a commercial aggregate deposit that is not  
33.10 actively being mined but is present on the entire parcel enrolled;

33.11 (3) documentation that the conditional use under the county or local zoning ordinance  
33.12 of this property is for mining; and

33.13 (4) documentation that a permit has been issued by the local unit of government or the  
33.14 mining activity is allowed under local ordinance. The disclosure must include a statement  
33.15 from a registered professional geologist, engineer, or soil scientist delineating the deposit  
33.16 and certifying that it is a commercial aggregate deposit.

33.17 For purposes of this section and section 273.1115, "commercial aggregate deposit"  
33.18 means a deposit that will yield crushed stone or sand and gravel that is suitable for use as  
33.19 a construction aggregate; and "actively mined" means the removal of top soil and overburden  
33.20 in preparation for excavation or excavation of a commercial deposit.

33.21 (n) When any portion of the property under this subdivision or subdivision 22 begins to  
33.22 be actively mined, the owner must file a supplemental affidavit within 60 days from the  
33.23 day any aggregate is removed stating the number of acres of the property that is actively  
33.24 being mined. The acres actively being mined must be (1) valued and classified under  
33.25 subdivision 24 in the next subsequent assessment year, and (2) removed from the aggregate  
33.26 resource preservation property tax program under section 273.1115, if the land was enrolled  
33.27 in that program. Copies of the original affidavit and all supplemental affidavits must be  
33.28 filed with the county assessor, the local zoning administrator, and the Department of Natural  
33.29 Resources, Division of Land and Minerals. A supplemental affidavit must be filed each  
33.30 time a subsequent portion of the property is actively mined, provided that the minimum  
33.31 acreage change is five acres, even if the actual mining activity constitutes less than five  
33.32 acres.

34.1 (o) The definitions prescribed by the commissioner under paragraphs (c) and (d) are not  
 34.2 rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in  
 34.3 section 14.386 concerning exempt rules do not apply.

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

34.5 Sec. 7. Minnesota Statutes 2022, section 273.38, is amended to read:

34.6 **273.38 PERCENTAGE OF ASSESSMENTS; EXCEPTIONS.**

34.7 The distribution ~~lines and the attachments and appurtenances thereto~~ systems, not  
 34.8 including substations or transmission or generation equipment, of cooperative associations  
 34.9 organized under the provisions of Laws 1923, chapter 326, and laws amendatory thereof  
 34.10 and supplemental thereto, and engaged in the electrical heat, light and power business, upon  
 34.11 a mutual, nonprofit and cooperative plan, shall be assessed and taxed as provided in sections  
 34.12 273.40 and 273.41.

34.13 **EFFECTIVE DATE.** This section is effective for assessment year 2024 and thereafter.

34.14 Sec. 8. Minnesota Statutes 2022, section 273.41, is amended to read:

34.15 **273.41 AMOUNT OF TAX; DISTRIBUTION.**

34.16 There is hereby imposed upon each such cooperative association on December 31 of  
 34.17 each year a tax of \$10 for each 100 members, or fraction thereof, of such association. The  
 34.18 tax, when paid, shall be in lieu of all personal property taxes, state, county, or local, upon  
 34.19 ~~distribution lines and the attachments and appurtenances thereto of such associations~~ that  
 34.20 part of the association's distribution system, not including substations or transmission or  
 34.21 generation equipment, located in rural areas. The tax shall be payable on or before March  
 34.22 1 of the next succeeding year, to the commissioner of revenue. If the tax, or any portion  
 34.23 thereof, is not paid within the time herein specified for the payment thereof, there shall be  
 34.24 added thereto a specific penalty equal to ten percent of the amount so remaining unpaid.  
 34.25 Such penalty shall be collected as part of said tax, and the amount of said tax not timely  
 34.26 paid, together with said penalty, shall bear interest at the rate specified in section 270C.40  
 34.27 from the time such tax should have been paid until paid. The commissioner shall deposit  
 34.28 the amount so received in the general fund of the state treasury.

34.29 **EFFECTIVE DATE.** This section is effective for assessment year 2024 and thereafter.

35.1 Sec. 9. Minnesota Statutes 2023 Supplement, section 290A.03, subdivision 3, is amended  
35.2 to read:

35.3 Subd. 3. **Income.** (a) "Income" means the sum of the following:

35.4 (1) federal adjusted gross income as defined in the Internal Revenue Code; and

35.5 (2) the sum of the following amounts to the extent not included in clause (1):

35.6 (i) all nontaxable income;

35.7 (ii) the amount of a passive activity loss that is not disallowed as a result of section 469,  
35.8 paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss  
35.9 carryover allowed under section 469(b) of the Internal Revenue Code;

35.10 (iii) an amount equal to the total of any discharge of qualified farm indebtedness of a  
35.11 solvent individual excluded from gross income under section 108(g) of the Internal Revenue  
35.12 Code;

35.13 (iv) cash public assistance and relief;

35.14 (v) any pension or annuity (including railroad retirement benefits, all payments received  
35.15 under the federal Social Security Act, Supplemental Security Income, and veterans benefits),  
35.16 which was not exclusively funded by the claimant or spouse, or which was funded exclusively  
35.17 by the claimant or spouse and which funding payments were excluded from federal adjusted  
35.18 gross income in the years when the payments were made;

35.19 (vi) interest received from the federal or a state government or any instrumentality or  
35.20 political subdivision thereof;

35.21 (vii) workers' compensation;

35.22 (viii) nontaxable strike benefits;

35.23 (ix) the gross amounts of payments received in the nature of disability income or sick  
35.24 pay as a result of accident, sickness, or other disability, whether funded through insurance  
35.25 or otherwise;

35.26 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of  
35.27 1986, as amended through December 31, 1995;

35.28 (xi) contributions made by the claimant to an individual retirement account, including  
35.29 a qualified voluntary employee contribution; simplified employee pension plan;  
35.30 self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of  
35.31 the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal

36.1 Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for  
36.2 the claimant and spouse;

36.3 (xii) to the extent not included in federal adjusted gross income, distributions received  
36.4 by the claimant or spouse from a traditional or Roth style retirement account or plan;

36.5 (xiii) nontaxable scholarship or fellowship grants;

36.6 (xiv) alimony received to the extent not included in the recipient's income;

36.7 (xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue  
36.8 Code;

36.9 (xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue  
36.10 Code; and

36.11 (xvii) the amount deducted for certain expenses of elementary and secondary school  
36.12 teachers under section 62(a)(2)(D) of the Internal Revenue Code.

36.13 In the case of an individual who files an income tax return on a fiscal year basis, the  
36.14 term "federal adjusted gross income" shall mean federal adjusted gross income reflected in  
36.15 the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced  
36.16 by the amount of a net operating loss carryback or carryforward or a capital loss carryback  
36.17 or carryforward allowed for the year.

36.18 (b) "Income" does not include:

36.19 (1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a) and 102;

36.20 (2) amounts of any pension or annuity which was exclusively funded by the claimant  
36.21 or spouse and which funding payments were not excluded from federal adjusted gross  
36.22 income in the years when the payments were made;

36.23 (3) to the extent included in federal adjusted gross income, amounts contributed by the  
36.24 claimant or spouse to a traditional or Roth style retirement account or plan, but not to exceed  
36.25 the retirement base amount reduced by the amount of contributions excluded from federal  
36.26 adjusted gross income, but not less than zero;

36.27 (4) surplus food or other relief in kind supplied by a governmental agency;

36.28 (5) relief granted under this chapter;

36.29 (6) child support payments received under a temporary or final decree of dissolution or  
36.30 legal separation;

37.1 (7) restitution payments received by eligible individuals and excludable interest as  
37.2 defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001,  
37.3 Public Law 107-16;

37.4 (8) alimony paid; ~~or~~

37.5 (9) veterans disability compensation paid under title 38 of the United States Code; or

37.6 (10) to the extent included in federal adjusted gross income, the amount of discharge of  
37.7 indebtedness awarded to the claimant under section 332.74, subdivision 3.

37.8 (c) The sum of the following amounts may be subtracted from income:

37.9 (1) for the claimant's first dependent, the exemption amount multiplied by 1.4;

37.10 (2) for the claimant's second dependent, the exemption amount multiplied by 1.3;

37.11 (3) for the claimant's third dependent, the exemption amount multiplied by 1.2;

37.12 (4) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;

37.13 (5) for the claimant's fifth dependent, the exemption amount; and

37.14 (6) if the claimant or claimant's spouse had a disability or attained the age of 65 on or  
37.15 before December 31 of the year for which the taxes were levied, the exemption amount.

37.16 (d) For purposes of this subdivision, the following terms have the meanings given:

37.17 (1) "exemption amount" means the exemption amount under section 290.0121,  
37.18 subdivision 1, paragraph (b), for the taxable year for which the income is reported;

37.19 (2) "retirement base amount" means the deductible amount for the taxable year for the  
37.20 claimant and spouse under section 219(b)(5)(A) of the Internal Revenue Code, adjusted for  
37.21 inflation as provided in section 219(b)(5)(C) of the Internal Revenue Code, without regard  
37.22 to whether the claimant or spouse claimed a deduction; and

37.23 (3) "traditional or Roth style retirement account or plan" means retirement plans under  
37.24 sections 401, 403, 408, 408A, and 457 of the Internal Revenue Code.

37.25 **EFFECTIVE DATE.** This section is effective for property taxes payable in 2025 and  
37.26 thereafter.

38.1 Sec. 10. Minnesota Statutes 2022, section 469.1812, is amended by adding a subdivision  
38.2 to read:

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

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

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

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

38.14 Sec. 11. Minnesota Statutes 2022, section 469.1813, subdivision 1, is amended to read:

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

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

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

38.24 (i) increase or preserve tax base;

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

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

38.27 (iv) help redevelop or renew blighted areas;

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

38.29 (vi) finance or provide public infrastructure;

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

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

39.7 (ix) provide for the development of affordable housing to households at or below 80  
 39.8 percent of area median income as estimated by the United States Department of Housing  
 39.9 and Urban Development for the political subdivision in which the project is located; or

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

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

39.12 Sec. 12. Minnesota Statutes 2022, section 469.1813, subdivision 6, is amended to read:

39.13 Subd. 6. **Duration limit.** (a) A political subdivision may grant an abatement for a period  
 39.14 no longer than 15 years, except as provided under ~~paragraph~~ paragraphs (b) and (c). The  
 39.15 abatement period commences in the first year in which the abatement granted is either paid  
 39.16 or retained in accordance with section 469.1815, subdivision 2. The subdivision may specify  
 39.17 in the abatement resolution a shorter duration. If the resolution does not specify a period of  
 39.18 time, the abatement is for eight years. If an abatement has been granted to a parcel of property  
 39.19 and the period of the abatement has expired, the political subdivision that granted the  
 39.20 abatement may not grant another abatement for eight years after the expiration of the first  
 39.21 abatement. This prohibition does not apply to improvements added after and not subject to  
 39.22 the first abatement. Economic abatement agreements for real and personal property subject  
 39.23 to valuation under Minnesota Rules, chapter 8100, are not subject to this prohibition and  
 39.24 may be granted successively.

39.25 (b) A political subdivision proposing to abate taxes for a parcel may request, in writing,  
 39.26 that the other political subdivisions in which the parcel is located grant an abatement for  
 39.27 the property. If one of the other political subdivisions declines, in writing, to grant an  
 39.28 abatement or if 90 days pass after receipt of the request to grant an abatement without a  
 39.29 written response from one of the political subdivisions, the duration limit for an abatement  
 39.30 for the parcel by the requesting political subdivision and any other participating political  
 39.31 subdivision is increased to 20 years. If the political subdivision which declined to grant an  
 39.32 abatement later grants an abatement for the parcel, the 20-year duration limit is reduced by  
 39.33 one year for each year that the declining political subdivision grants an abatement for the

40.1 parcel during the period of the abatement granted by the requesting political subdivision.

40.2 The duration limit may not be reduced below the limit under paragraph (a).

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

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

40.8 Sec. 13. Minnesota Statutes 2022, section 469.1813, is amended by adding a subdivision  
 40.9 to read:

40.10 Subd. 11. **Repayment.** A land bank organization receiving an abatement under  
 40.11 subdivision 1, clause (2), item (ix) or (x), must repay the abatement with interest if the land  
 40.12 for which the abatement was granted is used for a purpose other than the purpose given by  
 40.13 the land bank organization prior to redevelopment, as determined by the governing body  
 40.14 of the political subdivision that granted the abatement. This subdivision applies immediately  
 40.15 after the abatement under this section expires and land is subject to repayment under this  
 40.16 subdivision for the same number of years that the abatement was granted. Interest under  
 40.17 this section is payable at the rate determined in section 270C.40, subdivision 5.

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

40.19 Sec. 14. Minnesota Statutes 2023 Supplement, section 477A.015, is amended to read:

40.20 **477A.015 PAYMENT DATES.**

40.21 (a) The commissioner of revenue shall make the payments of local government aid to  
 40.22 affected taxing authorities in two installments on July 20 and December 26 annually.

40.23 (b) Notwithstanding paragraph (a), for aids payable in 2025 only, the commissioner of  
 40.24 revenue shall make payments of the aid payable under section 477A.013, subdivision 9, in  
 40.25 three installments as follows: (1) ~~9.402~~ 9.7401 percent of the aid shall be paid on March  
 40.26 20, 2025; (2) ~~40.598~~ 40.2599 percent of the aid shall be paid on July 20, 2025; and (3) 50  
 40.27 percent of the aid shall be paid on December 26, 2025.

40.28 (c) When the commissioner of public safety determines that a local government has  
 40.29 suffered financial hardship due to a natural disaster, the commissioner of public safety shall  
 40.30 notify the commissioner of revenue, who shall make payments of aids under sections  
 40.31 477A.011 to 477A.014, which are otherwise due on December 26, as soon as is practical  
 40.32 after the determination is made but not before July 20.



41.1 (d) The commissioner may pay all or part of the payments of aids under sections  
 41.2 477A.011 to 477A.014, which are due on December 26 at any time after August 15 if a  
 41.3 local government requests such payment as being necessary for meeting its cash flow needs.

41.4 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2025.

41.5 Sec. 15. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 2, is amended  
 41.6 to read:

41.7 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the  
 41.8 meanings given:

41.9 ~~(1)~~ (b) "City distribution factor" means the number of households in a tier I city that are  
 41.10 cost-burdened divided by the total number of households that are cost-burdened in tier I  
 41.11 cities. The number of cost-burdened households shall be determined using the most recent  
 41.12 estimates or experimental estimates provided by the American Community Survey of the  
 41.13 United States Census Bureau as of May 1 of the aid calculation year;

41.14 ~~(2)~~ (c) "Cost-burdened household" means a household in which gross rent is 30 percent  
 41.15 or more of household income or in which homeownership costs are 30 percent or more of  
 41.16 household income;

41.17 ~~(3)~~ (d) "County distribution factor" means the number of households in a county that  
 41.18 are cost-burdened divided by the total number of households in metropolitan counties that  
 41.19 are cost-burdened. The number of cost-burdened households shall be determined using the  
 41.20 most recent estimates or experimental estimates provided by the American Community  
 41.21 Survey of the United States Census Bureau as of May 1 of the aid calculation year;

41.22 (e) "Locally funded housing expenditures" mean expenditures of the aid recipient,  
 41.23 including expenditures by a public corporation or legal entity created by the aid recipient,  
 41.24 which are:

41.25 (1) funded from the recipient's general fund, a property tax levy of the recipient or its  
 41.26 housing and redevelopment authority, or unrestricted funds available to the recipient, but  
 41.27 not including tax increments; and

41.28 (2) expended on one of the following qualifying activities:

41.29 (i) financial assistance to residents in arrears on rent, mortgage, utilities, or property tax  
 41.30 payments;

41.31 (ii) support services, case management services, and legal services for residents in arrears  
 41.32 on rent, mortgage, utilities, or property tax payments;

42.1 (iii) down payment assistance or homeownership education, counseling, and training;

42.2 (iv) acquisition, construction, rehabilitation, adaptive reuse, improvement, financing,  
42.3 and infrastructure of residential dwellings;

42.4 (v) costs of operating emergency shelter, transitional housing, supportive housing, or  
42.5 publicly owned housing, including costs of providing case management services and support  
42.6 services; and

42.7 (vi) rental assistance.

42.8 ~~(4)~~ (f) "Metropolitan area" has the meaning given in section 473.121, subdivision 2;

42.9 ~~(5)~~ (g) "Metropolitan county" has the meaning given in section 473.121, subdivision 4;

42.10 ~~(6)~~ (h) "Population" has the meaning given in section 477A.011, subdivision 3; ~~and.~~

42.11 ~~(7)~~ (i) "Tier I city" means a statutory or home rule charter city that is a city of the first,  
42.12 second, or third class and is located in a metropolitan county.

42.13 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

42.14 Sec. 16. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 4, is amended  
42.15 to read:

42.16 Subd. 4. **Qualifying projects.** (a) Qualifying projects shall include: (1) emergency rental  
42.17 assistance for households earning less than 80 percent of area median income as determined  
42.18 by the United States Department of Housing and Urban Development; (2) financial support  
42.19 to nonprofit affordable housing providers in their mission to provide safe, dignified,  
42.20 affordable and supportive housing; ~~and~~ (3) projects designed for the purpose of construction,  
42.21 acquisition, rehabilitation, demolition or removal of existing structures, construction  
42.22 financing, permanent financing, interest rate reduction, refinancing, and gap financing of  
42.23 housing to provide affordable housing to households that have incomes which do not exceed,  
42.24 for homeownership projects, 115 percent of the greater of state or area median income as  
42.25 determined by the United States Department of Housing and Urban Development, and for  
42.26 rental housing projects, 80 percent of the greater of state or area median income as determined  
42.27 by the United States Department of Housing and Urban Development, except that the housing  
42.28 developed or rehabilitated with funds under this section must be affordable to the local work  
42.29 force; (4) financing the operations and management of financially distressed residential  
42.30 properties; and (5) funding of supportive services or staff of supportive services providers  
42.31 for supportive housing as defined by section 462A.37, subdivision 1. Financial support to

43.1 nonprofit housing providers to finance supportive housing operations may be awarded as  
 43.2 a capitalized reserve or as an award of ongoing funding.

43.3 ~~Projects shall be prioritized~~ (b) Recipients must prioritize projects that provide affordable  
 43.4 housing to households that have incomes which do not exceed, for homeownership projects,  
 43.5 80 percent of the greater of state or area median income as determined by the United States  
 43.6 Department of Housing and Urban Development, and for rental housing projects, 50 percent  
 43.7 of the greater of state or area median income as determined by the United States Department  
 43.8 of Housing and Urban Development. Priority may be given to projects that: reduce disparities  
 43.9 in home ownership; reduce housing cost burden, housing instability, or homelessness;  
 43.10 improve the habitability of homes; create accessible housing; or create more energy- or  
 43.11 water-efficient homes.

43.12 ~~(b)~~ (c) Gap financing is either:

43.13 (1) the difference between the costs of the property, including acquisition, demolition,  
 43.14 rehabilitation, and construction, and the market value of the property upon sale; or

43.15 (2) the difference between the cost of the property and the amount the targeted household  
 43.16 can afford for housing, based on industry standards and practices.

43.17 ~~(c)~~ (d) If aid under this section is used for demolition or removal of existing structures,  
 43.18 the cleared land must be used for the construction of housing to be owned or rented by  
 43.19 persons who meet the income limits of paragraph (a).

43.20 ~~(d)~~ (e) If an aid recipient uses the aid on new construction or substantial rehabilitation  
 43.21 of a building containing more than four units, the loan recipient must construct, convert, or  
 43.22 otherwise adapt the building to include:

43.23 (1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are  
 43.24 accessible units, as defined by section 1002 of the current State Building Code Accessibility  
 43.25 Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower; and

43.26 (2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are  
 43.27 sensory-accessible units that include:

43.28 (A) soundproofing between shared walls for first and second floor units;

43.29 (B) no florescent lighting in units and common areas;

43.30 (C) low-fume paint;

43.31 (D) low-chemical carpet; and

43.32 (E) low-chemical carpet glue in units and common areas.

44.1 Nothing in this paragraph relieves a project funded by this section from meeting other  
44.2 applicable accessibility requirements.

44.3 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

44.4 Sec. 17. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 5, is amended  
44.5 to read:

44.6 Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on  
44.7 a qualifying project. Funds are considered spent on a qualifying project if:

44.8 (1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that  
44.9 the city or county cannot expend funds on a qualifying project by the deadline imposed by  
44.10 paragraph (b) due to factors outside the control of the city or county; and

44.11 (2) the funds are transferred to a local housing trust fund.

44.12 Funds transferred to a local housing trust fund under this paragraph must be spent on a  
44.13 project or household that meets the affordability requirements of subdivision 4, paragraph  
44.14 (a).

44.15 (b) Funds must be ~~spent by December 31 in the third year following the year after the~~  
44.16 ~~aid was received:~~

44.17 (1) committed to a qualifying project by December 31 in the third year following the  
44.18 year after the aid was received; and

44.19 (2) expended by December 31 in the fourth year following the year after the aid was  
44.20 received.

44.21 (c) An aid recipient may not use aid funds to reimburse itself for prior expenditures.

44.22 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

44.23 Sec. 18. Minnesota Statutes 2023 Supplement, section 477A.35, is amended by adding a  
44.24 subdivision to read:

44.25 Subd. 5a. **Maintenance of effort.** As a condition of receiving aid under this section, a  
44.26 recipient must commit in the annual report required under subdivision 6, paragraph (b), to  
44.27 maintaining its locally funded housing expenditures at a level that is not less than the average  
44.28 level of such expenditures maintained by the recipient for the three preceding fiscal years.

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

45.1 Sec. 19. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 6, is amended  
45.2 to read:

45.3 Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount  
45.4 of aid payable to each tier I city and county under this section. By August 1 of each year,  
45.5 the commissioner must certify the distribution factors of each tier I city and county to be  
45.6 used in the following year. The commissioner must pay local affordable housing aid annually  
45.7 at the times provided in section 477A.015, distributing the amounts available on the  
45.8 immediately preceding June 1 under the accounts established in section 477A.37, subdivisions  
45.9 2 and 3.

45.10 (b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later  
45.11 than December 1 of each year, to the Minnesota Housing Finance Agency. The report must  
45.12 include documentation of the location of any unspent funds distributed under this section  
45.13 and of qualifying projects completed or planned with funds under this section. In the report,  
45.14 a recipient must certify its compliance with subdivision 5a, including an accounting of  
45.15 locally funded housing expenditures in the three prior fiscal years. If a tier I city or county  
45.16 fails to submit a report, if a tier I city or county fails to spend funds within the timeline  
45.17 imposed under subdivision 5, paragraph (b), ~~or~~ if a tier I city or county uses funds for a  
45.18 project that does not qualify under this section, or if a tier I city or county fails to meet its  
45.19 maintenance of effort requirement, the Minnesota Housing Finance Agency shall notify the  
45.20 Department of Revenue and the cities and counties that must repay funds under paragraph  
45.21 (c) by February 15 of the following year.

45.22 (c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a  
45.23 tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or  
45.24 county received under this section if the city or county:

- 45.25 (1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);  
45.26 (2) spends the funds on anything other than a qualifying project; ~~or~~  
45.27 (3) fails to submit a report documenting use of the funds; or  
45.28 (4) fails to meet the maintenance of effort requirement under subdivision 5a.

45.29 (d) The commissioner of revenue must stop distributing funds to a tier I city or county  
45.30 that requests in writing that the commissioner stop payment or that, in three consecutive  
45.31 years, the Minnesota Housing Finance Agency has reported, pursuant to paragraph (b), to  
45.32 have failed to use funds, misused funds, or failed to report on its use of funds. A request  
45.33 under this paragraph must be submitted to the commissioner in the form and manner

46.1 prescribed by the commissioner on or before May 1 of the aids payable year that a tier I  
 46.2 city or county requests the commissioner to stop payment of aid. Any request received after  
 46.3 May 1 will apply beginning in the next aids payable year.

46.4 (e) The commissioner may resume distributing funds to a tier I city or county to which  
 46.5 the commissioner has stopped payments in the year following the August 1 after the  
 46.6 Minnesota Housing Finance Agency certifies that the city or county has submitted  
 46.7 documentation of plans for a qualifying project. The commissioner may resume distributing  
 46.8 funds to a tier I city or county to which the commissioner has stopped payments at the  
 46.9 request of the city or county in the year following the August 1 after the Minnesota Housing  
 46.10 Finance Agency certifies that the city or county has submitted documentation of plans for  
 46.11 a qualifying project.

46.12 (f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph  
 46.13 (c) must be deposited in the housing development fund. Funds deposited under this paragraph  
 46.14 are appropriated to the commissioner of the Minnesota Housing Finance Agency for use  
 46.15 on the family homeless prevention and assistance program under section 462A.204, the  
 46.16 economic development and housing challenge program under section 462A.33, and the  
 46.17 workforce and affordable homeownership development program under section 462A.38.

46.18 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2025.

46.19 Sec. 20. Minnesota Statutes 2023 Supplement, section 477A.40, subdivision 4, is amended  
 46.20 to read:

46.21 Subd. 4. **Application.** An eligible Tribal Nation may choose to receive an aid distribution  
 46.22 under this section by submitting an application under this subdivision. An eligible Tribal  
 46.23 Nation which has not received a distribution in a prior aids payable year may elect to begin  
 46.24 participation in the program by submitting an application in the manner and form prescribed  
 46.25 by the commissioner of revenue by January 15 of the aids payable year. In order to receive  
 46.26 a distribution, an eligible Tribal Nation must certify to the commissioner of revenue the  
 46.27 most recent estimate of the total number of enrolled members of the eligible Tribal Nation.  
 46.28 The information must be annually certified by March 1 in the form prescribed by the  
 46.29 commissioner of revenue. The commissioner of revenue must annually calculate and certify  
 46.30 the amount of aid payable to each eligible Tribal Nation ~~on or before August 1~~ by June 1.

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

47.1 Sec. 21. Minnesota Statutes 2023 Supplement, section 477A.40, subdivision 5, is amended  
47.2 to read:

47.3 Subd. 5. **Payments.** The commissioner of revenue must pay Tribal Nation aid annually  
47.4 by ~~December 27~~ July 20 of the year the aid is certified.

47.5 **EFFECTIVE DATE.** This section is effective for aid paid in 2025 and thereafter.

47.6 Sec. 22. Laws 2023, chapter 64, article 4, section 27, is amended by adding a subdivision  
47.7 to read:

47.8 **Subd. 9. Report.** (a) By January 15, 2025, each: (1) local unit that receives aid in an  
47.9 amount greater than \$10,000; (2) county; and (3) Tribal government must report the following  
47.10 information to the commissioner of public safety in the form and manner approved by that  
47.11 commissioner:

47.12 (i) the amount of aid received; and

47.13 (ii) the ways in which the aid was used or is intended to be used.

47.14 (b) By February 15, 2025, the commissioner of public safety must compile the information  
47.15 received from counties, Tribal governments, or local units pursuant to paragraph (a) and  
47.16 submit the compiled data in a report to the chairs and ranking minority members of the  
47.17 legislative committees and divisions with jurisdiction over public safety finance and policy  
47.18 and taxes and property taxes. The report must comply with the requirements of Minnesota  
47.19 Statutes, sections 3.195 and 3.197.

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

47.21 Sec. 23. **2023 AID PENALTY FORGIVENESS; CITY OF STEWART.**

47.22 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Stewart  
47.23 must receive its aid payment for calendar year 2023 under Minnesota Statutes, section  
47.24 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,  
47.25 provided that the state auditor certifies to the commissioner of revenue that it received the  
47.26 annual financial reporting form for 2022 from the city by June 1, 2024. The commissioner  
47.27 of revenue must make a payment of \$87,501.50 to the city by June 30, 2024.

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

48.1 **Sec. 24. 2024 TRIBAL NATION AID.**

48.2 (a) Notwithstanding any law to the contrary, for calendar year 2024 the commissioner  
48.3 of revenue must pay Tribal Nation aid under Minnesota Statutes, section 477A.40, by June  
48.4 20, 2024.

48.5 (b) \$35,000,000 in fiscal year 2024 is appropriated from the general fund to the  
48.6 commissioner of revenue to make payments required under this section.

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

48.8 **Sec. 25. SUPPLEMENTAL 2024 SOIL AND WATER CONSERVATION DISTRICT**  
48.9 **AID DISTRIBUTION.**

48.10 (a) Supplemental aid for a soil and water conservation district equals the product of:

48.11 (1) the aid amount under Minnesota Statutes, section 477A.23, subdivision 2, certified  
48.12 for the soil and water conservation district for aid payable in 2024;

48.13 (2) the reciprocal of the total amount of aid certified for all soil and water conservation  
48.14 districts under Minnesota Statutes, section 477A.23, subdivision 2, certified for aid payable  
48.15 in 2024; and

48.16 (3) the total appropriation under this section.

48.17 (b) The Board of Water and Soil Resources must certify the supplemental aid amounts  
48.18 under this section to the commissioner of revenue and soil and water conservation districts  
48.19 before August 1, 2024. The commissioner of revenue must pay the supplemental aid amounts  
48.20 on December 26, 2024.

48.21 (c) \$2,000,000 is appropriated in fiscal year 2025 from the general fund to the  
48.22 commissioner of revenue for aid under this section. This is a onetime appropriation.

48.23 **EFFECTIVE DATE.** This section is effective for aid payable in calendar year 2024.

48.24 **Sec. 26. SUPPLEMENTAL 2024 TOWN AID DISTRIBUTION.**

48.25 (a) Supplemental aid for a town equals the product of:

48.26 (1) the aid amount under Minnesota Statutes, section 477A.013, subdivision 1, certified  
48.27 for the town for aid payable in 2024;

48.28 (2) the reciprocal of the total amount of aid certified for all towns under Minnesota  
48.29 Statutes, section 477A.013, subdivision 1, certified for aid payable in 2024; and

48.30 (3) the total appropriation under this section.



49.1 (b) The commissioner of revenue must certify supplemental aid amounts under this  
 49.2 section before August 1, 2024, and must pay the aid on December 26, 2024.

49.3 (c) \$2,000,000 is appropriated in fiscal year 2025 from the general fund to the  
 49.4 commissioner of revenue for aid under this section. This is a onetime appropriation.

49.5 **EFFECTIVE DATE.** This section is effective for aid payable in calendar year 2024.

49.6 Sec. 27. **PROPERTY TAX EXEMPTION; RED LAKE NATION COLLEGE.**

49.7 (a) Notwithstanding Minnesota Statutes, section 272.02, subdivision 38, paragraph (b),  
 49.8 and any other law to the contrary, property located in the city of Minneapolis acquired by  
 49.9 Red Lake Nation College Without Borders, LLC in either August 2021 or September 2021  
 49.10 is exempt from property taxes payable in 2022 and the portion of property taxes payable in  
 49.11 2021 due after the property was acquired. The city assessor must provide the property owner  
 49.12 with an application for exemption under this section and the property owner must file the  
 49.13 application with the city assessor by August 1, 2024. An amount necessary to make a  
 49.14 payment to the county for the property taxes attributable to the exemption is appropriated  
 49.15 from the general fund to the commissioner of revenue in fiscal year 2025. This is a onetime  
 49.16 appropriation.

49.17 (b) By August 1, 2024, the auditor of the county in which the property is located must  
 49.18 certify to the commissioner of revenue the amount to be paid by the commissioner of revenue  
 49.19 to the county under paragraph (a). The commissioner of revenue must make this payment  
 49.20 by August 15, 2024.

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

49.22 Sec. 28. **REPEALER.**

49.23 Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 1, is repealed.

49.24 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

49.25 **ARTICLE 3**

49.26 **MINERALS**

49.27 Section 1. Minnesota Statutes 2022, section 123B.53, subdivision 1, is amended to read:

49.28 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service  
 49.29 revenue of a district is defined as follows:

50.1 (1) the amount needed to produce between five and six percent in excess of the amount  
 50.2 needed to meet when due the principal and interest payments on the obligations of the district  
 50.3 for eligible projects according to subdivision 2, excluding the amounts listed in paragraph  
 50.4 (b), minus

50.5 (2) the amount of debt service excess levy reduction for that school year calculated  
 50.6 according to the procedure established by the commissioner.

50.7 (b) The obligations in this paragraph are excluded from eligible debt service revenue:

50.8 (1) obligations under section 123B.61;

50.9 (2) the part of debt service principal and interest paid from the taconite environmental  
 50.10 protection fund or Douglas J. Johnson economic protection trust, excluding the portion of  
 50.11 taconite payments from the Iron Range ~~school consolidation and cooperatively operated~~  
 50.12 ~~school~~ schools and community development account under section 298.28, subdivision 7a;

50.13 (3) obligations for long-term facilities maintenance under section 123B.595;

50.14 (4) obligations under section 123B.62; and

50.15 (5) obligations equalized under section 123B.535.

50.16 (c) For purposes of this section, if a preexisting school district reorganized under sections  
 50.17 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement of the  
 50.18 preexisting district's bonded indebtedness or capital loans, debt service equalization aid  
 50.19 must be computed separately for each of the preexisting districts.

50.20 (d) For purposes of this section, the adjusted net tax capacity determined according to  
 50.21 sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property  
 50.22 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

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

50.24 Sec. 2. Minnesota Statutes 2022, section 273.135, subdivision 2, is amended to read:

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

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

50.30 (b) In the case of property located within the boundaries of a school district which  
 50.31 qualifies as a tax relief area under section 273.134, paragraph (b), but which is outside the

51.1 boundaries of a municipality which meets the qualifications prescribed in section 273.134,  
 51.2 paragraph (a), 57 percent of the tax, provided that the reduction shall not exceed the  
 51.3 maximum amounts specified in paragraph (c).

51.4 (c) The maximum reduction of the tax is ~~\$315.40~~ \$515 on property described in paragraph  
 51.5 (a) and ~~\$289.80~~ on property described in paragraph (b).

51.6 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
 51.7 in 2025.

51.8 Sec. 3. Minnesota Statutes 2022, section 275.065, is amended by adding a subdivision to  
 51.9 read:

51.10 **Subd. 3c. Notice of proposed taxes; property subject to chapter 276A.** In the case of  
 51.11 property subject to the areawide tax under section 276A.06, subdivision 7, for both the  
 51.12 current year taxes and the proposed tax amounts, the net tax capacity portion of the taxes  
 51.13 shown for each taxing jurisdiction must be based on the property's total net tax capacity  
 51.14 multiplied by the jurisdiction's actual or proposed net tax capacity tax rate. In addition to  
 51.15 the tax amounts shown for each jurisdiction, the statement must include a line showing the  
 51.16 "fiscal disparities adjustment" equal to the total gross tax payable minus the sum of the tax  
 51.17 amounts shown for the individual taxing jurisdictions. The fiscal disparities adjustment may  
 51.18 be a negative number. If the fiscal disparities adjustment for either the current year taxes  
 51.19 or the proposed tax amount is a negative number, the percentage change must not be shown.  
 51.20 In all other respects the statement must fulfill the requirements of subdivision 3.

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

51.23 Sec. 4. Minnesota Statutes 2022, section 276.04, is amended by adding a subdivision to  
 51.24 read:

51.25 **Subd. 2a. Contents of tax statements; property subject to chapter 276A.** In the case  
 51.26 of property subject to the areawide tax under section 276A.06, subdivision 7, for both the  
 51.27 current year taxes and the previous year tax amounts, the net tax capacity portion of the tax  
 51.28 shown for each taxing jurisdiction must be based on the property's total net tax capacity  
 51.29 multiplied by the jurisdiction's net tax capacity tax rate. In addition to the tax amounts shown  
 51.30 for each jurisdiction, the statement must include a line showing the "fiscal disparities  
 51.31 adjustment" equal to the total gross tax payable minus the sum of the tax amounts shown  
 51.32 for the individual taxing jurisdictions for each year. The fiscal disparities adjustment may

52.1 be a negative number. In all other respects the statement must fulfill the requirements of  
 52.2 subdivision 2.

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

52.5 Sec. 5. Minnesota Statutes 2022, section 276A.01, subdivision 17, is amended to read:

52.6 Subd. 17. **School fund allocation.** (a) "School fund allocation" means an amount up to  
 52.7 25 percent of the areawide levy certified by the commissioner of Iron Range resources and  
 52.8 rehabilitation, after consultation with the Iron Range Resources and Rehabilitation Board,  
 52.9 to be used for the purposes of the Iron Range ~~school consolidation and cooperatively operated~~  
 52.10 ~~school~~ schools and community development account under section 298.28, subdivision 7a.

52.11 (b) The allocation under paragraph (a) shall only be made after the commissioner of  
 52.12 Iron Range resources and rehabilitation, after consultation with the Iron Range Resources  
 52.13 and Rehabilitation Board, has certified by June 30 that the Iron Range ~~school consolidation~~  
 52.14 ~~and cooperatively operated~~ schools and community development account has insufficient  
 52.15 funds to make payments as authorized under section 298.28, subdivision 7a.

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

52.17 Sec. 6. Minnesota Statutes 2022, section 276A.06, subdivision 8, is amended to read:

52.18 Subd. 8. **Certification of values; payment.** The administrative auditor shall determine  
 52.19 for each county the difference between the total levy on distribution value pursuant to  
 52.20 subdivision 3, clause (1), including the school fund allocation within the county and the  
 52.21 total tax on contribution value pursuant to subdivision 7, within the county. On or before  
 52.22 May 16 of each year, the administrative auditor shall certify the differences so determined  
 52.23 and the county's portion of the school fund allocation to each county auditor. In addition,  
 52.24 the administrative auditor shall certify to those county auditors for whose county the total  
 52.25 tax on contribution value exceeds the total levy on distribution value the settlement the  
 52.26 county is to make to the other counties of the excess of the total tax on contribution value  
 52.27 over the total levy on distribution value in the county. On or before June 15 and November  
 52.28 15 of each year, each county treasurer in a county having a total tax on contribution value  
 52.29 in excess of the total levy on distribution value shall pay one-half of the excess to the other  
 52.30 counties in accordance with the administrative auditor's certification. On or before June 15  
 52.31 and November 15 of each year, each county treasurer shall pay to the administrative auditor  
 52.32 that county's share of the school fund allocation. On or before December 1 of each year,  
 52.33 the administrative auditor shall pay the school fund allocation to the commissioner of Iron

53.1 Range resources and rehabilitation for deposit in the Iron Range ~~school consolidation and~~  
 53.2 ~~cooperatively operated~~ schools and community development account.

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

53.4 Sec. 7. Minnesota Statutes 2023 Supplement, section 298.018, subdivision 1, is amended  
 53.5 to read:

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

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

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

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

53.24 (4) 20 percent to a group of school districts comprised of those school districts wherein  
 53.25 the mineral or energy resource was mined or extracted or in which there is a qualifying  
 53.26 municipality as defined by section 273.134, paragraph (b), in direct proportion to school  
 53.27 district indexes as follows: for each school district, its pupil units determined under section  
 53.28 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted  
 53.29 net tax capacity per pupil unit for school districts receiving aid under this clause as calculated  
 53.30 pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution  
 53.31 to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that  
 53.32 portion of the distribution which its index bears to the sum of the indices for all school  
 53.33 districts that receive the distributions;

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

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

54.9 (7) 20 percent to the commissioner of Iron Range resources and rehabilitation for the  
54.10 purposes of section 298.22;

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

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

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

54.15 (b) If the materials or energy resources are mined, extracted, or concentrated in School  
54.16 District No. 2711, Mesabi East, then the amount under paragraph (a), clause (1), must instead  
54.17 be distributed pursuant to this paragraph. The cities of Aurora, Babbitt, Ely, and Hoyt Lakes  
54.18 must each receive 20 percent of the amount. The city of Biwabik and Embarrass Township  
54.19 must each receive ten percent of the amount.

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

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

55.1 Sec. 8. Minnesota Statutes 2022, section 298.17, is amended to read:

55.2 **298.17 OCCUPATION TAXES TO BE APPORTIONED.**

55.3 (a) All occupation taxes paid by persons, copartnerships, companies, joint stock  
 55.4 companies, corporations, and associations, however or for whatever purpose organized,  
 55.5 engaged in the business of mining or producing iron ore or other ores, when collected shall  
 55.6 be apportioned and distributed in accordance with the Constitution of the state of Minnesota,  
 55.7 article X, section 3, in the manner following: 90 percent shall be deposited in the state  
 55.8 treasury and credited to the general fund of which four-ninths shall be used for the support  
 55.9 of elementary and secondary schools; and ten percent of the proceeds of the tax imposed  
 55.10 by this section shall be deposited in the state treasury and credited to the general fund for  
 55.11 the general support of the university.

55.12 (b) Of the money apportioned to the general fund by this section: (1) there is annually  
 55.13 appropriated and credited to the mining environmental and regulatory account in the special  
 55.14 revenue fund an amount equal to that which would have been generated by a 2-1/2 cent tax  
 55.15 imposed by section 298.24 on each taxable ton produced in the preceding calendar year.  
 55.16 Money in the mining environmental and regulatory account is appropriated annually to the  
 55.17 commissioner of natural resources to fund agency staff to work on environmental issues  
 55.18 and provide regulatory services for ferrous and nonferrous mining operations in this state.  
 55.19 Payment to the mining environmental and regulatory account shall be made by July 1  
 55.20 annually. The commissioner of natural resources shall execute an interagency agreement  
 55.21 with the Pollution Control Agency to assist with the provision of environmental regulatory  
 55.22 services such as monitoring and permitting required for ferrous and nonferrous mining  
 55.23 operations; (2) there is annually appropriated and credited to the Iron Range resources and  
 55.24 rehabilitation account in the special revenue fund an amount equal to that which would have  
 55.25 been generated by a 1.5 cent tax imposed by section 298.24 on each taxable ton produced  
 55.26 in the preceding calendar year, to be expended for the purposes of section 298.22; and (3)  
 55.27 there is annually appropriated and credited to the Iron Range resources and rehabilitation  
 55.28 account in the special revenue fund for transfer to the Iron Range ~~school consolidation and~~  
 55.29 ~~cooperatively operated school~~ schools and community development account under section  
 55.30 298.28, subdivision 7a, an amount equal to that which would have been generated by a six  
 55.31 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar  
 55.32 year. Payment to the Iron Range resources and rehabilitation account shall be made by May  
 55.33 15 annually.

55.34 (c) The money appropriated pursuant to paragraph (b), clause (2), shall be used (i) to  
 55.35 provide environmental development grants to local governments located within any county

56.1 in region 3 as defined in governor's executive order number 60, issued on June 12, 1970,  
 56.2 which does not contain a municipality qualifying pursuant to section 273.134, paragraph  
 56.3 (b), or (ii) to provide economic development loans or grants to businesses located within  
 56.4 any such county, provided that the county board or an advisory group appointed by the  
 56.5 county board to provide recommendations on economic development shall make  
 56.6 recommendations to the commissioner of Iron Range resources and rehabilitation regarding  
 56.7 the loans. Payment to the Iron Range resources and rehabilitation account shall be made by  
 56.8 May 15 annually.

56.9 (d) Of the money allocated to Koochiching County, one-third must be paid to the  
 56.10 Koochiching County Economic Development Commission.

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

56.12 Sec. 9. Minnesota Statutes 2022, section 298.2215, subdivision 1, is amended to read:

56.13 Subdivision 1. **Establishment.** A county may establish a scholarship fund from any  
 56.14 unencumbered revenue received pursuant to section 298.018, 298.28, 298.39, 298.396, or  
 56.15 298.405 or any law imposing a tax upon severed mineral values. Scholarships must be used  
 56.16 at a two-year Minnesota State Colleges and Universities institution, or an accredited skilled  
 56.17 trades program, within the county. The county shall establish procedures for applying for  
 56.18 and distributing the scholarships.

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

56.20 Sec. 10. Minnesota Statutes 2023 Supplement, section 298.28, subdivision 7a, is amended  
 56.21 to read:

56.22 Subd. 7a. ~~Iron Range school consolidation and cooperatively operated school schools~~  
 56.23 **and community development account.** (a) The following amounts must be allocated to  
 56.24 the commissioner of Iron Range resources and rehabilitation to be deposited in the Iron  
 56.25 Range ~~school consolidation and cooperatively operated school schools~~ and community  
 56.26 development account that is hereby created:

56.27 (1) for distributions beginning in 2015, ten cents per taxable ton of the tax imposed under  
 56.28 section 298.24;

56.29 (2) the amount as determined under section 298.17, paragraph (b), clause (3); and

56.30 (3) any other amount as provided by law.



57.1 (b) Expenditures from this account may be approved as ongoing annual expenditures  
 57.2 and shall be made only to provide disbursements to assist school districts with the payment  
 57.3 of bonds that were issued for qualified school projects, or for any other school disbursement  
 57.4 as approved by the commissioner of Iron Range resources and rehabilitation after consultation  
 57.5 with the Iron Range Resources and Rehabilitation Board. For purposes of this section,  
 57.6 "qualified school projects" means school projects within the taconite assistance area as  
 57.7 defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006;  
 57.8 and (2) approved by the commissioner of education pursuant to section 123B.71.

57.9 (c) Beginning in fiscal year 2019, the disbursement to school districts for payments for  
 57.10 bonds issued under section 123A.482, subdivision 9, must be increased each year to offset  
 57.11 any reduction in debt service equalization aid that the school district qualifies for in that  
 57.12 year, under section 123B.53, subdivision 6, compared with the amount the school district  
 57.13 qualified for in fiscal year 2018.

57.14 (d) No expenditure under this section shall be made unless approved by the commissioner  
 57.15 of Iron Range resources and rehabilitation after consultation with the Iron Range Resources  
 57.16 and Rehabilitation Board.

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

57.18 Sec. 11. Minnesota Statutes 2022, section 298.28, subdivision 8, is amended to read:

57.19 Subd. 8. **Range Association of Municipalities and Schools.** ~~30~~ 0.50 cent per taxable  
 57.20 ton shall be paid to the Range Association of Municipalities and Schools, for the purpose  
 57.21 of providing an areawide approach to problems which demand coordinated and cooperative  
 57.22 actions and which are common to those areas of northeast Minnesota affected by operations  
 57.23 involved in mining iron ore and taconite and producing concentrate therefrom, and for the  
 57.24 purpose of promoting the general welfare and economic development of the cities, towns,  
 57.25 and school districts within the Iron Range area of northeast Minnesota.

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

57.27 Sec. 12. Minnesota Statutes 2023 Supplement, section 298.28, subdivision 16, is amended  
 57.28 to read:

57.29 Subd. 16. **Transfer.** Of the amount annually distributed to the Douglas J. Johnson  
 57.30 Economic Protection Trust Fund under this section, ~~\$3,500,000~~ the following amounts shall  
 57.31 be transferred to the Iron Range ~~school consolidation and cooperatively operated school~~  
 57.32 schools and community development account under subdivision 7a: for distribution year

58.1 2024, \$6,250,000; for distribution year 2025 through distribution year 2029, \$6,500,000;  
 58.2 for distribution year 2030 through distribution year 2034, \$5,500,000; for distribution year  
 58.3 2035 and distribution year 2036, \$5,000,000; and for distribution year 2037 through  
 58.4 distribution year 2041, \$3,500,000. Any remaining amount of the amount annually distributed  
 58.5 to the Douglas J. Johnson Economic Protection Trust Fund shall be transferred to the Iron  
 58.6 Range resources and rehabilitation account under subdivision 7. The transfers under this  
 58.7 subdivision must be made within ten days of the August payment.

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

58.9 Sec. 13. Minnesota Statutes 2022, section 298.282, subdivision 1, is amended to read:

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

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

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

58.23 Sec. 14. Minnesota Statutes 2022, section 298.292, subdivision 2, is amended to read:

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

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

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

59.4 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest on  
59.5 bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or  
59.6 retrofitting heating facilities in connection with district heating systems or systems utilizing  
59.7 alternative energy sources;

59.8 (4) to invest in a venture capital fund or enterprise that will provide capital to other  
59.9 entities that are engaging in, or that will engage in, projects or programs that have the  
59.10 purposes set forth in subdivision 1. No investments may be made in a venture capital fund  
59.11 or enterprise unless at least two other unrelated investors make investments of at least  
59.12 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J.  
59.13 Johnson economic protection trust fund may not exceed the amount of the largest investment  
59.14 by an unrelated investor in the venture capital fund or enterprise. For purposes of this  
59.15 subdivision, an "unrelated investor" is a person or entity that is not related to the entity in  
59.16 which the investment is made or to any individual who owns more than 40 percent of the  
59.17 value of the entity, in any of the following relationships: spouse, parent, child, sibling,  
59.18 employee, or owner of an interest in the entity that exceeds ten percent of the value of all  
59.19 interests in it. For purposes of determining the limitations under this clause, the amount of  
59.20 investments made by an investor other than the Douglas J. Johnson economic protection  
59.21 trust fund is the sum of all investments made in the venture capital fund or enterprise during  
59.22 the period beginning one year before the date of the investment by the Douglas J. Johnson  
59.23 economic protection trust fund; and

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

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

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

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

60.1 Sec. 15. **IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER;**  
60.2 **BONDS AUTHORIZED IN 2024.**

60.3 Subdivision 1. **Issuance; purpose.** (a) Notwithstanding any provision of Minnesota  
60.4 Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and  
60.5 rehabilitation shall, in 2024, issue revenue bonds in a principal amount of up to \$49,000,000  
60.6 plus an amount sufficient to pay costs of issuance in one or more series, and thereafter may  
60.7 issue bonds to refund those bonds. The proceeds of the bonds must be used to pay the costs  
60.8 of issuance and to make distributions pursuant this section. The commissioner of Iron Range  
60.9 resources and rehabilitation must distribute these transferred funds as outlined in this section.  
60.10 In order to receive a distribution, a recipient must submit to the commissioner a plan of how  
60.11 the distribution will be spent and the commissioner must ensure that the plan matches the  
60.12 intended use outlined in this section. The plan must be submitted in a form and manner  
60.13 determined by the commissioner. The uses listed are not subject to review or recommendation  
60.14 by the Iron Range Resources and Rehabilitation Board. For all distributions equal to or  
60.15 greater than \$1,000,000, a recipient must appear and present and provide a copy of the plan  
60.16 to the Iron Range Resources and Rehabilitation Board. By December 31, 2025, each recipient  
60.17 must report to the commissioner how the distribution received under this section was spent.  
60.18 If a recipient's plan is submitted and approved, the commissioner must distribute the funds  
60.19 for the uses outlined in subdivision 3. The bonds issued under this section do not constitute  
60.20 public debt as that term is defined in article XI, section 4 of the Minnesota Constitution,  
60.21 and as such are not subject to its provisions.

60.22 (b) If the commissioner of Iron Range resources and rehabilitation determines that  
60.23 available funds, other than through the issuance of bonds pursuant to subdivision 1, shall  
60.24 be used to make grants as provided in subdivision 3, the requirements of subdivision 1,  
60.25 relating to the submission of a plan and report to the commissioner of Iron Range resources  
60.26 and rehabilitation and the Iron Range Resources and Rehabilitation Board, and subdivision  
60.27 3, relating to the grant amount and identified purpose, shall apply.

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

60.31 Subd. 2. **Appropriation.** (a) Notwithstanding Minnesota Statutes, section 298.28,  
60.32 subdivision 7a, paragraph (b), there is annually appropriated from the distribution of the  
60.33 taconite production tax revenues under Minnesota Statutes, section 298.28, subdivision 7a,  
60.34 prior to the calculation of any amount remaining, an amount sufficient to pay when due the  
60.35 principal and interest on the bonds issued pursuant to subdivision 1.

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

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

61.6 (d) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the  
61.7 commissioner of Iron Range resources and rehabilitation must not use any amount of the  
61.8 appropriation under this subdivision for administrative costs.

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

61.11 (1) \$160,000 to the Grand Portage Band of Lake Superior Chippewa to construct a  
61.12 playground;

61.13 (2) \$3,600,000 to the Mesabi Fit Coalition for the renovation, reconstruction, and  
61.14 expansion of the former Mesabi Family YMCA in the city of Mountain Iron;

61.15 (3) \$950,000 to the Buyck Volunteer Fire Department for design, engineering, and  
61.16 construction of a new fire and training hall and related equipment;

61.17 (4) \$750,000 to the Voyageur Trail Society for a joint maintenance facility with Voyageur  
61.18 Country ATV in the city of Orr;

61.19 (5) \$2,250,000 to Cook County, of which \$250,000 must be spent to preserve affordable  
61.20 housing units for seniors in the city of Grand Marais and \$2,000,000 must be used to  
61.21 construct, furnish, and equip a solid waste transfer station in the county;

61.22 (6) \$1,255,000 to the Northland Learning Center for construction costs;

61.23 (7) \$2,720,000 to the city of Chisholm, of which \$1,520,000 must be used for the  
61.24 renovation of the Chisholm Ice Arena facility and parking and the remaining amount must  
61.25 be used for the public safety works;

61.26 (8) \$1,000,000 to the city of Gilbert for the Gilbert Community Center;

61.27 (9) \$360,000 to the city of Biwabik for housing infrastructure;

61.28 (10) \$3,000,000 to the city of Tower for water management infrastructure projects;

61.29 (11) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct  
61.30 publicly owned infrastructure including sewers, water systems, utility extensions, street

- 62.1 construction, wastewater treatment, stormwater management systems, sidewalks, and  
62.2 compliance with the Americans with Disabilities Act;
- 62.3 (12) \$2,000,000 to St. Louis County for the development of the Canyon Integrated Solid  
62.4 Waste Management Campus;
- 62.5 (13) \$3,890,000 to the city of Eveleth to design, engineer, and construct public utilities  
62.6 in its business park and construction of the Hat Trick Avenue slip ramp;
- 62.7 (14) \$700,000 to the city of Meadowlands for costs related to park improvements and  
62.8 a community center;
- 62.9 (15) \$600,000 to School District No. 2142, St. Louis County, of which \$400,000 must  
62.10 be used for septic system upgrades at South Ridge School and \$200,000 must be used for  
62.11 cafeteria renovations at Northeast Range School in Babbitt and Tower Elementary School  
62.12 in Tower;
- 62.13 (16) \$250,000 to the city of Two Harbors for band stand repairs and Odegard Park and  
62.14 Trail restoration;
- 62.15 (17) \$850,000 to the Central Iron Range Sanitary Sewer District for infrastructure  
62.16 projects;
- 62.17 (18) \$5,240,000 to the Minnesota Discovery Center to design, construct, renovate,  
62.18 furnish, and repair facilities, including HVAC upgrades, demolition, and compliance with  
62.19 the Americans with Disabilities Act, at the Minnesota Discovery Center in the city of  
62.20 Chisholm, and for historical research funding;
- 62.21 (19) \$4,200,000 to the commissioner of Iron Range resources and rehabilitation for the  
62.22 design, engineering, and upgrades or replacement of chair lifts or an irrigation system, and  
62.23 for the design, engineering, demolition, and construction of a nordic and welcome center  
62.24 at the Giants Ridge Recreation Area;
- 62.25 (20) \$250,000 to Independent School District No. 696, Ely, for baseball field renovation;
- 62.26 (21) \$500,000 to the city of Mountain Iron for the Outdoor Recreation Center;
- 62.27 (22) \$200,000 to Cook County Higher Education Board for costs to bring commercial  
62.28 drivers' licenses and trades training to the region along with educational training and academic  
62.29 support to remote populations;
- 62.30 (23) \$200,000 to Save Our Ship, Inc., for renovation costs;
- 62.31 (24) \$3,000,000 to Hibbing Public Utilities for water infrastructure projects;

- 63.1 (25) \$400,000 to Veterans On The Lake for demolition of existing structures and the  
63.2 building of a triplex that is compliant with the Americans with Disabilities Act;
- 63.3 (26) \$350,000 to the city of Eveleth for the Hippodrome renovation;
- 63.4 (27) \$500,000 to the Great Expectations School Foundation in Cook County for school  
63.5 facilities construction;
- 63.6 (28) \$225,000 to the Minnesota Forest Zone Trappers Association to plan, engineer,  
63.7 purchase land, and develop the Sportsman Training and Development Center;
- 63.8 (29) \$200,000 to the Sturgeon Chain Lake Association to update the engineering and  
63.9 hydrology study of the lakes, for regulatory and community outreach, and for preparing  
63.10 recommendations to the commissioner of natural resources related to bank stabilization and  
63.11 maintenance;
- 63.12 (30) \$300,000 to the Northern Lights Music Festival to support programs, of this amount  
63.13 \$100,000 is available each year in calendar years 2025, 2026, and 2027;
- 63.14 (31) \$250,000 to Cherry Township for recreational facilities upgrades and lights;
- 63.15 (32) \$350,000 to the East Range Developmental Achievement Center for building  
63.16 renovations;
- 63.17 (33) \$500,000 to the Northland Foundation for grants or loans to (i) businesses or resorts  
63.18 that were economically damaged by floods that occurred in 2022 or 2023 and which are  
63.19 eligible under article 5 of the Canadian border counties economic relief program, or (ii)  
63.20 outfitters in the border region who experienced either more than a 50 percent reduction in  
63.21 Boundary Waters Canoe Area Wilderness permits obtained by their customers between  
63.22 2019 and 2021, or a 50 percent reduction between 2019 and 2021 in trips across the fee-based  
63.23 mechanical portages into the Boundary Waters Canoe Area Wilderness or Quetico Provincial  
63.24 Park. Businesses may be awarded a maximum grant under this clause of up to \$50,000,  
63.25 must be located within the taconite assistance area, as defined under Minnesota Statutes,  
63.26 section 273.1341, and must not have received a grant under the Canadian border counties  
63.27 economic relief program. The Northland Foundation may retain up to four percent of the  
63.28 amount under this clause for administration;
- 63.29 (34) \$100,000 to Crystal Bay Township for a septic project at the Clair Nelson  
63.30 Community Center;
- 63.31 (35) \$25,000 to the Northwoods Friends of the Arts in the city of Cook for facility  
63.32 upgrades and programs;

- 64.1 (36) \$50,000 to the Bois Forte Band of Chippewa for food shelf expenses;
- 64.2 (37) \$100,000 to the Lake Vermilion Cultural Center to improve and renovate the facility  
64.3 and its displays in Tower;
- 64.4 (38) \$50,000 to the Lyric Center for the Arts in Virginia for repairs and renovation;
- 64.5 (39) \$50,000 to the Pioneer Mine historical site for maintenance and displays in Ely;
- 64.6 (40) \$2,625,000 to the commissioner of Iron Range resources and rehabilitation to create  
64.7 a mountain bike system in northern St. Louis County;
- 64.8 (41) \$150,000 to the Lake Superior School District to support an emergency preparedness  
64.9 career introduction program;
- 64.10 (42) \$200,000 to the city of Babbitt for ADA compliance and renovations to the city's  
64.11 parks;
- 64.12 (43) \$75,000 to the Vermilion Penguins Snowmobile Club and \$75,000 to the Cook  
64.13 Timberwolves Snowmobile Club, to update maintenance equipment and trail programs;
- 64.14 (44) \$500,000 to the Arrowhead Economic Opportunity Agency to design, engineer,  
64.15 acquire land, and start construction of a new facility in Hibbing to meet the needs of the  
64.16 population on the west end of the Mesabi Iron Range;
- 64.17 (45) \$500,000 to Lone Pine Township to design, engineer, and begin construction for  
64.18 its sewage treatment plan in partnership with the city of Nashwauk; and
- 64.19 (46) \$500,000 for grants of \$25,000 distributed pursuant to paragraph (b).
- 64.20 (b) Of the amount under paragraph (a), clause (46), grants of \$25,000 to be used for trail  
64.21 grooming costs or equipment must be made available to the following entities:
- 64.22 (1) Alborn Dirt Devils ATV Club;
- 64.23 (2) Wild Country ATV Club;
- 64.24 (3) Ely Igloo Snowmobile Club;
- 64.25 (4) CC Riders Snowmobile Club;
- 64.26 (5) PathBlazers Snowmobile Club;
- 64.27 (6) Cook Timberwolves Snowmobile Club;
- 64.28 (7) Crane Lake Voyageurs Club;
- 64.29 (8) Pequaywan Area Trail Blazers Snowmobile Club;



65.1 (9) Eveleth Trail Hawks Snowmobile Club;

65.2 (10) Ranger Snowmobile/ATV Club;

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

65.4 (12) Voyageur Snowmobile Club;

65.5 (13) Mesabi Sno Voyageurs;

65.6 (14) Quad Cities ATV Club;

65.7 (15) Prospector ATV Club;

65.8 (16) Northern Traxx ATV Club;

65.9 (17) Finland Snowmobile and ATV Club;

65.10 (18) Babbitt ATV and Snowmobile Club;

65.11 (19) Cook County ATV Club; and

65.12 (20) Vermilion Penguins Snowmobile Club.

65.13 (b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, of the money  
 65.14 distributed under this subdivision, the commissioner of Iron Range resources and  
 65.15 rehabilitation must not use any amount for administrative uses.

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

65.18 **Sec. 16. IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER;**  
 65.19 **BONDS AUTHORIZED IN 2025.**

65.20 Subdivision 1. **Issuance; purpose.** (a) Notwithstanding any provision of Minnesota  
 65.21 Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and  
 65.22 rehabilitation shall, in 2025, issue revenue bonds in a principal amount of up to \$31,000,000  
 65.23 plus an amount sufficient to pay costs of issuance in one or more series, and thereafter may  
 65.24 issue bonds to refund those bonds. The proceeds of the bonds must be used to pay the costs  
 65.25 of issuance and to make distributions pursuant to this section. The commissioner of Iron  
 65.26 Range resources and rehabilitation must distribute these transferred funds as outlined in  
 65.27 this section. In order to receive a distribution, a recipient must submit to the commissioner  
 65.28 a plan of how the distribution will be spent and the commissioner must ensure that the plan  
 65.29 matches the intended use outlined in this section. The plan must be submitted in a form and  
 65.30 manner determined by the commissioner. The uses listed are not subject to review or  
 65.31 recommendation by the Iron Range Resources and Rehabilitation Board. For all distributions

66.1 equal to or greater than \$1,000,000, a recipient must appear and present and provide a copy  
 66.2 of the plan to the Iron Range Resources and Rehabilitation Board. By December 31, 2026,  
 66.3 each recipient must report to the commissioner how the distribution received under this  
 66.4 section was spent. If a recipient's plan is submitted and approved, the commissioner must  
 66.5 distribute the funds for the uses outlined in subdivision 3. The bonds issued under this  
 66.6 section do not constitute public debt as that term is defined in Article XI, section 4 of the  
 66.7 Minnesota Constitution, and as such are not subject to its provisions.

66.8 (b) If the commissioner of Iron Range resources and rehabilitation determines that  
 66.9 available funds, other than through the issuance of bonds pursuant to subdivision 1, shall  
 66.10 be used to make grants as provided in subdivision 3, the requirements of subdivision 1,  
 66.11 relating to the submission of a plan and report to the commissioner of Iron Range resources  
 66.12 and rehabilitation and the Iron Range Resources and Rehabilitation Board, and subdivision  
 66.13 3, relating to the grant amount and identified purpose, shall apply.

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

66.17 Subd. 2. **Appropriation.** (a) Notwithstanding Minnesota Statutes, section 298.28,  
 66.18 subdivision 7a, paragraph (b), there is annually appropriated from the distribution of the  
 66.19 taconite production tax revenues under Minnesota Statutes, section 298.28, subdivision 7a,  
 66.20 prior to the calculation of any amount remaining, an amount sufficient to pay when due the  
 66.21 principal and interest on the bonds issued pursuant to subdivision 1.

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

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

66.27 (d) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the  
 66.28 commissioner of Iron Range resources and rehabilitation must not use any amount of the  
 66.29 appropriation under this subdivision for administrative costs.

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

66.32 (1) \$5,000,000 to the Minnesota Discovery Center to design, construct, renovate, furnish,  
 66.33 and repair facilities, including HVAC upgrades, demolition, and compliance with the

67.1 Americans with Disabilities Act, at the Minnesota Discovery Center in the city of Chisholm,  
67.2 and for historical research funding;

67.3 (2) \$5,800,000 to the commissioner of Iron Range resources and rehabilitation for the  
67.4 design, engineering, and upgrades or replacement of chair lifts or an irrigation system, and  
67.5 for the design, engineering, demolition, and construction of a nordic and welcome center  
67.6 at the Giants Ridge Recreation Area;

67.7 (3) \$350,000 to the Central Iron Range Sanitary Sewer District for infrastructure projects;

67.8 (4) \$1,200,000 to Independent School District No. 2909, Rock Ridge, for demolition of  
67.9 the James Madison Elementary School in Virginia;

67.10 (5) \$500,000 to the city of Buhl for infrastructure projects;

67.11 (6) \$2,300,000 to St. Louis and Lake Counties Regional Railroad Authority to design,  
67.12 engineer, acquire right-of-way, and construct the Mesabi Trail Spur from Aurora to Hoyt  
67.13 Lakes;

67.14 (7) \$2,000,000 to the city of Mountain Iron for infrastructure projects including but not  
67.15 limited to Enterprise Drive North East infrastructure development, water main and other  
67.16 infrastructure in the city, waste water plant improvements to comply with new permits,  
67.17 supervisory control and data acquisition on lift stations, and recreation projects;

67.18 (8) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct  
67.19 publicly owned infrastructure including sewers, water systems, utility extensions, street  
67.20 construction, wastewater treatment, stormwater management systems, sidewalks, and  
67.21 compliance with the Americans with Disabilities Act;

67.22 (9) \$5,000,000 to Independent School District No. 696, Ely, for planning, design,  
67.23 engineering, demolition, and construction related to the district's athletic complex;

67.24 (10) \$1,080,000 to the Northland Learning Center to construct the Alternative Learning  
67.25 Center on the campus in the city of Mountain Iron;

67.26 (11) \$1,000,000 for the city of Biwabik for a public safety facility;

67.27 (12) \$1,770,000 to Hibbing Public Utilities for water infrastructure projects;

67.28 (13) \$500,000 to St. Louis County for the demolition of the public school in Hoyt Lakes;  
67.29 and

67.30 (14) \$1,500,000 to the city of Babbitt for renovations to the ice arena.

68.1 (b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, of the money  
 68.2 distributed under this subdivision, the commissioner of Iron Range resources and  
 68.3 rehabilitation must not use any amount for administrative uses.

68.4 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 68.5 applies beginning with the 2025 distribution under Minnesota Statutes, section 298.28.

68.6 Sec. 17. **TRANSFER 2024 DISTRIBUTION ONLY; TACONITE ECONOMIC**  
 68.7 **DEVELOPMENT FUND.**

68.8 Of the funds distributed to the taconite economic development fund under Minnesota  
 68.9 Statutes, section 298.28, subdivision 9a, for the 2024 distribution only, an amount equal to  
 68.10 \$300,000 shall be transferred from the taconite economic development fund to the city of  
 68.11 Chisholm for the Senator David Tomassoni Bridge of Peace. The transfer must be made  
 68.12 within ten days of the August 2024 payment. If less than \$300,000 is distributed to the  
 68.13 taconite economic development fund in 2024, distributions to the fund in future years must  
 68.14 be transferred to the city of Chisholm, pursuant to this paragraph, until the total amount  
 68.15 transferred equals \$300,000.

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

68.17 **ARTICLE 4**  
 68.18 **SALES AND USE TAXES, GROSS RECEIPTS TAXES, AND EXCISE TAXES**

68.19 Section 1. **[270C.155] 2024 SALES TAX REFUND ACCOUNT.**

68.20 Subdivision 1. **Account creation.** The 2024 sales tax refund account is created in the  
 68.21 special revenue fund. Any amount remaining in the 2024 sales tax refund account on July  
 68.22 1, 2029, cancels to the general fund.

68.23 Subd. 2. **Expiration.** This section expires July 1, 2029.

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

68.25 Sec. 2. Minnesota Statutes 2022, section 295.53, subdivision 4a, is amended to read:

68.26 Subd. 4a. **Credit for research.** (a) In addition to the exemptions allowed under  
 68.27 subdivision 1, a hospital or health care provider may claim an annual credit against the total  
 68.28 amount of tax, if any, the hospital or health care provider owes for that calendar year under  
 68.29 sections 295.50 to 295.57. The credit shall equal ~~2.5~~ 0.50 percent of revenues for patient  
 68.30 services used to fund expenditures for qualifying research conducted by an allowable research

69.1 program. The amount of the credit shall not exceed the tax liability of the hospital or health  
69.2 care provider under sections 295.50 to 295.57.

69.3 (b) For purposes of this subdivision, the following requirements apply:

69.4 (1) expenditures must be for program costs of qualifying research conducted by an  
69.5 allowable research program;

69.6 (2) an allowable research program must be a formal program of medical and health care  
69.7 research conducted by an entity which is exempt under section 501(c)(3) of the Internal  
69.8 Revenue Code as defined in section 289A.02, subdivision 7, or is owned and operated under  
69.9 authority of a governmental unit;

69.10 (3) qualifying research must:

69.11 (A) be approved in writing by the governing body of the hospital or health care provider  
69.12 which is taking the deduction under this subdivision;

69.13 (B) have as its purpose the development of new knowledge in basic or applied science  
69.14 relating to the diagnosis and treatment of conditions affecting the human body;

69.15 (C) be subject to review by individuals with expertise in the subject matter of the proposed  
69.16 study but who have no financial interest in the proposed study and are not involved in the  
69.17 conduct of the proposed study; and

69.18 (D) be subject to review and supervision by an institutional review board operating in  
69.19 conformity with federal regulations if the research involves human subjects or an institutional  
69.20 animal care and use committee operating in conformity with federal regulations if the  
69.21 research involves animal subjects. Research expenses are not exempt if the study is a routine  
69.22 evaluation of health care methods or products used in a particular setting conducted for the  
69.23 purpose of making a management decision. Costs of clinical research activities paid directly  
69.24 for the benefit of an individual patient are excluded from this exemption. Basic research in  
69.25 fields including biochemistry, molecular biology, and physiology are also included if such  
69.26 programs are subject to a peer review process.

69.27 (c) No credit shall be allowed under this subdivision for any revenue received by the  
69.28 hospital or health care provider in the form of a grant, gift, or otherwise, whether from a  
69.29 government or nongovernment source, on which the tax liability under section 295.52 is  
69.30 not imposed.

69.31 (d) The taxpayer shall apply for the credit under this section on the annual return under  
69.32 section 295.55, subdivision 5.

70.1 ~~(e) Beginning September 1, 2001, if the actual or estimated amount paid under this~~  
 70.2 ~~section for the calendar year exceeds \$2,500,000, the commissioner of management and~~  
 70.3 ~~budget shall determine the rate of the research credit for the following calendar year to the~~  
 70.4 ~~nearest one-half percent so that refunds paid under this section will most closely equal~~  
 70.5 ~~\$2,500,000. The commissioner of management and budget shall publish in the State Register~~  
 70.6 ~~by October 1 of each year the rate of the credit for the following calendar year. A~~  
 70.7 ~~determination under this section is not subject to the rulemaking provisions of chapter 14.~~

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

70.9 Sec. 3. Minnesota Statutes 2023 Supplement, section 297A.67, subdivision 40, is amended  
 70.10 to read:

70.11 Subd. 40. **Safety devices; firearm storage units.** (a) Safety devices and secure firearm  
 70.12 storage units are exempt. For the purposes of this subdivision:

70.13 (1) "safety device" has the meaning given in United States Code, title 18, section  
 70.14 921(a)(34)(A);

70.15 (2) "secure firearm storage unit" means a container that is fully enclosed and locked by  
 70.16 a padlock, keylock, combination lock, or similar locking device, and is either specifically  
 70.17 designed for the safe storage of firearms or sold for that purpose by a federally licensed  
 70.18 firearms dealer; and

70.19 ~~(2)~~ (3) "firearm" has the meaning provided in section 97A.015, subdivision 19.

70.20 (b) The seller of a safety device or secure firearm storage unit must neither collect, nor  
 70.21 transmit to any private or public entity, any personal data of or information about a purchaser  
 70.22 resulting from a sale eligible for the exemption under this subdivision.

70.23 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
 70.24 30, 2024.

70.25 Sec. 4. Minnesota Statutes 2022, section 297A.68, subdivision 42, is amended to read:

70.26 Subd. 42. **Qualified Data centers.** (a) Purchases of enterprise information technology  
 70.27 equipment and computer software for use in a qualified data center, ~~or a qualified refurbished~~  
 70.28 ~~data center, or a qualified large-scale data center~~ are exempt, except that computer software  
 70.29 maintenance agreements are exempt for purchases made after June 30, 2013. ~~The tax on~~  
 70.30 ~~purchases exempt under this paragraph must be imposed and collected as if the rate under~~  
 70.31 ~~section 297A.62, subdivision 1, applied, and then refunded after June 30, 2013, in the manner~~  
 70.32 ~~provided in section 297A.75.~~ This exemption includes enterprise information technology

71.1 equipment and computer software purchased to replace or upgrade enterprise information  
 71.2 technology equipment and computer software in a qualified data center, ~~or~~ a qualified  
 71.3 refurbished data center, or a qualified large-scale data center.

71.4 (b) For a qualified data center or qualified refurbished data center, the tax on purchases  
 71.5 exempt under paragraph (a) must be imposed and collected as if the rate under section  
 71.6 297A.62, subdivision 1, applied, and then refunded in the manner provided in section  
 71.7 297A.75.

71.8 (c) For a qualified large-scale data center, the exemption under paragraph (a) applies at  
 71.9 the time of purchase, subject to the requirements of paragraphs (m) and (o) to (q).

71.10 ~~(b)~~ (d) Electricity used or consumed in the operation of a qualified data center ~~or~~ qualified  
 71.11 refurbished data center, or qualified large-scale data center is exempt.

71.12 ~~(e)~~ (e) For purposes of this subdivision, "qualified data center" means a facility in  
 71.13 Minnesota:

71.14 (1) that is comprised of one or more buildings that consist in the aggregate of at least  
 71.15 25,000 square feet, and that are located on a single parcel or on contiguous parcels, where  
 71.16 the total cost of construction or refurbishment, investment in enterprise information  
 71.17 technology equipment, and computer software is at least \$30,000,000 within a 48-month  
 71.18 period. The 48-month period begins no sooner than July 1, 2012, except that costs for  
 71.19 computer software maintenance agreements purchased before July 1, 2013, are not included  
 71.20 in determining if the \$30,000,000 threshold has been met;

71.21 (2) that is constructed or substantially refurbished after June 30, 2012, where  
 71.22 "substantially refurbished" means that at least 25,000 square feet have been rebuilt or  
 71.23 modified, including:

71.24 (i) installation of enterprise information technology equipment; environmental control,  
 71.25 computer software, and energy efficiency improvements; and

71.26 (ii) building improvements; and

71.27 (3) that is used to house enterprise information technology equipment, where the facility  
 71.28 has the following characteristics:

71.29 (i) uninterruptible power supplies, generator backup power, or both;

71.30 (ii) sophisticated fire suppression and prevention systems; and

71.31 (iii) enhanced security. A facility will be considered to have enhanced security if it has  
 71.32 restricted access to the facility to selected personnel; permanent security guards; video

72.1 camera surveillance; an electronic system requiring pass codes, keycards, or biometric scans,  
72.2 such as hand scans and retinal or fingerprint recognition; or similar security features.

72.3 In determining whether the facility has the required square footage, the square footage  
72.4 of the following spaces shall be included if the spaces support the operation of enterprise  
72.5 information technology equipment: office space, meeting space, and mechanical and other  
72.6 support facilities. For purposes of this subdivision, "computer software" includes, but is not  
72.7 limited to, software utilized or loaded at a qualified data center ~~or~~ qualified refurbished  
72.8 data center, or qualified large-scale data center, including maintenance, licensing, and  
72.9 software customization.

72.10 ~~(d)~~ (f) For purposes of this subdivision, a "qualified refurbished data center" means an  
72.11 existing facility that qualifies as a data center under paragraph ~~(e)~~ (e), clauses (2) and (3),  
72.12 but that is comprised of one or more buildings that consist in the aggregate of at least 25,000  
72.13 square feet, and that are located on a single parcel or contiguous parcels, where the total  
72.14 cost of construction or refurbishment, investment in enterprise information technology  
72.15 equipment, and computer software is at least \$50,000,000 within a 24-month period.

72.16 ~~(e)~~ (g) For purposes of this subdivision, "enterprise information technology equipment"  
72.17 means computers and equipment supporting computing, networking, or data storage,  
72.18 including servers and routers. It includes, but is not limited to: cooling systems, cooling  
72.19 towers, and other temperature control infrastructure; power infrastructure for transformation,  
72.20 distribution, or management of electricity used for the maintenance and operation of a  
72.21 qualified data center or qualified refurbished data center, including but not limited to exterior  
72.22 dedicated business-owned substations, backup power generation systems, battery systems,  
72.23 and related infrastructure; and racking systems, cabling, and trays, which are necessary for  
72.24 the maintenance and operation of the qualified data center ~~or~~ qualified refurbished data  
72.25 center, or qualified large-scale data center.

72.26 (h) For purposes of this subdivision, "qualified large-scale data center" means a facility  
72.27 in Minnesota:

72.28 (1) that is comprised of one or more buildings connected to each other by fiber and  
72.29 associated equipment that consist in the aggregate of at least 25,000 square feet, and that  
72.30 are located in one physical location or multiple locations; and

72.31 (2) for which the total cost of construction or refurbishment, investment in enterprise  
72.32 information technology equipment, and computer software is at least \$250,000,000  
72.33 collectively by the facility and its tenants within a 60-month period beginning after June  
72.34 30, 2024.



73.1 ~~(f)~~ (i) A qualified data center ~~or~~, qualified refurbished data center, or qualified large-scale  
 73.2 data center may claim the exemptions in this subdivision for purchases made either within  
 73.3 20 years of the date of its first purchase qualifying for the exemption under paragraph (a),  
 73.4 or by June 30, 2042, whichever is earlier.

73.5 ~~(g) The purpose of this exemption is to create jobs in the construction and data center~~  
 73.6 ~~industries.~~

73.7 ~~(h)~~ (j) This subdivision is effective for sales and purchases made before July 1, 2042.

73.8 ~~(i)~~ (k) The commissioner of employment and economic development must certify to the  
 73.9 commissioner of revenue, in a format approved by the commissioner of revenue, when a  
 73.10 qualified data center has met the requirements under paragraph ~~(e)~~ (e), or a qualified  
 73.11 refurbished data center has met the requirements under paragraph ~~(d)~~ (f). The certification  
 73.12 must provide the following information regarding each qualified data center or qualified  
 73.13 refurbished data center:

73.14 (1) the total square footage amount;

73.15 (2) the total amount of construction or refurbishment costs and the total amount of  
 73.16 qualifying investments in enterprise information technology equipment and computer  
 73.17 software;

73.18 (3) for a qualified data center or qualified refurbished data center, the beginning and  
 73.19 ending of the applicable period under either paragraph ~~(e)~~ (e) or ~~(d)~~ (f) in which the qualifying  
 73.20 expenditures and purchases under clause (2) were made, but in no case shall the period  
 73.21 begin before July 1, 2012; and

73.22 (4) the date upon which the qualified data center first met the requirements under  
 73.23 paragraph ~~(e)~~ (e), or a qualified refurbished data center first met the requirements under  
 73.24 paragraph ~~(d)~~ (f).

73.25 ~~(j)~~ (l) Any refund for sales tax paid on qualifying purchases under ~~this~~  
 73.26 ~~subdivision~~ paragraph (b) must not be issued unless the commissioner of revenue has received  
 73.27 the certification required under paragraph ~~(i)~~ (k) issued by the commissioner of employment  
 73.28 and economic development.

73.29 (m) The exemption under paragraph (c) applies only if an entity seeking the exemption  
 73.30 certifies to the commissioner of employment and economic development that it will meet  
 73.31 the requirements of paragraph (h) before making any qualifying purchases. The certification  
 73.32 must be made in the form and manner prescribed by the commissioner of employment and  
 73.33 economic development, in consultation with the commissioner. The commissioner of

74.1 employment and economic development must examine the information provided in the  
 74.2 certification and notify the commissioner within 30 days whether it has verified the  
 74.3 information. The notification must include an estimate of the beginning and ending of the  
 74.4 period for which sales and purchases are exempt under paragraph (c). The commissioner  
 74.5 must then notify the entity seeking the exemption under paragraph (c) within ten days of  
 74.6 the determination by the commissioner of employment and economic development and, if  
 74.7 applicable, confirm that the exemption under paragraph (c) applies. Purchases made before  
 74.8 the commissioner has notified the entity of the determination by the commissioner of  
 74.9 employment and economic development do not qualify for the exemption under paragraph  
 74.10 (c), but may be eligible to qualify for the exemption under paragraph (b).

74.11 ~~(k)~~ (n) The commissioner of employment and economic development must annually  
 74.12 notify the commissioner of revenue of the qualified data centers that are projected to meet  
 74.13 the requirements under paragraph ~~(e)~~(e) and the qualified refurbished data centers that are  
 74.14 projected to meet the requirements under paragraph ~~(d)~~(f) and qualified large-scale data  
 74.15 centers that are projected to meet the requirements under paragraph (h) in each of the next  
 74.16 four years. The notification must provide the information required under paragraph ~~(j)~~(k),  
 74.17 clauses (1) to (4), for each qualified data center or qualified refurbished data center.

74.18 (o) Laborers and mechanics performing work to construct or refurbish qualified data  
 74.19 centers, qualified refurbished data centers, and qualified large-scale data centers must be  
 74.20 paid the prevailing-wage rate for the work as defined in section 177.42, subdivision 6. Work  
 74.21 performed to construct or refurbish qualified data centers, qualified refurbished data centers,  
 74.22 and qualified large-scale data centers is subject to the requirements and enforcement  
 74.23 provisions of sections 177.27, 177.30, 177.32, and 177.41 to 177.45. For purposes of this  
 74.24 paragraph, "refurbish" does not include maintenance or equipment refreshment or  
 74.25 replacement.

74.26 (p) Within three years after being placed in service, a qualified large-scale data center  
 74.27 must certify to the commissioner of employment and economic development that the facility  
 74.28 has attained certification under one or more of the following sustainable design or green  
 74.29 building standards:

74.30 (1) BREEAM for new construction or BREEAM in-use;

74.31 (2) Energy Star;

74.32 (3) Envision;

74.33 (4) ISO 50001-energy management;

- 75.1 (5) LEED for building design and construction or LEED for operations and maintenance;  
 75.2 (6) green globes for new construction or green globes for existing buildings;  
 75.3 (7) UL 3223; or  
 75.4 (8) other reasonable standards approved by the commissioner of employment and  
 75.5 economic development.

75.6 (q) Notwithstanding section 289A.38, subdivision 1, the amount of the exemption allowed  
 75.7 under paragraph (c) must be repaid to the commissioner if the commissioner of employment  
 75.8 and economic development determines that a qualified large-scale data center has not met  
 75.9 the requirements under paragraph (p). Nothing in this paragraph prohibits the commissioner  
 75.10 from making an assessment of tax, interest, or penalties if the commissioner determines  
 75.11 that sales to and purchases made by a qualified large-scale data center do not qualify for  
 75.12 the exemption under paragraph (c).

75.13 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
 75.14 30, 2024.

75.15 Sec. 5. Minnesota Statutes 2022, section 297A.70, subdivision 19, is amended to read:

75.16 Subd. 19. **Nonprofit snowmobile clubs; machinery and equipment.** (a) The following  
 75.17 sales to an eligible nonprofit snowmobile club are exempt:

75.18 (1) sales of tangible personal property to a nonprofit snowmobile club, including  
 75.19 grooming machines, attachments, other associated accessories, and repair parts, that is used  
 75.20 primarily and directly for the grooming of state or grant-in-aid snowmobile trails are exempt.  
 75.21 The exemption applies to grooming machines, attachments, other associated accessories,  
 75.22 and repair parts; and

75.23 (2) sales of materials and supplies used or consumed in, and equipment incorporated  
 75.24 into, the construction, reconstruction, maintenance, or improvement of state or grant-in-aid  
 75.25 snowmobile trails, completed by the nonprofit snowmobile club.

75.26 (b) A nonprofit snowmobile club is eligible for the exemption under this subdivision if  
 75.27 it received, in the current year or in the previous three-year period, a state grant-in-aid  
 75.28 maintenance and grooming grant administered by the Department of Natural Resources by  
 75.29 applying for the grant with a local unit of government sponsor.

75.30 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
 75.31 30, 2024.

76.1 Sec. 6. Minnesota Statutes 2022, section 297A.75, subdivision 1, as amended by Laws  
76.2 2024, chapter 85, section 95, is amended to read:

76.3 Subdivision 1. **Tax collected.** The tax on the gross receipts from the sale of the following  
76.4 exempt items must be imposed and collected as if the sale were taxable and the rate under  
76.5 section 297A.62, subdivision 1, applied. The exempt items include:

76.6 (1) building materials for an agricultural processing facility exempt under section  
76.7 297A.71, subdivision 13;

76.8 (2) building materials for mineral production facilities exempt under section 297A.71,  
76.9 subdivision 14;

76.10 (3) building materials for correctional facilities under section 297A.71, subdivision 3;

76.11 (4) building materials used in a residence for veterans with a disability exempt under  
76.12 section 297A.71, subdivision 11;

76.13 (5) elevators and building materials exempt under section 297A.71, subdivision 12;

76.14 (6) materials and supplies for qualified low-income housing under section 297A.71,  
76.15 subdivision 23;

76.16 (7) materials, supplies, and equipment for municipal electric utility facilities under  
76.17 section 297A.71, subdivision 35;

76.18 (8) equipment and materials used for the generation, transmission, and distribution of  
76.19 electrical energy and an aerial camera package exempt under section 297A.68, subdivision  
76.20 37;

76.21 (9) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph  
76.22 (a), clause (10);

76.23 (10) materials, supplies, and equipment for construction or improvement of projects and  
76.24 facilities under section 297A.71, subdivision 40;

76.25 (11) enterprise information technology equipment and computer software for use in a  
76.26 qualified data center or qualified refurbished data center exempt under section 297A.68,  
76.27 subdivision 42, paragraph (b);

76.28 (12) materials, supplies, and equipment for qualifying capital projects under section  
76.29 297A.71, subdivision 44, paragraph (a), clause (1), and paragraph (b);

76.30 (13) items purchased for use in providing critical access dental services exempt under  
76.31 section 297A.70, subdivision 7, paragraph (c);

77.1 (14) items and services purchased under a business subsidy agreement for use or  
77.2 consumption primarily in greater Minnesota exempt under section 297A.68, subdivision  
77.3 44;

77.4 (15) building materials, equipment, and supplies for constructing or replacing real  
77.5 property exempt under section 297A.71, subdivisions 49; 50, paragraph (b); and 51;

77.6 (16) building materials, equipment, and supplies for qualifying capital projects under  
77.7 section 297A.71, subdivision 52; and

77.8 (17) building materials, equipment, and supplies for constructing, remodeling, expanding,  
77.9 or improving a fire station, police station, or related facilities exempt under section 297A.71,  
77.10 subdivision 53.

77.11 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
77.12 30, 2024.

77.13 Sec. 7. Minnesota Statutes 2022, section 297F.01, subdivision 10b, is amended to read:

77.14 Subd. 10b. **Moist snuff.** "Moist snuff" means any finely cut, ground, or powdered  
77.15 smokeless tobacco, or similar product containing nicotine, that is intended to be placed or  
77.16 dipped in the mouth.

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

77.18 Sec. 8. Minnesota Statutes 2022, section 297F.01, subdivision 19, is amended to read:

77.19 Subd. 19. **Tobacco products.** (a) "Tobacco products" means any product containing,  
77.20 made, or derived from tobacco that is intended for human consumption, whether chewed,  
77.21 smoked, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, or  
77.22 any component, part, or accessory of a tobacco product, including, but not limited to, cigars;  
77.23 cheroots; stogies; periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking  
77.24 tobacco; snuff; snuff flour; cavendish; plug and twist tobacco; fine-cut and other chewing  
77.25 tobacco; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco, and other kinds  
77.26 and forms of tobacco; but does not include cigarettes as defined in this section. Tobacco  
77.27 products includes nicotine solution products and moist snuff. Tobacco products excludes  
77.28 any tobacco product that has been approved by the United States Food and Drug  
77.29 Administration for sale as a tobacco cessation product, as a tobacco dependence product,  
77.30 or for other medical purposes, and is being marketed and sold solely for such an approved  
77.31 purpose.

78.1 (b) Except for the imposition of tax under section 297F.05, subdivisions 3 and 4, tobacco  
78.2 products includes a premium cigar, as defined in subdivision 13a.

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

78.4 Sec. 9. Minnesota Statutes 2022, section 609.902, subdivision 4, is amended to read:

78.5 Subd. 4. **Criminal act.** "Criminal act" means conduct constituting, or a conspiracy or  
78.6 attempt to commit, a felony violation of chapter 152, or a felony violation of section ~~297D.09~~;  
78.7 299F.79; 299F.80; 299F.82; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222;  
78.8 609.223; 609.2231; 609.228; 609.235; 609.245; 609.25; 609.27; 609.322; 609.342; 609.343;  
78.9 609.344; 609.345; 609.42; 609.48; 609.485; 609.495; 609.496; 609.497; 609.498; 609.52,  
78.10 subdivision 2, if the offense is punishable under subdivision 3, clause (1), if the property is  
78.11 a firearm, clause (3)(b), or clause (3)(d)(v); section 609.52, subdivision 2, paragraph (a),  
78.12 clause (1) or (4); 609.527, if the crime is punishable under subdivision 3, clause (4); 609.528,  
78.13 if the crime is punishable under subdivision 3, clause (4); 609.53; 609.561; 609.562; 609.582,  
78.14 subdivision 1 or 2; 609.668, subdivision 6, paragraph (a); 609.67; 609.687; 609.713; 609.86;  
78.15 609.894, subdivision 3 or 4; 609.895; 624.713; 624.7191; or 626A.02, subdivision 1, if the  
78.16 offense is punishable under section 626A.02, subdivision 4, paragraph (a). "Criminal act"  
78.17 also includes conduct constituting, or a conspiracy or attempt to commit, a felony violation  
78.18 of section 609.52, subdivision 2, clause (3), (4), (15), or (16), if the violation involves an  
78.19 insurance company as defined in section 60A.02, subdivision 4, a nonprofit health service  
78.20 plan corporation regulated under chapter 62C, a health maintenance organization regulated  
78.21 under chapter 62D, or a fraternal benefit society regulated under chapter 64B.

78.22 **EFFECTIVE DATE.** This section is effective August 1, 2024.

78.23 Sec. 10. Laws 2023, chapter 64, article 5, section 25, subdivision 1, is amended to read:

78.24 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
78.25 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
78.26 or remodeling of a new water treatment plant and trunk water main improvements in the  
78.27 city of Ramsey are exempt from sales and use tax under Minnesota Statutes, chapter 297A,  
78.28 provided that the materials, supplies, and equipment are purchased after December 31, 2022,  
78.29 and before July 1, 2027.

78.30 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
78.31 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
78.32 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
78.33 purchases must not be issued until after June 30, 2023, and before July 1, 2027.

79.1 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 79.2 made after December 31, 2022, and before July 1, 2027.

79.3 Sec. 11. **ADRIAN INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX**  
 79.4 **EXEMPTION FOR CONSTRUCTION MATERIALS.**

79.5 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 79.6 equipment incorporated into the following projects in Independent School District No. 511,  
 79.7 Adrian, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A,  
 79.8 if the materials, supplies, and equipment are purchased after March 31, 2024, and before  
 79.9 September 1, 2025:

79.10 (1) secondary building roofing; and

79.11 (2) elementary building roofing.

79.12 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 79.13 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 79.14 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

79.15 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 79.16 exceed \$4,999.

79.17 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 79.18 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 79.19 commissioner of revenue.

79.20 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 79.21 made after March 31, 2024, and before September 1, 2025.

79.22 Sec. 12. **CITY OF APPLE VALLEY; SALES AND USE TAX EXEMPTION FOR**  
 79.23 **CONSTRUCTION MATERIALS.**

79.24 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 79.25 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
 79.26 or remodeling of the Central Maintenance Facility in the city of Apple Valley are exempt  
 79.27 from sales and use tax under Minnesota Statutes, chapter 297A, if the materials, supplies,  
 79.28 and equipment are purchased after February 29, 2024, and before July 1, 2028.

79.29 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 79.30 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 79.31 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

80.1 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
80.2 exceed \$540,000.

80.3 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
80.4 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
80.5 commissioner of revenue.

80.6 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
80.7 made after February 29, 2024, and before July 1, 2028.

80.8 Sec. 13. **BECKER PUBLIC SCHOOL DISTRICT; SALES AND USE TAX**  
80.9 **EXEMPTION FOR CONSTRUCTION MATERIALS.**

80.10 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
80.11 incorporated into the construction and renovation projects for Becker Early Childhood,  
80.12 Becker Primary School, Becker Intermediate School, Becker Middle School, Becker High  
80.13 School, Becker Transportation Building, and the Becker Multi-Purpose Athletic Facility in  
80.14 Independent School District No. 726, Becker, are exempt from sales and use tax imposed  
80.15 under Minnesota Statutes, chapter 297A. The exemption under this subdivision only applies  
80.16 if materials, supplies, and equipment are purchased after December 31, 2021, and before  
80.17 January 1, 2026.

80.18 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
80.19 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
80.20 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
80.21 purchases must not be issued until after June 30, 2024.

80.22 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
80.23 exceed \$1,180,000.

80.24 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
80.25 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
80.26 commissioner of revenue.

80.27 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
80.28 made after December 31, 2021, and before January 1, 2026.

80.29 Sec. 14. **BIG LAKE INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX**  
80.30 **EXEMPTION FOR CONSTRUCTION MATERIALS.**

80.31 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
80.32 equipment incorporated into the construction and renovation projects for Big Lake Liberty



81.1 Elementary School, Big Lake Independence Elementary School, Big Lake Middle School,  
81.2 and Big Lake High School in Independent School District No. 727, Big Lake, are exempt  
81.3 from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials,  
81.4 supplies, and equipment are purchased after December 31, 2021, and before January 1,  
81.5 2025.

81.6 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
81.7 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
81.8 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

81.9 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
81.10 exceed \$780,000.

81.11 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
81.12 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
81.13 commissioner of revenue.

81.14 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
81.15 made after December 31, 2021, and before January 1, 2025.

81.16 Sec. 15. **BROWERVILLE PUBLIC SCHOOLS; SALES AND USE TAX**  
81.17 **EXEMPTION FOR CONSTRUCTION MATERIALS.**

81.18 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
81.19 incorporated into the following projects in Independent School District No. 787, Browerville  
81.20 Public Schools, are exempt from sales and use tax imposed under Minnesota Statutes,  
81.21 chapter 297A, if the materials, supplies, and equipment are purchased after December 31,  
81.22 2023, and before January 1, 2026:

81.23 (1) renovations to the prekindergarten through grade 12 school building; and

81.24 (2) construction of a new gymnasium, classrooms, locker rooms, a wrestling and weight  
81.25 room, offices, and a stage.

81.26 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
81.27 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
81.28 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
81.29 purchases must not be issued until after June 30, 2024.

81.30 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
81.31 exceed \$580,000.

82.1 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 82.2 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 82.3 commissioner of revenue.

82.4 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 82.5 made after December 31, 2023, and before January 1, 2026.

82.6 Sec. 16. **CITY OF BURNSVILLE; SALES AND USE TAX EXEMPTION FOR**  
 82.7 **CONSTRUCTION MATERIALS.**

82.8 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 82.9 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
 82.10 or remodeling of a new city hall in the city of Burnsville are exempt from sales and use tax  
 82.11 under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are  
 82.12 purchased after December 31, 2024, and before July 1, 2028.

82.13 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 82.14 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 82.15 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

82.16 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 82.17 exceed \$760,000.

82.18 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 82.19 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 82.20 commissioner of revenue.

82.21 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
 82.22 December 31, 2024, and before July 1, 2028.

82.23 Sec. 17. **CANBY INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX**  
 82.24 **EXEMPTION FOR CONSTRUCTION MATERIALS.**

82.25 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 82.26 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
 82.27 or remodeling of the following projects in the elementary and high schools in Independent  
 82.28 School District No. 891, Canby, are exempt from sales and use tax imposed under Minnesota  
 82.29 Statutes, chapter 297A, if materials, supplies, and equipment are purchased after December  
 82.30 31, 2023, and before January 1, 2026:

82.31 (1) a new gymnasium with improved community access;

- 83.1 (2) career technical education space addition;
- 83.2 (3) HVAC upgrades;
- 83.3 (4) a new eight-lane track;
- 83.4 (5) athletic field improvements and upgrades;
- 83.5 (6) stadium seating and press box renovations;
- 83.6 (7) secure entrance upgrades for both schools with associated administrative office
- 83.7 relocations;
- 83.8 (8) renovations to existing locker rooms;
- 83.9 (9) classroom renovations;
- 83.10 (10) site drainage; and
- 83.11 (11) other associated renovations.
- 83.12 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
- 83.13 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects
- 83.14 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).
- 83.15 (c) The total amount of refunds issued for the exemption under paragraph (a) must not
- 83.16 exceed \$860,000.
- 83.17 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
- 83.18 is appropriated from the 2024 sales tax refund account in the special revenue fund to the
- 83.19 commissioner of revenue.
- 83.20 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
- 83.21 made after December 31, 2023, and before January 1, 2026.
- 83.22 Sec. 18. **CASS LAKE-BENA INDEPENDENT SCHOOL DISTRICT; SALES AND**
- 83.23 **USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**
- 83.24 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and
- 83.25 equipment incorporated into the construction and equipping of a new elementary school,
- 83.26 and the construction of improvements to repurpose and remodel the existing elementary
- 83.27 school facility for use as an early childhood and preschool site, alternative learning center,
- 83.28 and district service center in Independent School District No. 115, Cass Lake-Bena, are
- 83.29 exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials,
- 83.30 supplies, and equipment are purchased after June 30, 2023, and before October 1, 2025.

84.1 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 84.2 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 84.3 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

84.4 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 84.5 exceed \$980,000.

84.6 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 84.7 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 84.8 commissioner of revenue.

84.9 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 84.10 made after June 30, 2023, and before October 1, 2025.

84.11 Sec. 19. **CITY OF CHANHASSEN; SALES AND USE TAX EXEMPTION FOR**  
 84.12 **CONSTRUCTION MATERIALS.**

84.13 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 84.14 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
 84.15 or remodeling of the Chanhassen Bluffs Sports Complex in the city of Chanhassen are  
 84.16 exempt from sales and use tax under Minnesota Statutes, chapter 297A, if the materials,  
 84.17 supplies, and equipment are purchased after August 31, 2025, and before October 1, 2026.

84.18 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 84.19 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 84.20 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

84.21 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 84.22 exceed \$1,480,000.

84.23 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 84.24 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 84.25 commissioner of revenue.

84.26 **EFFECTIVE DATE.** This section is effective for sales and purchases made after August  
 84.27 31, 2025, and before October 1, 2026.

84.28 Sec. 20. **CITY OF COLUMBIA HEIGHTS; SALES AND USE TAX EXEMPTION**  
 84.29 **FOR CONSTRUCTION MATERIALS.**

84.30 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
 84.31 incorporated into the construction, reconstruction, upgrade, expansion, or remodeling of

85.1 the city hall facility in the city of Columbia Heights are exempt from sales and use tax  
 85.2 imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are  
 85.3 purchased after August 31, 2021, and before April 1, 2024.

85.4 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 85.5 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 85.6 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 85.7 purchases must not be issued until after June 30, 2024.

85.8 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 85.9 exceed \$220,000.

85.10 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 85.11 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 85.12 commissioner of revenue.

85.13 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 85.14 made after August 31, 2021, and before April 1, 2024.

85.15 Sec. 21. **CITY OF DELANO; SALES AND USE TAX EXEMPTION FOR**  
 85.16 **CONSTRUCTION MATERIALS.**

85.17 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 85.18 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
 85.19 or remodeling of an ice rink in the city of Delano are exempt from sales and use tax under  
 85.20 Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased  
 85.21 after November 30, 2023, and before January 1, 2026.

85.22 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 85.23 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 85.24 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 85.25 purchases must not be issued until after June 30, 2024.

85.26 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 85.27 exceed \$310,000.

85.28 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 85.29 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 85.30 commissioner of revenue.

85.31 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 85.32 made after November 30, 2023, and before January 1, 2026.

86.1      Sec. 22. **CITY OF EDINA; SALES AND USE TAX EXEMPTION FOR**  
86.2 **CONSTRUCTION MATERIALS.**

86.3      Subdivision 1. Exemption; refund. (a) Materials and supplies used or consumed in and  
86.4 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
86.5 or remodeling relating to the following projects in the city of Edina are exempt from sales  
86.6 and use tax under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment  
86.7 are purchased after December 31, 2023, and before July 1, 2028:

86.8      (1) development of Fred Richards Park as identified in the Fred Richards Park Master  
86.9 Plan; and

86.10     (2) improvements to Braemar Park as identified in the Braemar Park Master Plan.

86.11     (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
86.12 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
86.13 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
86.14 purchases must not be issued until after June 30, 2024.

86.15     (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
86.16 exceed \$870,000.

86.17     Subd. 2. Appropriation. The amount required to pay the refunds under subdivision 1  
86.18 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
86.19 commissioner of revenue.

86.20     EFFECTIVE DATE. This section is effective retroactively for sales and purchases  
86.21 made after December 31, 2023, and before July 1, 2028.

86.22     Sec. 23. **ELLSWORTH INDEPENDENT SCHOOL DISTRICT; SALES AND USE**  
86.23 **TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

86.24     Subdivision 1. Exemption; refund. (a) Materials and supplies used or consumed in and  
86.25 equipment incorporated into the following projects in Independent School District No. 514,  
86.26 Ellsworth, are exempt from sales and use tax imposed under Minnesota Statutes, chapter  
86.27 297A, if the materials, supplies, and equipment are purchased after December 31, 2024,  
86.28 and before October 1, 2025:

86.29     (1) replacement of a boiler system with a heating and cooling HVAC system;

86.30     (2) replacement of windows in the elementary wing;

86.31     (3) replacement of the gym roof and shop roof;

87.1 (4) replacement of fuel oil with propane for the new HVAC system;

87.2 (5) installation of a new electrical system for the new HVAC system;

87.3 (6) building tuckpointing; and

87.4 (7) renovation of the bus garage.

87.5 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 87.6 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 87.7 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

87.8 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 87.9 exceed \$160,000.

87.10 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 87.11 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 87.12 commissioner of revenue.

87.13 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
 87.14 December 31, 2024, and before October 1, 2025.

87.15 Sec. 24. **CITY OF GRAND RAPIDS; SALES AND USE TAX EXEMPTION FOR**  
 87.16 **CONSTRUCTION MATERIALS.**

87.17 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 87.18 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
 87.19 or remodeling of the IRA Civic Center in the city of Grand Rapids are exempt from sales  
 87.20 and use tax under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment  
 87.21 are purchased after June 30, 2021, and before July 1, 2024.

87.22 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 87.23 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 87.24 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

87.25 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 87.26 exceed \$580,000.

87.27 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 87.28 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 87.29 commissioner of revenue.

87.30 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 87.31 made after June 30, 2021, and before July 1, 2024.

88.1 **Sec. 25. HERON LAKE-OKABENA INDEPENDENT SCHOOL DISTRICT; SALES**  
88.2 **AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

88.3 **Subdivision 1. Exemption; refund.** (a) Materials and supplies used or consumed in and  
88.4 equipment incorporated into the construction of school building updates including roof  
88.5 replacement, concrete work, tuckpointing, windows, flooring, bus garage doors, Heron Lake  
88.6 doors, bathroom fixtures and upgrades, and pool filter replacement in Independent School  
88.7 District No. 330, Heron Lake-Okabena, are exempt from sales and use tax imposed under  
88.8 Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased  
88.9 after May 31, 2024, and before January 1, 2025.

88.10 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
88.11 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
88.12 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

88.13 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
88.14 exceed \$100,000.

88.15 **Subd. 2. Appropriation.** The amount required to pay the refunds under subdivision 1  
88.16 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
88.17 commissioner of revenue.

88.18 **EFFECTIVE DATE.** This section is effective for sales and purchases made after May  
88.19 31, 2024, and before January 1, 2025.

88.20 **Sec. 26. HILLS-BEAVER CREEK INDEPENDENT SCHOOL DISTRICT; SALES**  
88.21 **AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

88.22 **Subdivision 1. Exemption; refund.** (a) Materials and supplies used or consumed in and  
88.23 equipment incorporated into the construction of a new elementary school and parking lot,  
88.24 and repairs to a gymnasium, locker rooms, a vehicle garage, and a bus garage building in  
88.25 Independent School District No. 671, Hills-Beaver Creek, are exempt from sales and use  
88.26 tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and  
88.27 equipment are purchased after February 29, 2024, and before January 1, 2026.

88.28 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
88.29 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
88.30 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

88.31 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
88.32 exceed \$880,000.



89.1 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 89.2 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 89.3 commissioner of revenue.

89.4 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 89.5 made after February 29, 2024, and before January 1, 2026.

89.6 Sec. 27. **ITASCA COUNTY; SALES AND USE TAX EXEMPTION FOR**  
 89.7 **CONSTRUCTION MATERIALS.**

89.8 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 89.9 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
 89.10 or remodeling of the Itasca County courthouse are exempt from sales and use tax under  
 89.11 Minnesota Statutes, chapter 297A, provided that the materials, supplies, and equipment are  
 89.12 purchased after April 30, 2021, and before January 1, 2025.

89.13 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 89.14 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 89.15 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

89.16 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 89.17 exceed \$470,000.

89.18 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 89.19 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 89.20 commissioner of revenue.

89.21 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 89.22 made after April 30, 2021, and before January 1, 2025.

89.23 Sec. 28. **LAKE SUPERIOR SCHOOL DISTRICT; SALES AND USE TAX**  
 89.24 **EXEMPTION FOR CONSTRUCTION MATERIALS.**

89.25 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
 89.26 incorporated into the following projects in Independent School District No. 381, Lake  
 89.27 Superior School District, are exempt from sales and use tax imposed under applicable  
 89.28 statutes if materials, supplies, and equipment are purchased after December 31, 2022, and  
 89.29 before January 1, 2026:

89.30 (1) an addition and improvements to Minnehaha Elementary School;

89.31 (2) an addition and improvements to William Kelly School;

90.1 (3) improvements to Two Harbors High School;

90.2 (4) improvements to or replacement of the Two Harbors Bus Garage and Silver Bay  
 90.3 Bus Garage; and

90.4 (5) improvements to athletic facilities.

90.5 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 90.6 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 90.7 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 90.8 purchases must not be issued until after January 1, 2026.

90.9 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 90.10 exceed \$1,320,000.

90.11 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 90.12 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 90.13 commissioner of revenue.

90.14 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 90.15 made after December 31, 2022, and before January 1, 2026.

90.16 Sec. 29. **LE SUEUR-HENDERSON SCHOOL DISTRICT; SALES AND USE TAX**  
 90.17 **EXEMPTION FOR CONSTRUCTION MATERIALS.**

90.18 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
 90.19 incorporated into the construction of a new elementary school in Independent School District  
 90.20 No. 2397, Le Sueur-Henderson, are exempt from sales and use tax imposed under Minnesota  
 90.21 Statutes, chapter 297A, if materials, supplies, and equipment are purchased after May 31,  
 90.22 2023, and before January 1, 2025.

90.23 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 90.24 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 90.25 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 90.26 purchases must not be issued until after June 30, 2024.

90.27 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 90.28 exceed \$930,000.

90.29 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 90.30 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 90.31 commissioner of revenue.

91.1 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 91.2 made after May 31, 2023, and before January 1, 2025.

91.3 Sec. 30. **MARTIN COUNTY WEST INDEPENDENT SCHOOL DISTRICT; SALES**  
 91.4 **AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

91.5 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 91.6 equipment incorporated into the construction of a new prekindergarten through grade 12  
 91.7 school building in Independent School District No. 2448, Martin County West, are exempt  
 91.8 from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials,  
 91.9 supplies, and equipment are purchased after September 30, 2025, and before January 1,  
 91.10 2027.

91.11 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 91.12 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 91.13 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

91.14 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 91.15 exceed \$2,280,000.

91.16 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 91.17 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 91.18 commissioner of revenue.

91.19 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
 91.20 September 30, 2025, and before January 1, 2027.

91.21 Sec. 31. **CITY OF PLYMOUTH; SALES AND USE TAX EXEMPTION FOR**  
 91.22 **CONSTRUCTION MATERIALS.**

91.23 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 91.24 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
 91.25 or remodeling of the following projects relating to the City Center revitalization project in  
 91.26 the city of Plymouth are exempt from sales and use tax under Minnesota Statutes, chapter  
 91.27 297A, if the materials, supplies, and equipment are purchased after December 31, 2023,  
 91.28 and before July 1, 2028:

91.29 (1) construction of a public parking ramp;

91.30 (2) renovation of Plymouth Boulevard;

91.31 (3) expansion of the Plymouth Ice Center;

92.1 (4) construction of regional stormwater ponding;

92.2 (5) roadway realignment; and

92.3 (6) expansion of the Plymouth Community Center.

92.4 (b) Materials and supplies used or consumed in and equipment incorporated into the  
 92.5 renovation of the Zachary Water Treatment Plant and the renovation of Meadows Playfield  
 92.6 in the city of Plymouth are exempt from sales and use tax under Minnesota Statutes, chapter  
 92.7 297A, if the materials, supplies, and equipment are purchased after December 31, 2023,  
 92.8 and before July 1, 2028.

92.9 (c) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 92.10 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 92.11 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 92.12 purchases must not be issued until after June 30, 2024.

92.13 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 92.14 exceed \$620,000.

92.15 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 92.16 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 92.17 commissioner of revenue.

92.18 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 92.19 made after December 31, 2023, and before July 1, 2028.

92.20 Sec. 32. **CITY OF ROCHESTER; SALES AND USE TAX EXEMPTION FOR**  
 92.21 **CONSTRUCTION MATERIALS.**

92.22 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
 92.23 incorporated into the construction of a sports and recreation complex in the city of Rochester  
 92.24 are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if  
 92.25 materials, supplies, and equipment are purchased after June 30, 2023, and before July 1,  
 92.26 2028.

92.27 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 92.28 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 92.29 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

92.30 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 92.31 exceed \$1,320,000.

93.1 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 93.2 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 93.3 commissioner of revenue.

93.4 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 93.5 made after June 30, 2023, and before July 1, 2028.

93.6 Sec. 33. **ROUND LAKE-BREWSTER INDEPENDENT SCHOOL DISTRICT;**  
 93.7 **SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

93.8 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 93.9 equipment incorporated into the construction of a three-story school building project in  
 93.10 Independent School District No. 2907, Round Lake-Brewster, are exempt from sales and  
 93.11 use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and  
 93.12 equipment are purchased after December 31, 2023, and before September 1, 2026.

93.13 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 93.14 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 93.15 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

93.16 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 93.17 exceed \$870,000.

93.18 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 93.19 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 93.20 commissioner of revenue.

93.21 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 93.22 made after December 31, 2023, and before September 1, 2026.

93.23 Sec. 34. **RUSSELL TYLER RUTHTON INDEPENDENT SCHOOL DISTRICT;**  
 93.24 **SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

93.25 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 93.26 equipment incorporated into the construction of a prekindergarten through grade 12 school  
 93.27 building and athletic field in Independent School District No. 2902, Russell Tyler Ruthton,  
 93.28 are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the  
 93.29 materials, supplies, and equipment are purchased after December 31, 2019, and before  
 93.30 January 1, 2024.

93.31 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 93.32 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects

94.1 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Notwithstanding  
 94.2 Minnesota Statutes, section 289A.40, claims for refunds for sales and purchases made after  
 94.3 December 31, 2019, and before October 1, 2020, may be filed until January 1, 2025.

94.4 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 94.5 exceed \$1,590,000.

94.6 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 94.7 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 94.8 commissioner of revenue.

94.9 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 94.10 made after December 31, 2019, and before January 1, 2024.

94.11 Sec. 35. **CITY OF SPRING LAKE PARK; SALES AND USE TAX EXEMPTION**  
 94.12 **FOR CONSTRUCTION MATERIALS.**

94.13 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 94.14 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
 94.15 or remodeling of a city hall facility in the city of Spring Lake Park are exempt from sales  
 94.16 and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies,  
 94.17 and equipment are purchased after December 31, 2023, and before January 1, 2026.

94.18 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 94.19 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 94.20 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 94.21 purchases must not be issued until after June 30, 2024.

94.22 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 94.23 exceed \$360,000.

94.24 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 94.25 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 94.26 commissioner of revenue.

94.27 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 94.28 made after December 31, 2023, and before January 1, 2026.

95.1 **Sec. 36. ST. CLAIR SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION**  
 95.2 **FOR CONSTRUCTION MATERIALS.**

95.3 **Subdivision 1. Exemption; refund.** (a) Materials and supplies used or consumed in and  
 95.4 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
 95.5 or remodeling relating to the following projects in Independent School District No. 75, St.  
 95.6 Clair Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter  
 95.7 297A, if materials, supplies, and equipment are purchased after October 31, 2021, and before  
 95.8 November 1, 2025:

95.9 (1) construction of new classrooms and playgrounds; and

95.10 (2) improvements to roofs, parking lots, mechanical systems, and athletic spaces.

95.11 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 95.12 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 95.13 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 95.14 purchases must not be issued until after June 30, 2024.

95.15 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 95.16 exceed \$350,000.

95.17 **Subd. 2. Appropriation.** The amount required to pay the refunds under subdivision 1  
 95.18 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 95.19 commissioner of revenue.

95.20 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 95.21 made after October 31, 2021, and before November 1, 2025.

95.22 **Sec. 37. TRACY AREA INDEPENDENT SCHOOL DISTRICT; SALES AND USE**  
 95.23 **TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

95.24 **Subdivision 1. Exemption; refund.** (a) Materials and supplies used or consumed in and  
 95.25 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
 95.26 or remodeling of Tracy Elementary, Tracy High School, and Tracy Kids World in  
 95.27 Independent School District No. 2904, Tracy, are exempt from sales and use tax imposed  
 95.28 under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased  
 95.29 after December 31, 2022, and before January 1, 2025.

95.30 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 95.31 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 95.32 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

96.1 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 96.2 exceed \$650,000.

96.3 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 96.4 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 96.5 commissioner of revenue.

96.6 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 96.7 made after December 31, 2022, and before January 1, 2025.

96.8 Sec. 38. **CITY OF WATERTOWN; SALES AND USE TAX EXEMPTION FOR**  
 96.9 **CONSTRUCTION MATERIALS.**

96.10 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 96.11 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
 96.12 or remodeling of a new water tower in the city of Watertown are exempt from sales and use  
 96.13 tax under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are  
 96.14 purchased after April 30, 2024, and before February 1, 2026.

96.15 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 96.16 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 96.17 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

96.18 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 96.19 exceed \$140,000.

96.20 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 96.21 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 96.22 commissioner of revenue.

96.23 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 96.24 made after April 30, 2024, and before February 1, 2026.

96.25 Sec. 39. **WINDOM INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX**  
 96.26 **EXEMPTION FOR CONSTRUCTION MATERIALS.**

96.27 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 96.28 equipment incorporated into the construction of facility roofing projects and HVAC upgrades,  
 96.29 athletic track replacement, and outdoor athletic complex improvements in Independent  
 96.30 School District No. 177, Windom, are exempt from sales and use tax imposed under  
 96.31 Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased  
 96.32 after June 30, 2024, and before January 1, 2027.



97.1 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
97.2 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
97.3 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

97.4 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
97.5 exceed \$870,000.

97.6 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
97.7 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
97.8 commissioner of revenue.

97.9 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
97.10 made after June 30, 2024, and before January 1, 2027.

97.11 Sec. 40. **CITY OF WOODBURY; SALES AND USE TAX EXEMPTION FOR**  
97.12 **CONSTRUCTION MATERIALS.**

97.13 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
97.14 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
97.15 or remodeling of a water treatment facility, including water pipeline infrastructure and  
97.16 associated improvements, funded by the city of Woodbury are exempt from sales and use  
97.17 tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies, and  
97.18 equipment are purchased after January 31, 2024, and before July 1, 2028.

97.19 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
97.20 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
97.21 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
97.22 purchases must not be issued until after June 30, 2024.

97.23 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
97.24 exceed \$2,070,000.

97.25 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
97.26 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
97.27 commissioner of revenue.

97.28 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
97.29 made after January 31, 2024, and before July 1, 2028.

98.1 Sec. 41. WORTHINGTON INDEPENDENT SCHOOL DISTRICT; SALES AND  
98.2 USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

98.3 Subdivision 1. Exemption; refund. (a) Materials and supplies used or consumed in and  
98.4 equipment incorporated into the following projects in Independent School District No. 518,  
98.5 Worthington, are exempt from sales and use tax imposed under Minnesota Statutes, chapter  
98.6 297A, if the materials, supplies, and equipment are purchased after April 30, 2020, and  
98.7 before January 1, 2028:

98.8 (1) construction of a new grades 3 through 5 intermediate school building;

98.9 (2) construction of a new community education building to serve early childhood, adult  
98.10 basic education, and the Nobles County Integration Collaborative programs;

98.11 (3) construction of a new storage facility to serve the Worthington Intermediate School,  
98.12 Worthington Learning Center and gymnastics facility, and Worthington Community  
98.13 Education building;

98.14 (4) reconstruction and replacement of the parking lot at the Worthington Middle School;

98.15 (5) construction of an addition to the Worthington High School and remodeling of  
98.16 existing space and expansion of core areas;

98.17 (6) construction of a new ice arena with associated event space;

98.18 (7) installation of a turf football field at the Worthington Middle School;

98.19 (8) demolition of the former West Elementary building and construction of sports fields  
98.20 with associated parking;

98.21 (9) reconstruction of Trojan Field and associated facilities; and

98.22 (10) improvements to the Worthington Learning Center and gymnastics facility.

98.23 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
98.24 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
98.25 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Notwithstanding  
98.26 Minnesota Statutes, section 289A.40, claims for refunds for sales and purchases made after  
98.27 April 30, 2020, and before October 1, 2020, may be filed until January 1, 2025.

98.28 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
98.29 exceed \$2,840,000.

99.1 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 99.2 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 99.3 commissioner of revenue.

99.4 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 99.5 made after April 30, 2020, and before January 1, 2028.

99.6 Sec. 42. **CITY OF DULUTH AND CITY OF ELY; HOUSING DEVELOPMENT**  
 99.7 **PROJECTS SALES AND USE TAX EXEMPTION.**

99.8 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 99.9 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
 99.10 or remodeling of the following projects in the city of Duluth and the city of Ely are exempt  
 99.11 from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials,  
 99.12 supplies, and equipment are purchased after December 31, 2023, and before July 1, 2026:

99.13 (1) an apartment development that includes at least 50 units;

99.14 (2) a condominium development that includes at least 25 units; and

99.15 (3) a townhome development that includes at least ten units.

99.16 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 99.17 297A.62, subdivision 1, applied. A refund equal to the tax paid on the gross receipts of  
 99.18 items exempt under this section must be paid to the applicant. The applicant must be the  
 99.19 owner of the development project described in paragraph (a), clauses (1) to (3). The  
 99.20 application must include sufficient information to permit the commissioner of revenue to  
 99.21 verify the tax paid. If the tax was paid by a contractor, subcontractor, or builder, the  
 99.22 contractor, subcontractor, or builder must furnish to the refund applicant a statement including  
 99.23 the cost of the exempt items and the taxes paid on the items. The provisions of Minnesota  
 99.24 Statutes, sections 289A.40 and 289A.50, apply to refunds under this section. Refunds for  
 99.25 eligible purchases must not be issued until after June 30, 2025.

99.26 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
 99.27 exceed \$3,890,000.

99.28 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 99.29 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
 99.30 commissioner of revenue.

99.31 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 99.32 made after December 31, 2023, and before July 1, 2026.

100.1 Sec. 43. CITY OF ST. CLOUD; REDEVELOPMENT DISTRICT SALES AND USE  
100.2 TAX EXEMPTION.

100.3 Subdivision 1. Exemption; refund. (a) Materials and supplies used in and equipment  
100.4 incorporated into private redevelopment projects on parcels listed in paragraph (b) are  
100.5 exempt, provided the resulting development is subject to property taxes.

100.6 (b) The exemption in this section applies to the following parcels, and adjacent roads  
100.7 and right of ways, with the tax identification numbers:

100.8 (1) in Stearns County: 82517020000 (Lady Slipper Catalyst Site); 82515440001 (North  
100.9 Riverfront Catalyst Site); 82515470000; 82515480000 (Empire Catalyst Site); 82518760015  
100.10 (Swan Lot Catalyst Site); 82528850020 (Riverboat Lot Catalyst Site); and 82528850001  
100.11 (Former Herberger's); and

100.12 (2) in Benton County: 170037810 (Transit Oriented Development Catalyst Site);  
100.13 170058101 (Ace Block Catalyst Site); 170042000; 170041600; 170041100; 170041601;  
100.14 170041200; 170041800; 170059600 (Star Bank Catalyst Site); 170059300 (Riverfront South  
100.15 Catalyst Site); 170058300; 170059200; 170058600; 170058800; 170059100; and 170058900.

100.16 (c) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
100.17 297A.62, subdivision 1, applied. A refund equal to the tax paid on the gross receipts of  
100.18 items exempt under this section must be paid to the applicant. The applicant must be the  
100.19 owner of the development described in paragraph (b), clauses (1) and (2). The application  
100.20 must include sufficient information to permit the commissioner of revenue to verify the tax  
100.21 paid. If the tax was paid by a contractor, subcontractor, or builder, the contractor,  
100.22 subcontractor, or builder must furnish to the refund applicant a statement including the cost  
100.23 of the exempt items and the taxes paid on the items. The provisions of sections 289A.40  
100.24 and 289A.50 apply to refunds under this section.

100.25 (d) The exemption under this section applies only for sales and purchases made after  
100.26 May 31, 2024, and before June 1, 2026.

100.27 Subd. 2. Appropriation; limit on refunds. The amount required to pay the refunds  
100.28 under subdivision 1 is appropriated from the 2024 sales tax refund account in the special  
100.29 revenue fund to the commissioner of revenue. The commissioner must not pay more than  
100.30 \$3,060,000 in refunds for purchases exempt under this section. Refunds must be processed  
100.31 and issued in the order that complete and accurate applications are received by the  
100.32 commissioner.

101.1 **EFFECTIVE DATE.** This section is effective for sales and purchases made after May  
 101.2 31, 2024, and before June 1, 2026.

101.3 Sec. 44. **TRANSFER.**

101.4 \$33,910,000 in fiscal year 2024 is transferred from the general fund to the 2024 sales  
 101.5 tax refund account established under Minnesota Statutes, section 270C.155. This is a onetime  
 101.6 transfer.

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

101.8 Sec. 45. **REPEALER.**

101.9 (a) Minnesota Statutes 2022, sections 13.4967, subdivision 5; 297D.02; 297D.03;  
 101.10 297D.05; 297D.09, subdivisions 1 and 2; 297D.12; and 297D.13, are repealed.

101.11 (b) Minnesota Statutes 2023 Supplement, sections 297D.01; 297D.04; 297D.06; 297D.07;  
 101.12 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; and 297D.11, are repealed.

101.13 **EFFECTIVE DATE.** This section is effective August 1, 2024.

101.14

## ARTICLE 5

101.15

### TAX INCREMENT FINANCING

101.16 Section 1. Laws 2010, chapter 389, article 7, section 22, as amended by Laws 2011, chapter  
 101.17 112, article 11, section 16, is amended to read:

101.18 Sec. 22. **CITY OF RAMSEY; TAX INCREMENT FINANCING DISTRICT;**  
 101.19 **SPECIAL RULES.**

101.20 (a) If the city of Ramsey or an authority of the city elects upon the adoption of a tax  
 101.21 increment financing plan for a district, the rules under this section apply to a redevelopment  
 101.22 tax increment financing district established by the city or an authority of the city. The  
 101.23 redevelopment tax increment district includes parcels within the area bounded on the east  
 101.24 by Ramsey Boulevard, on the north by Bunker Lake Boulevard as extended west to Llama  
 101.25 Street, on the west by Llama Street, and on the south by a line running parallel to and 600  
 101.26 feet south of the southerly right-of-way for U.S. Highway 10, but including Parcels  
 101.27 28-32-25-43-0007 and 28-32-25-34-0002 in their entirety, and excluding the Anoka County  
 101.28 Regional Park property in its entirety. A parcel within this area that is included in a tax  
 101.29 increment financing district that was certified before the date of enactment of this act may  
 101.30 be included in the district created under this act if the initial district is decertified.

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

102.4 (c) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.  
102.5 Eligible expenditures within the district include but are not limited to (1) the city's share of  
102.6 the costs necessary to provide for the construction of the Northstar Transit Station and  
102.7 related infrastructure, including structured parking, a pedestrian overpass, and roadway  
102.8 improvements, (2) the cost of land acquired by the city or the housing and redevelopment  
102.9 authority in and for the city of Ramsey within the district prior to the establishment of the  
102.10 district, and (3) the cost of public improvements installed within the tax increment financing  
102.11 district prior to the establishment of the district.

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

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

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

102.23 (g) The requirement of Minnesota Statutes, section 469.178, subdivision 7, paragraph  
102.24 (b), is considered to be met for the district if the city adopts interfund loan resolutions  
102.25 reflecting the terms and conditions required by Minnesota Statutes, section 469.178,  
102.26 subdivision 7, paragraph (d), by December 31, 2024.

102.27 **EFFECTIVE DATE.** This section is effective the day after the city of Ramsey and its  
102.28 chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and  
102.29 3.

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

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

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

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

103.7 (c) "Project area" means all or a portion of the area in the city commencing at a point  
103.8 130 feet East and 120 feet North of the southwest corner of the Southeast Quarter of Section  
103.9 23, Township 119, Range 22, Hennepin County, said point being on the easterly right-of-way  
103.10 line of Hemlock Lane; thence northerly along said easterly right-of-way line of Hemlock  
103.11 Lane to a point on the west line of the east one-half of the Southeast Quarter of section 23,  
103.12 thence south along said west line a distance of 1,200 feet; thence easterly to the east line of  
103.13 Section 23, 1,030 feet North from the southeast corner thereof; thence South 74 degrees  
103.14 East 1,285 feet; thence East a distance of 1,000 feet; thence North 59 degrees West a distance  
103.15 of 650 feet; thence northerly to a point on the northerly right-of-way line of 81st Avenue  
103.16 North, 650 feet westerly measured at right angles, from the east line of the Northwest Quarter  
103.17 of Section 24; thence North 13 degrees West a distance of 795 feet; thence West to the west  
103.18 line of the Southeast Quarter of the Northwest Quarter of Section 24; thence North 55  
103.19 degrees West to the south line of the Northwest Quarter of the Northwest Quarter of Section  
103.20 24; thence West along said south line to the east right-of-way line of Zachary Lane; thence  
103.21 North along the east right-of-way line of Zachary Lane to the southwest corner of Lot 1,  
103.22 Block 1, Metropolitan Industrial Park 5th Addition; thence East along the south line of said  
103.23 Lot 1 to the northeast corner of Outlot A, Metropolitan Industrial Park 5th Addition; thence  
103.24 South along the east line of said Outlot A and its southerly extension to the south right-of-way  
103.25 line of County State-Aid Highway (CSAH) 109; thence easterly along the south right-of-way  
103.26 line of CSAH 109 to the east line of the Northwest Quarter of the Northeast Quarter of  
103.27 Section 24; thence South along said east line to the north line of the South Half of the  
103.28 Northeast Quarter of Section 24; thence East along said north line to the westerly right-of-way  
103.29 line of Jefferson Highway North; thence southerly along the westerly right-of-way line of  
103.30 Jefferson Highway to the centerline of CSAH 130; thence continuing South along the west  
103.31 right-of-way line of Pilgrim Lane North to the westerly extension of the north line of Outlot  
103.32 A, Park North Fourth Addition; thence easterly along the north line of Outlot A, Park North  
103.33 Fourth Addition to the northeast corner of said Outlot A; thence southerly along the east  
103.34 line of said Outlot A to the southeast corner of said Outlot A; thence easterly along the south

104.1 line of Lot 1, Block 1, Park North Fourth Addition to the westerly right-of-way line of State  
104.2 Highway 169; thence southerly, southwesterly, westerly, and northwesterly along the  
104.3 westerly right-of-way line of State Highway 169 and the northerly right-of-way line of  
104.4 Interstate 694 to its intersection with the southerly extension of the easterly right-of-way  
104.5 line of Zachary Lane North; thence northerly along the easterly right-of-way line of Zachary  
104.6 Lane North and its northerly extension to the north right-of-way line of CSAH 130; thence  
104.7 westerly, southerly, northerly, southwesterly, and northwesterly to the point of beginning  
104.8 and there terminating, provided that the project area includes the rights-of-way for all present  
104.9 and future highway interchanges abutting the area described in this paragraph, and may  
104.10 include any additional property necessary to cause the property included in the tax increment  
104.11 financing district to consist of complete parcels.

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

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

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

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

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

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

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



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

105.2 (4) quarries or similar resource extraction sites;

105.3 (5) floodway; and

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

105.6 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the  
105.7 relevant condition if at least 70 percent of the area of the parcel contains the relevant  
105.8 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by  
105.9 substandard buildings if substandard buildings occupy at least 30 percent of the area of the  
105.10 parcel.

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

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

105.18 (f) For a soil deficiency district:

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

105.21 (2) increments may be used only to:

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

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

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

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

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

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

106.3 (i) Notwithstanding the restrictions in paragraph (f), clause (2), the city may use  
106.4 increments from a soil deficiency district to acquire parcels and for other infrastructure costs  
106.5 either inside or outside of the district, but within the project area, if the acquisition or  
106.6 infrastructure is for a qualified development. For purposes of this paragraph, a development  
106.7 is a qualified development only if all of the following requirements are satisfied:

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

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

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

106.13 **EFFECTIVE DATE.** (a) The amendment to subdivision 2, paragraph (f), is effective  
106.14 upon compliance by the city of Maple Grove, Hennepin County, and Independent School  
106.15 District No. 279 with the requirements of Minnesota Statutes, section 469.1782, subdivision  
106.16 2.

106.17 (b) The amendment to subdivision 2, paragraph (d), is effective the day after the  
106.18 governing body of the city of Maple Grove and its chief clerical officer comply with the  
106.19 requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

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

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

106.23 (a) For purposes of computing the duration limits under Minnesota Statutes, section  
106.24 469.176, subdivision 1b, the housing and redevelopment authority of the city of St. Paul  
106.25 may waive receipt of increment for the Ford Site Redevelopment Tax Increment Financing  
106.26 District. This authority is limited to the first four years of increment or increments derived  
106.27 from taxes payable in 2023, whichever occurs first.

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

107.1 (c) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 107.2 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 107.3 4, relating to the use of increment after the expiration of the five-year period, is extended  
 107.4 to 11 years for the Ford Site Redevelopment Tax Increment Financing District in the city  
 107.5 of St. Paul.

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

107.9 Sec. 4. **CITY OF BROOKLYN CENTER; TIF AUTHORITY.**

107.10 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
 107.11 economic development authority of the city of Brooklyn Center or the city of Brooklyn  
 107.12 Center may establish not more than two redevelopment tax increment financing districts  
 107.13 located wholly within the area in the city identified as the "Opportunity Site," which includes  
 107.14 the area bounded by Shingle Creek Parkway from Hennepin County State-Aid Highway  
 107.15 10 to Summit Drive North; Summit Drive North from Shingle Creek Parkway to marked  
 107.16 Trunk Highway 100; marked Trunk Highway 100 from Summit Drive North to Hennepin  
 107.17 County State-Aid Highway 10; and Hennepin County State-Aid Highway 10 from marked  
 107.18 Trunk Highway 100 to Shingle Creek Parkway, together with internal and adjacent roads  
 107.19 and rights of way.

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

107.22 (1) the district is deemed to meet all the requirements of Minnesota Statutes, section  
 107.23 469.174, subdivision 10;

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

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

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

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

108.1 **Sec. 5. CITY OF BROOKLYN PARK; TIF AUTHORITY; VILLAGE CREEK**  
 108.2 **AREA.**

108.3 **Subdivision 1. Establishment of districts.** Upon the termination of Tax Increment  
 108.4 Financing District No. 20 within the city of Brooklyn Park, under the special rules established  
 108.5 in subdivision 2, the economic development authority of the city of Brooklyn Park or city  
 108.6 of Brooklyn Park may establish not more than two redevelopment tax increment financing  
 108.7 districts located wholly within the area of the city of Brooklyn Park. The districts may be  
 108.8 comprised of the following parcels identified by their current parcel identification numbers:

108.9	<u>2011921430101</u>	<u>2011921440088</u>	<u>2011921430092</u>	<u>2011921430099</u>	<u>2111921330104</u>
108.10	<u>2111921340003</u>	<u>2111921340005</u>	<u>2111921340006</u>	<u>2111921340019</u>	<u>2111921340021</u>
108.11	<u>2111921330066</u>	<u>2111921330068</u>	<u>2111921340017</u>	<u>2111921340018</u>	<u>2811921130004</u>
108.12	<u>2811921130005</u>	<u>2811921140007</u>	<u>2811921210003</u>	<u>2811921220002</u>	<u>2811921220007</u>
108.13	<u>2811921240004</u>	<u>2811921240009</u>	<u>2811921240010</u>	<u>2811921240107</u>	<u>2811921310001</u>
108.14	<u>2811921340010</u>	<u>2911921120032</u>	<u>2811921130014</u>	<u>2811921130015</u>	<u>2811921130024</u>
108.15	<u>2811921140012</u>	<u>2811921210014</u>	<u>2811921210020</u>	<u>2811921210023</u>	<u>2811921210103</u>
108.16	<u>2811921220001</u>	<u>2811921220003</u>	<u>2811921220005</u>	<u>2811921240007</u>	<u>2811921340006</u>
108.17	<u>2911921120001</u>	<u>2911921120004</u>	<u>2011921440089</u>	<u>2111921330067</u>	<u>2111921340002</u>
108.18	<u>2111921340004</u>	<u>2111921340027</u>	<u>2111921340113</u>	<u>2811921120001</u>	<u>2811921130001</u>
108.19	<u>2811921130017</u>	<u>2811921130023</u>	<u>2811921210001</u>	<u>2811921210016</u>	<u>2811921210033</u>
108.20	<u>2811921210060</u>	<u>2811921210101</u>	<u>2811921240006</u>	<u>2811921240017</u>	<u>2911921110004</u>
108.21	<u>2911921120005</u>	<u>2011921430093</u>	<u>2011921430100</u>	<u>2011921430102</u>	<u>2011921430103</u>
108.22	<u>2111921330102</u>	<u>2111921330103</u>	<u>2111921340001</u>	<u>2111921340007</u>	<u>2111921340020</u>
108.23	<u>2111921340022</u>	<u>2811921120002</u>	<u>2811921120104</u>	<u>2811921130002</u>	<u>2811921130020</u>
108.24	<u>2811921130021</u>	<u>2811921210022</u>	<u>2811921210034</u>	<u>2811921210099</u>	<u>2811921210102</u>
108.25	<u>2811921220006</u>	<u>2811921240003</u>	<u>2811921240012</u>	<u>2811921340005</u>	<u>2811921340009</u>
108.26	<u>2911921110118</u>	<u>2911921120006</u>	<u>2911921120043</u>	<u>3311921210001</u>	

108.27 together with adjacent and internal roads and rights-of-way, and the following roadways  
 108.28 within the city of Brooklyn Park: Zane Avenue North (from and including the intersection  
 108.29 at 78th Avenue North to and including the intersection at Highway 94), Brooklyn Boulevard  
 108.30 (from and including the intersection at the border of Brooklyn Center to and including the  
 108.31 intersection at Kentucky Avenue North), Brookdale Drive North (from and including the  
 108.32 intersection at Zane Avenue North to and including the intersection at Welcome Avenue  
 108.33 North), Village Creek Parkway North, 77th Avenue North (from and including the  
 108.34 intersection at Village Creek Parkway North to and including the intersection at Brookdale  
 108.35 Drive North), 73rd Avenue North/Regent Avenue (from and including the intersection at  
 108.36 Zane Avenue North to and including the intersection at Brooklyn Boulevard).

109.1 Subd. 2. **Special rules.** If the city or the authority establishes any tax increment financing  
 109.2 district under subdivision 1, the following special rules apply:

109.3 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
 109.4 469.174, subdivision 10; and

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

109.6 Subd. 3. **Expiration.** The authority to request certification of any district under this  
 109.7 section expires on December 31, 2030.

109.8 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 109.9 city of Brooklyn Park and its chief clerical officer comply with the requirements of Minnesota  
 109.10 Statutes, section 645.021, subdivisions 2 and 3.

109.11 Sec. 6. **CITY OF BROOKLYN PARK; TIF AUTHORITY; 610/ZANE AREA.**

109.12 Subdivision 1. **Establishment of districts.** Under the special rules established in  
 109.13 subdivision 2, the economic development authority of the city of Brooklyn Park or the city  
 109.14 of Brooklyn Park may establish not more than two redevelopment districts located wholly  
 109.15 within the area of the city of Brooklyn Park. The districts may be comprised of the following  
 109.16 parcels identified by their current parcel identification numbers together with adjacent and  
 109.17 internal roads and rights-of-way:

109.18 0811921410009 0811921140050 0811921140051 0911921120005 0911921210007

109.19 0911921230008 0911921230049 0911921240006 0911921240009 0911921310004

109.20 0911921320018 0911921330009 0911921430006 0911921430014 0911921430015

109.21 0911921430019 0911921430020 0911921430028 0911921430030 0911921430033

109.22 0911921430037 0911921430038 0911921430040 0911921430048 0911921430054

109.23 0911921430055 0911921430059 0911921430069 0911921430071 0911921430072

109.24 0911921430076 0911921430080 0911921430081 0911921430082 0911921430083

109.25 0911921430086 0911921430087 0911921430088 0911921430094 0911921430095

109.26 0911921430099 0911921430104 0911921430114 0911921210005 0911921210095

109.27 0911921220070 0911921220071 0911921230009 0911921230010 0911921230011

109.28 0911921230012 0911921230013 0911921240005 0911921240008 0911921310007

109.29 0911921310009 0911921320023 0911921330008 0911921330011 0911921340008

109.30 0911921340014 0911921340017 0911921430018 0911921430024 0911921430025

109.31 0911921430029 0911921430034 0911921430035 0911921430039 0911921430044

109.32 0911921430045 0911921430049 0911921430058 0911921430060 0911921430061

109.33 0911921430062 0911921430063 0911921430067 0911921430068 0911921430090

109.34 0911921430093 0911921430097 0911921430098 0911921430102 0911921430103

110.1	<u>0911921430112</u>	<u>0911921430113</u>	<u>0911921430120</u>	<u>0811921440008</u>	<u>0911921210006</u>
110.2	<u>0911921210096</u>	<u>0911921210100</u>	<u>0911921210101</u>	<u>0911921220008</u>	<u>0911921220017</u>
110.3	<u>0911921230014</u>	<u>0911921230015</u>	<u>0911921240004</u>	<u>0911921240007</u>	<u>0911921310010</u>
110.4	<u>0911921310011</u>	<u>0911921310012</u>	<u>0911921330010</u>	<u>0911921330012</u>	<u>0911921340009</u>
110.5	<u>0911921430013</u>	<u>0911921430017</u>	<u>0911921430021</u>	<u>0911921430022</u>	<u>0911921430026</u>
110.6	<u>0911921430031</u>	<u>0911921430032</u>	<u>0911921430036</u>	<u>0911921430041</u>	<u>0911921430042</u>
110.7	<u>0911921430046</u>	<u>0911921430053</u>	<u>0911921430057</u>	<u>0911921430064</u>	<u>0911921430065</u>
110.8	<u>0911921430073</u>	<u>0911921430077</u>	<u>0911921430078</u>	<u>0911921430100</u>	<u>0911921430105</u>
110.9	<u>0911921430107</u>	<u>0911921430108</u>	<u>0911921430110</u>	<u>0911921430115</u>	<u>0911921430117</u>
110.10	<u>0911921430118</u>	<u>0911921210097</u>	<u>0911921210099</u>	<u>0911921220014</u>	<u>0911921220015</u>
110.11	<u>0911921220068</u>	<u>0911921230005</u>	<u>0911921320016</u>	<u>0911921320021</u>	<u>0911921320024</u>
110.12	<u>0911921330006</u>	<u>0911921340015</u>	<u>0911921340016</u>	<u>0911921430009</u>	<u>0911921430010</u>
110.13	<u>0911921430011</u>	<u>0911921430012</u>	<u>0911921430016</u>	<u>0911921430023</u>	<u>0911921430027</u>
110.14	<u>0911921430043</u>	<u>0911921430047</u>	<u>0911921430050</u>	<u>0911921430051</u>	<u>0911921430052</u>
110.15	<u>0911921430056</u>	<u>0911921430066</u>	<u>0911921430070</u>	<u>0911921430074</u>	<u>0911921430075</u>
110.16	<u>0911921430079</u>	<u>0911921430084</u>	<u>0911921430085</u>	<u>0911921430089</u>	<u>0911921430091</u>
110.17	<u>0911921430092</u>	<u>0911921430096</u>	<u>0911921430101</u>	<u>0911921430106</u>	<u>0911921430109</u>
110.18					<u>Unplatted</u>
110.19	<u>0911921430111</u>	<u>0911921430116</u>	<u>0911921430119</u>	<u>0611921440003</u>	<u>0611921</u>

110.20 Subd. 2. **Special rules.** If the city or the authority establishes any tax increment financing  
 110.21 district under subdivision 1, the following special rules apply:

110.22 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
 110.23 469.174, subdivision 10; and

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

110.25 Subd. 3. **Expiration.** The authority to request certification of any district under this  
 110.26 section expires on December 31, 2030.

110.27 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 110.28 city of Brooklyn Park and its chief clerical officer comply with the requirements of Minnesota  
 110.29 Statutes, section 645.021, subdivisions 2 and 3.

110.30 Sec. 7. **CITY OF BROOKLYN PARK; TIF AUTHORITY; BIOTECH AREA.**

110.31 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
 110.32 economic development authority of the city of Brooklyn Park or the city of Brooklyn Park  
 110.33 may establish not more than two redevelopment districts located wholly within the area of  
 110.34 the city of Brooklyn Park. The districts may be comprised of the following parcels identified

111.1 by their current parcel identification numbers together with adjacent and internal roads and  
 111.2 rights-of-way:

111.3 0711921110007 0711921140001 0711921140002 0711921140007 0711921240002

111.4 0711921240004 0711921110005 0711921120009 0711921220003 0711921230001

111.5 0711921230002 0811921230004 0711921110004 0711921110006 0711921110008

111.6 0711921120005 0711921130005 0711921140005 0711921140006 0711921210003

111.7 0711921110003 0711921120006 0811921230002 0811921220002

111.8 Subd. 2. **Special rules.** If the city or the authority establishes any tax increment financing  
 111.9 district under subdivision 1, the following special rules apply:

111.10 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
 111.11 469.174, subdivision 10; and

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

111.13 Subd. 3. **Expiration.** The authority to request certification of any district under this  
 111.14 section expires on December 31, 2030.

111.15 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 111.16 city of Brooklyn Park and its chief clerical officer comply with the requirements of Minnesota  
 111.17 Statutes, section 645.021, subdivisions 2 and 3.

111.18 Sec. 8. **CITY OF EDEN PRAIRIE; TAX INCREMENT FINANCING AUTHORITY;**  
 111.19 **EDEN PRAIRIE CENTER.**

111.20 Subdivision 1. **Establishment.** Pursuant to the special rules established in subdivision  
 111.21 2, the economic development authority of the city of Eden Prairie or the city of Eden Prairie  
 111.22 may establish not more than two redevelopment districts located within the area of the city  
 111.23 of Eden Prairie consisting of parcels, together with adjacent roads and rights-of-way, within  
 111.24 the area surrounded by Flying Cloud Drive, West 78th Street, and Prairie Center Drive.

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

111.27 (1) the districts are deemed to meet the requirements of Minnesota Statutes, section  
 111.28 469.174, subdivision 10; and

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

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

112.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 112.2 city of Eden Prairie and its chief clerical officer comply with Minnesota Statutes, section  
 112.3 645.021, subdivisions 2 and 3.

112.4 Sec. 9. **CITY OF EDINA; 72ND & FRANCE 2 TIF DISTRICT; FIVE-YEAR RULE**  
 112.5 **EXTENSION; DURATION EXTENSION.**

112.6 (a) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 112.7 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 112.8 4, relating to the use of increment after the expiration of the five-year period, is extended  
 112.9 to 11 years for Tax Increment Financing District 72nd & France 2 in the city of Edina.

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

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

112.18 Sec. 10. **CITY OF EDINA; 70TH & FRANCE TIF DISTRICT; FIVE-YEAR RULE**  
 112.19 **EXTENSION; DURATION EXTENSION.**

112.20 (a) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 112.21 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 112.22 4, relating to the use of increment after the expiration of the five-year period, is extended  
 112.23 to 11 years for Tax Increment Financing District 70th & France in the city of Edina.

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

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



113.1 **Sec. 11. CITY OF MINNETONKA; TAX INCREMENT FINANCING AUTHORITY;**  
113.2 **FIVE-YEAR RULE EXTENSION.**

113.3 The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
113.4 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
113.5 4, relating to the use of increment after the expiration of the five-year period, is extended  
113.6 to 11 years for the renewal and renovation tax increment financing district established in  
113.7 2021 by the economic development authority in the city of Minnetonka.

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

113.11 **Sec. 12. CITY OF MOORHEAD; TAX INCREMENT FINANCING DISTRICT**  
113.12 **NO. 31; FIVE-YEAR RULE EXTENSION.**

113.13 (a) The requirements of Minnesota Statutes, section 469.1763, subdivision 3, that  
113.14 activities must be undertaken within a five-year period from the date of certification of a  
113.15 tax increment financing district, are extended to ten years for Tax Increment Financing  
113.16 District No. 31 administered by the city of Moorhead.

113.17 (b) The requirements of Minnesota Statutes, section 469.1763, subdivision 4, relating  
113.18 to the use of increment after the expiration of the five-year period under Minnesota Statutes,  
113.19 section 469.1763, subdivision 3, are extended to the 11th year for Tax Increment Financing  
113.20 District No. 31 administered by the city of Moorhead.

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

113.24 **Sec. 13. CITY OF PLYMOUTH; TAX INCREMENT FINANCING;**  
113.25 **ESTABLISHMENT.**

113.26 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
113.27 city of Plymouth may establish not more than two redevelopment districts located wholly  
113.28 within the city of Plymouth, Hennepin County, Minnesota, limited to the area identified as  
113.29 the city center district in the Plymouth, Minnesota Zoning Map in effect on January 1, 2024,  
113.30 and adopted pursuant to section 21000.12 of the Plymouth Zoning Code of Ordinances.

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

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

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

114.5 (3) the five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 114.6 extended to ten years, and the period under Minnesota Statutes, section 469.1763, subdivision  
 114.7 4, relating to the use of increment after the expiration of the five-year period, is extended  
 114.8 to 11 years.

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

114.11 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 114.12 city of Plymouth and its chief clerical officer comply with Minnesota Statutes, section  
 114.13 645.021, subdivisions 2 and 3.

114.14 Sec. 14. **CITY OF ST. CLOUD; TAX INCREMENT FINANCING;**  
 114.15 **ESTABLISHMENT.**

114.16 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
 114.17 economic development authority of the city of St. Cloud or the city of St. Cloud may establish  
 114.18 not more than two redevelopment districts adjacent to the Division Street corridor or within  
 114.19 the Central Business District or Fringe Central District, limited to the following parcels  
 114.20 identified by tax identification numbers, together with the adjacent roads and rights-of-way:

114.21 (1) in Stearns County: 82517020000 (Lady Slipper Catalyst Site); 82515440001 (North  
 114.22 Riverfront Catalyst Site); 82515470000; 82515480000 (Empire Catalyst Site); 82518760015  
 114.23 (Swan Lot Catalyst Site); 82528850020 (Riverboat Lot Catalyst Site); and 82528850001  
 114.24 (Former Herbergers); and

114.25 (2) in Benton County: 170037810 (Transit Oriented Development Catalyst Site);  
 114.26 170058101 (Ace Block Catalyst Site); 170042000; 170041600; 170041100; 170041601;  
 114.27 170041200; 170041800; 170059600 (Star Bank Catalyst Site); 170059300 (Riverfront South  
 114.28 Catalyst Site); 170058300; 170059200; 170058600; 170058800; 170059100; and 170058900.

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

114.31 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
 114.32 469.174, subdivision 10;

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

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

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

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

## 115.13 **ARTICLE 6**

### 115.14 **LOCAL SALES AND USE TAXES**

115.15 Section 1. Minnesota Statutes 2023 Supplement, section 297A.99, subdivision 1, is  
 115.16 amended to read:

115.17 Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose  
 115.18 a general sales tax (1) under section 297A.9915, (2) under section 297A.992, (3) under  
 115.19 section 297A.9925, (4) under section 297A.993, (5) if permitted by special law, or (6) if  
 115.20 the political subdivision enacted and imposed the tax before January 1, 1982, and its  
 115.21 predecessor provision.

115.22 (b) This section governs the imposition of a general sales tax by the political subdivision.  
 115.23 The provisions of this section preempt the provisions of any special law:

115.24 (1) enacted before June 2, 1997~~;~~~~or~~;

115.25 (2) enacted on or after June 2, 1997, that does not explicitly exempt the special law  
 115.26 provision from this section's rules by reference; or

115.27 (3) enacted before July 1, 2024.

115.28 (c) This section does not apply to or preempt a sales tax on motor vehicles. Beginning  
 115.29 July 1, 2019, no political subdivision may impose a special excise tax on motor vehicles  
 115.30 unless it is imposed under section 297A.993.

116.1 (d) A political subdivision may not advertise or expend funds for the promotion of a  
 116.2 referendum to support imposing a local sales tax and may only spend funds related to  
 116.3 imposing a local sales tax to:

116.4 (1) conduct the referendum;

116.5 (2) disseminate information included in the resolution adopted under subdivision 2, but  
 116.6 only if the disseminated information includes a list of specific projects and the cost of each  
 116.7 individual project;

116.8 (3) provide notice of, and conduct public forums at which proponents and opponents on  
 116.9 the merits of the referendum are given equal time to express their opinions on the merits of  
 116.10 the referendum;

116.11 (4) provide facts and data on the impact of the proposed local sales tax on consumer  
 116.12 purchases; and

116.13 (5) provide facts and data related to the individual programs and projects to be funded  
 116.14 with the local sales tax.

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

116.16 Sec. 2. Minnesota Statutes 2022, section 297A.99, subdivision 3, is amended to read:

116.17 Subd. 3. **Legislative authority required before voter approval; requirements for**  
 116.18 **adoption, use, termination.** (a) A political subdivision must receive legislative authority  
 116.19 to impose a local sales tax before submitting the tax for approval by voters of the political  
 116.20 subdivision. Imposition of a local sales tax is subject to approval by voters of the political  
 116.21 subdivision at a general election. The election must be conducted at a general election within  
 116.22 the two-year period after the governing body of the political subdivision has received  
 116.23 authority to impose the tax. If the authorizing legislation allows the tax to be imposed for  
 116.24 more than one project, there must be a separate question approving the use of the tax revenue  
 116.25 for each project. Notwithstanding the authorizing legislation, a project that is not approved  
 116.26 by the voters may not be funded with the local sales tax revenue and the termination date  
 116.27 of the tax set in the authorizing legislation must be reduced proportionately based on the  
 116.28 share of that project's cost to the total costs of all projects included in the authorizing  
 116.29 legislation.

116.30 (b) The proceeds of the tax must be dedicated exclusively to payment of the construction  
 116.31 and rehabilitation costs and associated bonding costs related to the specific capital  
 116.32 improvement projects that were approved by the voters under paragraph (a). The political  
 116.33 subdivision must not commingle revenue from a tax for a project or projects approved by

117.1 the voters under this section with revenue from a local sales tax authorized under section  
117.2 297A.9901 or any other law, ordinance, city charter, or other provision, including an  
117.3 extension of or modification to the uses of a local sales tax for a different project.

117.4 (c) The political subdivision imposing the tax must notify the commissioner at least 60  
117.5 days before the date the political subdivision anticipates that revenues raised from the tax  
117.6 are sufficient to fund the projects approved by the voters under paragraph (a). The notification  
117.7 applies to each authorization of a tax and each project approved by the voters under paragraph  
117.8 (a), regardless of whether the legislature has authorized the tax notwithstanding the  
117.9 requirements of paragraph (d). The tax must terminate after the revenues raised are sufficient  
117.10 to fund the projects approved by the voters under paragraph (a). The political subdivision  
117.11 must notify the commissioner within 30 days of the date that sufficient revenues have been  
117.12 raised to fund the projects approved by the voters under paragraph (a).

117.13 (d) After a sales tax imposed by a political subdivision has expired or been terminated,  
117.14 the political subdivision is prohibited from imposing a local sales tax for a period of one  
117.15 year.

117.16 ~~(e) Notwithstanding paragraph (a), if a political subdivision received voter approval to~~  
117.17 ~~seek authority for a local sales tax at the November 6, 2018, general election and is granted~~  
117.18 ~~authority to impose a local sales tax before January 1, 2021, the tax may be imposed without~~  
117.19 ~~an additional referendum provided that it meets the requirements of subdivision 2 and the~~  
117.20 ~~list of specific projects contained in the resolution does not conflict with the projects listed~~  
117.21 ~~in the approving referendum.~~

117.22 ~~(f)~~ (e) If a tax is terminated because sufficient revenues have been raised, any amount  
117.23 of tax collected under subdivision 9, after sufficient revenues have been raised and before  
117.24 the quarterly termination required under subdivision 12, paragraph (a), that is greater than  
117.25 the average quarterly revenues collected over the immediately preceding 12 calendar months  
117.26 must be retained by the commissioner for deposit in the general fund.

117.27 (f) The total tax rate imposed by a political subdivision under this section or any other  
117.28 law, ordinance, or city charter and section 297A.9901 must not exceed one percent, except  
117.29 that this limit does not apply to taxes authorized under this section or any other law,  
117.30 ordinance, or city charter before June 1, 2023. Upon expiration of a tax authorized under  
117.31 this section or any other law, ordinance, or city charter, the limit in this paragraph applies.  
117.32 If a local sales tax is imposed by a county, the limit under this paragraph includes any tax  
117.33 authorized under section 297A.993.

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

118.1 Sec. 3. [297A.9901] SPECIFIED CAPITAL PROJECTS; LOCAL AUTHORIZATION  
118.2 ALLOWED; REQUIREMENTS.

118.3 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have  
118.4 the meanings given.

118.5 (b) "Airport" means an airport not subject to the governance of the metropolitan airports  
118.6 commission organized under the provisions of sections 473.601 to 473.679.

118.7 (c) "Associated bonding costs" means the cost of issuing bonds to finance a specified  
118.8 capital project including but not limited to the costs of issuance of the bonds, capitalized  
118.9 interest, and the payment of principal and interest on the bonds.

118.10 (d) "Convention center" means a structure:

118.11 (1) that has a minimum of 50,000 square feet for exhibit and meeting spaces; and

118.12 (2) the square footage of which is expressly designed and constructed for the purposes  
118.13 of presenting conventions, public meetings, and exhibitions, and includes parking facilities  
118.14 that serve the center.

118.15 (e) "Correctional facility" means a public facility licensed and inspected by the  
118.16 commissioner of corrections established and operated for the detention and confinement of  
118.17 adults or juveniles, including but not limited to programs or facilities operating under chapter  
118.18 401, secure juvenile detention facilities, municipal holding facilities, juvenile temporary  
118.19 holdover facilities, regional or local jails, lockups, work houses, work farms, and detention  
118.20 facilities.

118.21 (f) "District court" means one of the ten judicial district courts in the state of Minnesota  
118.22 subject to chapter 484.

118.23 (g) "Law enforcement center" means a facility that serves multiple communities and  
118.24 provides public safety functions, including a fire or police station and a facility that provides  
118.25 emergency 911 and dispatch functions, training facilities, court security and support,  
118.26 emergency operations, evidence and record retention, and other public safety services.

118.27 (h) "Library" means a library that is part of a regional public library system as designated  
118.28 by the regional library board under section 134.20, excluding a library located within a  
118.29 metropolitan county.

118.30 (i) "Metropolitan county" has the meaning given in section 473.121, subdivision 4.

118.31 (j) "Park" means a park of regional significance located entirely outside of a metropolitan  
118.32 county that meets at least three of the criteria specified in items 1, 2, and 4 to 6 in the

119.1 Department of Natural Resources Parks and Trails Legacy Plan dated February 14, 2011,  
119.2 required by Laws 2009, chapter 172, article 3, section 2, paragraph (e).

119.3 (k) "Political subdivision" means a county located in Minnesota or a statutory or home  
119.4 rule charter city located in Minnesota.

119.5 (l) "Prevailing wage rate" has the meaning given in section 177.42, subdivision 6.

119.6 (m) "Regional community center" means a structure that is expressly designed and  
119.7 constructed for the purposes of recreational, cultural, educational, or public group activities,  
119.8 or for civic engagement or social support, serving both residents and nonresidents of the  
119.9 community.

119.10 (n) "Regional sports complex" means a defined area of sports pavilions, stadiums,  
119.11 gymnasiums, swimming pools, or similar facilities where regional tournaments may be  
119.12 hosted, and where members of the public engage in physical exercise, participate in athletic  
119.13 competitions, witness sporting events, and host regional tournaments.

119.14 (o) "Specified capital project" means an airport, convention center, correctional facility,  
119.15 district court, law enforcement center, library, park, regional community center, regional  
119.16 sports complex, or trail.

119.17 (p) "Trail" means:

119.18 (1) a trail of regional significance located entirely outside of a metropolitan county that  
119.19 meets at least three of the criteria specified in items 1 to 5 in the Department of Natural  
119.20 Resources Parks and Trails Legacy Plan dated February 14, 2011, required by Laws 2009,  
119.21 chapter 172, article 3, section 2, paragraph (e); or

119.22 (2) a nonstate designated regional or state trail that provides at least an hour of outdoor  
119.23 recreation opportunity or connects to other facilities that can provide at least an hour of  
119.24 recreation in total:

119.25 (i) for which the trail or trail extension connects to regional defined assets including a  
119.26 regionally designated park or higher education institution;

119.27 (ii) is included in a regional or community trail system plan; or

119.28 (iii) connects spaces of 25 acres to other trails or commercial areas.

119.29 Subd. 2. **Policy; requirements.** It is the public policy of the state of Minnesota that local  
119.30 sales taxes are to be used instead of traditional local revenues only for construction and  
119.31 rehabilitation of capital projects when a clear regional benefit beyond the taxing jurisdiction  
119.32 can be demonstrated. Capital projects funded by local sales taxes must serve a regional

120.1 population, provide economic development benefits and opportunities, or draw individuals  
 120.2 to the region. If charged, access fees for the use of capital projects funded by a local sales  
 120.3 tax must be equal for residents and nonresidents of the taxing jurisdiction. Use of local sales  
 120.4 tax revenues for local projects decreases the benefits to taxpayers of the deductibility of  
 120.5 local property taxes and the state assistance provided through the property tax refund system  
 120.6 and increases the fiscal inequities between similar communities.

120.7 Subd. 3. **Local authorization allowed.** Notwithstanding section 477A.016, or any other  
 120.8 law or ordinance, a political subdivision may impose, extend, or modify the uses of a local  
 120.9 sales tax to finance a specified capital project without legislative authorization by  
 120.10 demonstrating the regional significance of each specified capital project as provided in  
 120.11 subdivisions 4 and 7 to 9. The authorization under this section applies to an extension to or  
 120.12 modification of a local sales tax authorized under special law or the requirements of section  
 120.13 297A.99.

120.14 Subd. 4. **Demonstration of regional benefit; resolution required.** (a) A political  
 120.15 subdivision seeking to impose a local sales tax must conduct a public hearing to provide  
 120.16 information regarding each specified capital project the political subdivision proposes to  
 120.17 fund with the local sales tax. Notice of the hearing must be provided at least 60 days in  
 120.18 advance of the hearing and must include:

120.19 (1) the tax rate;

120.20 (2) a description of each project proposed to be funded by the local sales tax; and

120.21 (3) the amount of tax revenue that would be used for each project and the estimated time  
 120.22 needed to raise that amount of revenue, inclusive of the amount distributed under subdivision  
 120.23 6, paragraph (a), clause (3), if that option is selected.

120.24 (b) After conducting the public hearing required under paragraph (a) and before the  
 120.25 governing body of a political subdivision seeks voter approval to impose a local sales tax,  
 120.26 the governing body shall adopt a resolution indicating its approval of the tax. The resolution  
 120.27 must include:

120.28 (1) the proposed tax rate;

120.29 (2) a detailed description of no more than three projects to be funded with revenue from  
 120.30 the tax;

120.31 (3) documentation of the regional significance of each project, including:

120.32 (i) the share of the economic benefit to or use of each project by persons residing or  
 120.33 businesses located outside of the jurisdiction; and



121.1 (ii) demonstration that the project meets the requirements of the applicable definitions  
121.2 in subdivision 1;

121.3 (4) the amount of local sales tax revenue that would be used for each project and the  
121.4 estimated time needed to raise that amount of revenue; and

121.5 (5) the total revenue that will be raised for all projects before the tax expires and the  
121.6 estimated length of time that the tax will be in effect if all proposed projects are funded.

121.7 (c) The jurisdiction seeking authority to impose a local sales tax by special law must  
121.8 submit the resolution and the documentation required under paragraph (b) to the  
121.9 commissioner pursuant to section 297A.9902.

121.10 Subd. 5.  **Voter approval required.** (a) Imposition of a local sales tax under this section  
121.11 is subject to approval by voters of the political subdivision at a general or special election.  
121.12 The election must be held within two years of the date the political subdivision receives  
121.13 approval from the commissioner under section 297A.9902. A political subdivision may  
121.14 choose to conduct the election at a general or special election held on the first Tuesday after  
121.15 the first Monday in November. There must be a separate question approving the use of the  
121.16 tax revenue for each project. A project that is not approved by the voters may not be funded  
121.17 with the local sales tax revenue. For purposes of this section, "general election" and "special  
121.18 election" have the meanings given in section 200.02, except that a general election or special  
121.19 election held under this section must be held on the first Tuesday after the first Monday in  
121.20 November.

121.21 (b) Each ballot question presented to voters must include:

121.22 (1) a description of each specified capital project, including acknowledgment of any  
121.23 state mandate for a government service that necessitates the construction of the project, if  
121.24 applicable;

121.25 (2) acknowledgment that the political subdivision is seeking authorization from voters  
121.26 to impose the sales tax;

121.27 (3) the total cost of each capital project, inclusive of the amount required under  
121.28 subdivision 6, paragraph (a), clause (3);

121.29 (4) the start date of the project and maximum project cost that may be generated for a  
121.30 period lasting no longer than 30 years;

121.31 (5) the tax rate;

122.1 (6) a statement that by voting "yes" the voter is voting for the tax at the rate specified  
 122.2 in clause (5) to:

122.3 (i) impose a new local sales tax;

122.4 (ii) increase a local sales tax; or

122.5 (iii) extend a local sales tax that would otherwise expire; and

122.6 (7) in combination with the statement required under clause (6), a statement that by  
 122.7 voting "no" the voter acknowledges that the project subject to approval in the question may  
 122.8 be funded by increased property taxes.

122.9 Subd. 6. **Administration; termination.** (a) The proceeds of the tax must be dedicated  
 122.10 exclusively to payment of the construction and rehabilitation costs and associated bonding  
 122.11 costs related to the specified capital projects approved by the voters under subdivision 5,  
 122.12 paragraph (a). The political subdivision must not commingle revenue from a tax approved  
 122.13 by the voters under this section with revenue from a local sales tax authorized under section  
 122.14 297A.99 or any other law, ordinance, city charter, or other provision, including an extension  
 122.15 of or modification to the uses of a local sales tax for a different project.

122.16 (b) The political subdivision imposing the tax must notify the commissioner at least 60  
 122.17 days before the date the political subdivision anticipates that revenues raised from the tax  
 122.18 are sufficient to fund the projects approved by the voters under subdivision 5, paragraph  
 122.19 (a). The notification applies to each authorization of a tax and each project approved by the  
 122.20 voters under subdivision 5, paragraph (a), regardless of whether the legislature has authorized  
 122.21 the tax notwithstanding the requirements of paragraph (c). The tax must terminate after the  
 122.22 revenues raised are sufficient to fund the projects approved by the voters under subdivision  
 122.23 5, paragraph (a). The political subdivision must notify the commissioner within 30 days of  
 122.24 the date that sufficient revenues have been raised to fund the projects approved by the voters  
 122.25 under subdivision 5, paragraph (a).

122.26 (c) After a sales tax imposed by a political subdivision has expired or been terminated,  
 122.27 the political subdivision is prohibited from imposing a local sales tax for a period of one  
 122.28 year.

122.29 (d) If a tax is terminated because sufficient revenues have been raised, any amount of  
 122.30 tax collected after sufficient revenues have been raised and before the quarterly termination  
 122.31 required under section 297A.99, subdivision 12, paragraph (a), that is greater than the  
 122.32 average quarterly revenues collected over the immediately preceding 12 calendar months,  
 122.33 must be retained by the commissioner for deposit in the general fund.

123.1 Subd. 7. **Regional sports complexes; regional community centers.** To impose a local  
 123.2 sales tax to fund construction or remodeling of or improvements to a regional sports complex  
 123.3 or regional community center, a political subdivision must:

123.4 (1) conduct an analysis of the surrounding region to demonstrate that there is no similar  
 123.5 regional sports complex or regional community center open to nonresidents at the same  
 123.6 cost as to residents;

123.7 (2) obtain resolutions adopted by at least two adjacent counties, or adjacent statutory or  
 123.8 home rule charter cities or townships affirming there is a regional need for the regional  
 123.9 sports complex or regional community center. A county in which a statutory or home rule  
 123.10 charter city or a township is located and a statutory or home rule charter city or a township  
 123.11 located within a county qualifies as "adjacent" for purposes of this clause; or

123.12 (3) develop and present a model for the sharing of local sales tax revenues with  
 123.13 surrounding counties, statutory or home rule charter cities, or townships for projects that  
 123.14 meet needs of the counties, statutory or home rule charter cities, or townships.

123.15 Subd. 8. **Criminal justice facilities.** (a) To impose a local sales tax to fund construction  
 123.16 or remodeling of or improvements to a correctional facility, a political subdivision must  
 123.17 demonstrate the need for the facility by providing:

123.18 (1) official documentation of the age of the facility; and

123.19 (2)(i) official correspondence from the Department of Corrections that includes an  
 123.20 analysis of the facility and description of the improvements or updates needed; or

123.21 (ii) if the facility is a joint project between two or more counties, the joint powers  
 123.22 agreement or other official documentation between at least one other county demonstrating  
 123.23 that the facility will serve public safety functions for the region.

123.24 (b) To impose a local sales tax to fund construction or remodeling of or improvements  
 123.25 to a district court office, a political subdivision must demonstrate the need for the facility  
 123.26 by providing the age of the facility and a description of improvements needed.

123.27 (c) To impose a local sales tax to fund construction or remodeling of or improvements  
 123.28 to a law enforcement center, a political subdivision must provide resolutions from  
 123.29 surrounding counties, statutory or home rule charter cities, or townships affirming that the  
 123.30 functions of the law enforcement center will meet the needs of the surrounding county,  
 123.31 statutory or home rule charter city, or township.

123.32 Subd. 9. **Convention centers; airports; parks and trails.** (a) To impose a local sales  
 123.33 tax to finance construction or remodeling of or improvements to a convention center, a

124.1 political subdivision must demonstrate that the convention center meets the requirements  
124.2 of subdivision 1, paragraph (c).

124.3 (b) To impose a local sales tax to finance construction or remodeling of or improvements  
124.4 to an airport, a political subdivision must demonstrate the regional necessity of the airport.

124.5 (c) To impose a local sales tax to finance construction of or improvements to a park, a  
124.6 political subdivision must demonstrate how the project meets the criteria described in  
124.7 subdivision 1, paragraph (h).

124.8 (d) To impose a local sales tax to finance construction of or improvements to a trail, a  
124.9 political subdivision must demonstrate how the project meets the criteria described in  
124.10 subdivision 1, paragraph (n).

124.11 Subd. 10. **Other provisions apply.** (a) The provisions of section 297A.99, subdivisions  
124.12 4 to 13, apply to taxes authorized under this subdivision.

124.13 (b) The prevailing wage rate applies to all contracts for construction of specified capital  
124.14 projects under this section that are located in a metropolitan county.

124.15 (c) The total tax rate imposed by a political subdivision under this section and section  
124.16 297A.99 must not exceed one percent. If a local sales tax is imposed by a county, the limit  
124.17 under this paragraph includes any tax authorized under section 297A.993.

124.18 (d) The maximum collection period for a tax imposed under this section is the earlier  
124.19 of the amount of time necessary to collect the revenue equal to the cost of the specified  
124.20 capital projects approved by the voters, including as associated bonding costs, or 30 years.

124.21 Subd. 11. **Bonds; authorization.** (a) A political subdivision may issue bonds under  
124.22 chapter 475 to finance all or a portion of the costs of a specified capital project. The aggregate  
124.23 principal amount of bonds issued must not exceed the cost of a qualifying capital project  
124.24 approved by the voters, plus associated bonding costs. The bonds may be paid from or  
124.25 secured by any funds available to the political subdivision, including the tax authorized  
124.26 under this section and approved by the voters. The issuance of bonds under this subdivision  
124.27 is not subject to sections 275.60 and 275.61.

124.28 (b) A separate election to approve the bonds under section 475.58 is not required.

124.29 Subd. 12. **Filing and imposition requirements.** (a) A political subdivision that has  
124.30 received approval to impose a tax from the commissioner under this section must file a  
124.31 certificate of local approval with the secretary of state within 60 days after receiving voter  
124.32 approval for the tax to be lawfully imposed. If the tax is approved by the voters, the political  
124.33 subdivision must impose the tax within 15 months of receiving the voter approval. If the

125.1 tax is not imposed within 15 months, the authority to impose the tax under this section  
 125.2 expires.

125.3 (b) If, after receiving voter approval, a political subdivision cancels a project approved  
 125.4 by the voters, the political subdivision must notify the commissioner. The commissioner  
 125.5 must proportionately decrease the maximum amount of tax revenue the political subdivision  
 125.6 may collect and must adjust the termination of the tax accordingly. If the political subdivision  
 125.7 has already collected revenue for the canceled project, the political subdivision must return  
 125.8 the funds to the commissioner for deposit to the general fund. The political subdivision  
 125.9 must use any other source of revenue available to pay any outstanding debt on the bonds  
 125.10 that were issued for the canceled project.

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

125.12 Sec. 4. **[297A.9902] LOCAL SALES TAXES; OVERSIGHT.**

125.13 (a) A political subdivision seeking to impose a local sales tax under the provisions of  
 125.14 section 297A.9901 must file a copy of the resolution and documentation required under  
 125.15 section 297A.9901, subdivision 4, paragraph (b), with the commissioner by October 31 of  
 125.16 the year before the political subdivision seeks voter approval of the tax.

125.17 (b) The commissioner must verify whether a project included in the submission under  
 125.18 paragraph (a) meets the requirements of section 297A.9901, subdivisions 1 to 9, and  
 125.19 subdivision 10, paragraph (c). By January 10 of the year the political subdivision seeks  
 125.20 voter approval of a local sales tax authorized under section 297A.9901, the commissioner  
 125.21 must notify the political subdivision of the commissioner's determination.

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

125.23 Sec. 5. **REPEALER.**

125.24 Minnesota Statutes 2023 Supplement, section 297A.99, subdivision 3a, is repealed.

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

125.26

## ARTICLE 7

125.27

### PUBLIC FINANCE

125.28 Section 1. Minnesota Statutes 2022, section 123B.71, subdivision 8, is amended to read:

125.29 Subd. 8. **Review and comment.** A school district, a special education cooperative, or  
 125.30 a cooperative unit of government, as defined in section 123A.24, subdivision 2, must not

126.1 ~~initiate~~ enter into an installment contract for purchase or a lease agreement, hold a referendum  
 126.2 for bonds, nor solicit bids for new construction, expansion, or remodeling of an educational  
 126.3 facility that requires an expenditure in excess of \$500,000 per school site if it has a capital  
 126.4 loan outstanding, or \$2,000,000 per school site if it does not have a capital loan outstanding,  
 126.5 prior to review and comment by the commissioner. ~~A facility addition, maintenance project,~~  
 126.6 ~~or remodeling project~~ New construction, expansion, or remodeling of an educational facility  
 126.7 funded only with general education revenue, lease levy proceeds from an additional capital  
 126.8 expenditure levy under section 126C.40, subdivision 1, capital facilities bond proceeds, or  
 126.9 long-term facilities maintenance revenue is exempt from this provision. A capital project  
 126.10 under section 123B.63 addressing only technology is exempt from this provision if the  
 126.11 district submits a school board resolution stating that funds approved by the voters will be  
 126.12 used only as authorized in section 126C.10, subdivision 14. A school board shall not separate  
 126.13 portions of a single project into components to avoid the requirements of this subdivision.

126.14 Sec. 2. Minnesota Statutes 2023 Supplement, section 123B.71, subdivision 12, is amended  
 126.15 to read:

126.16 Subd. 12. **Publication.** (a) At least 48 days but not more than ~~60~~ 88 days before a  
 126.17 referendum for bonds under chapter 475 or solicitation of bids for a project that has received  
 126.18 a positive or unfavorable review and comment under section 123B.70, the school board  
 126.19 shall publish a summary of the commissioner's review and comment of that project in the  
 126.20 legal newspaper of the district. The school board must hold a public meeting to discuss the  
 126.21 commissioner's review and comment before ~~the~~ such a referendum for bonds. Supplementary  
 126.22 information shall be available to the public. Where no such referendum for bonds is required,  
 126.23 the publication and public meeting requirements of this subdivision shall not apply.

126.24 (b) The publication requirement in paragraph (a) does not apply to alternative facilities  
 126.25 projects approved under section 123B.595.

126.26 Sec. 3. Minnesota Statutes 2023 Supplement, section 126C.40, subdivision 6, is amended  
 126.27 to read:

126.28 Subd. 6. **Lease purchase; installment buys.** (a) Upon application to, and approval by,  
 126.29 the commissioner in accordance with the procedures and limits in subdivision 1, paragraphs  
 126.30 (a) and (b), a district, as defined in this subdivision, may:

126.31 (1) purchase real or personal property under an installment contract or may lease real  
 126.32 or personal property with an option to purchase under a lease purchase agreement, by which

127.1 installment contract or lease purchase agreement title is kept by the seller or vendor or  
127.2 assigned to a third party as security for the purchase price, including interest, if any; and

127.3 (2) annually levy the amounts necessary to pay the district's obligations under the  
127.4 installment contract or lease purchase agreement.

127.5 (b) The obligation created by the installment contract or the lease purchase agreement  
127.6 must not be included in the calculation of net debt for purposes of section 475.53, and does  
127.7 not constitute debt under other law. An election is not required in connection with the  
127.8 execution of the installment contract or the lease purchase agreement.

127.9 (c) The proceeds of the levy authorized by this subdivision must not be used to acquire  
127.10 a facility to be primarily used for athletic or school administration purposes.

127.11 (d) For the purposes of this subdivision, "district" means:

127.12 (1) Special School District No. 1, Minneapolis, Independent School District No. 625,  
127.13 St. Paul, Independent School District No. 709, Duluth, or Independent School District No.  
127.14 535, Rochester, if the district's desegregation plan has been determined by the commissioner  
127.15 to be in compliance with Department of Education rules relating to equality of educational  
127.16 opportunity and where the acquisition of property under this subdivision is determined by  
127.17 the commissioner to contribute to the implementation of the desegregation plan; or

127.18 (2) other districts eligible for revenue under section 124D.862 if the facility acquired  
127.19 under this subdivision is to be primarily used for a joint program for interdistrict  
127.20 desegregation and the commissioner determines that the joint programs are being undertaken  
127.21 to implement the districts' desegregation plan.

127.22 (e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease  
127.23 or rent a district-owned building to itself does not apply to levies otherwise authorized by  
127.24 this subdivision.

127.25 (f) For the purposes of this subdivision, any references in subdivision 1 to building or  
127.26 land shall include personal property.

127.27 (g) Projects funded under this subdivision that require an expenditure in excess of  
127.28 \$500,000 per school site if the school district has a capital loan outstanding, or \$2,000,000  
127.29 per school site if the school district does not have a capital loan outstanding, are subject to  
127.30 review and comment under section 123B.71, subdivision 8, in the same manner as other  
127.31 school construction projects.

128.1 Sec. 4. Minnesota Statutes 2022, section 446A.086, subdivision 1, is amended to read:

128.2 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the  
128.3 meanings given.

128.4 (b) "Authority" means the Minnesota Public Facilities Authority.

128.5 (c) "Commissioner" means the commissioner of management and budget.

128.6 (d) "Debt obligation" means:

128.7 (1) a general obligation bond or note issued by a county, a bond or note to which the  
128.8 general obligation of a county is pledged under section 469.034, subdivision 2, or a bond  
128.9 or note payable from a county lease obligation under section 641.24, to provide funds for  
128.10 the construction of:

128.11 (i) jails;

128.12 (ii) correctional facilities;

128.13 (iii) law enforcement facilities;

128.14 (iv) a court house or justice center, if connected to a jail, correctional facility, or other  
128.15 law enforcement facility;

128.16 ~~(iv)~~ (v) social services and human services facilities;

128.17 ~~(v)~~ (vi) solid waste facilities; or

128.18 ~~(vi)~~ (vii) qualified housing development projects as defined in section 469.034,  
128.19 subdivision 2; or

128.20 (2) a general obligation bond or note issued by a governmental unit to provide funds for  
128.21 the construction, improvement, or rehabilitation of:

128.22 (i) wastewater facilities;

128.23 (ii) drinking water facilities;

128.24 (iii) stormwater facilities; or

128.25 (iv) any publicly owned building or infrastructure improvement that has received partial  
128.26 funding from grants awarded by the commissioner of employment and economic development  
128.27 related to redevelopment, contaminated site cleanup, bioscience, small cities development  
128.28 programs, and rural business infrastructure programs, for which bonds are issued by the  
128.29 authority under section 446A.087.

128.30 (e) "Governmental unit" means a county or a statutory or home rule charter city.



129.1 Sec. 5. Minnesota Statutes 2022, section 469.104, is amended to read:

129.2 **469.104 SECTIONS THAT APPLY IF FEDERAL LIMIT APPLIES.**

129.3 Sections 474A.01 to 474A.21 apply to obligations issued under sections 469.090 to  
129.4 469.108 that are ~~limited~~ required by federal tax law as defined in section 474A.02,  
129.5 subdivision 8, to obtain an allocation of volume cap.

129.6 Sec. 6. Minnesota Statutes 2022, section 473.757, subdivision 10, is amended to read:

129.7 Subd. 10. **Sales and use tax.** (a) Notwithstanding section 477A.016, or other law, the  
129.8 governing body of the county may by ordinance, impose a sales and use tax at the rate of  
129.9 0.15 percent for the purposes listed in this section. The taxes authorized under this section  
129.10 and the manner in which they are imposed are exempt from the rules of section 297A.99,  
129.11 subdivisions 2 and 3. The provisions of section 297A.99, except for subdivisions 2 and 3,  
129.12 apply to the imposition, administration, collection, and enforcement of this tax.

129.13 (b) The tax imposed under this section is not included in determining if the total tax on  
129.14 lodging in the city of Minneapolis exceeds the maximum allowed tax under Laws 1986,  
129.15 chapter 396, section 5, as amended by Laws 2001, First Special Session chapter 5, article  
129.16 12, section 87, or in determining a tax that may be imposed under any other limitations.

129.17 (c) The requirements of sections 297A.9901 and 297A.9902 do not apply to taxes  
129.18 authorized under this chapter.

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

129.20 Sec. 7. Minnesota Statutes 2022, section 474A.091, subdivision 2, is amended to read:

129.21 Subd. 2. **Application for residential rental projects.** (a) Issuers may apply for an  
129.22 allocation for residential rental bonds under this section by submitting to the department an  
129.23 application on forms provided by the department accompanied by:

129.24 (1) a preliminary resolution;

129.25 (2) a statement of bond counsel that the proposed issue of obligations requires an  
129.26 allocation under this chapter and the Internal Revenue Code;

129.27 (3) an application deposit in the amount of two percent of the requested allocation;

129.28 (4) a sworn statement from the applicant identifying the project as a preservation project,  
129.29 30 percent AMI residential rental project, 50 percent AMI residential rental project, 100  
129.30 percent LIHTC project, 20 percent LIHTC project, or any other residential rental project;  
129.31 and

130.1 (5) a certification from the applicant or its accountant stating that the requested allocation  
130.2 does not exceed the aggregate bond limitation.

130.3 The issuer must pay the application deposit to the Department of Management and Budget.  
130.4 An entitlement issuer may not apply for an allocation for residential rental project bonds  
130.5 under this section unless it has either permanently issued bonds equal to the amount of its  
130.6 entitlement allocation for the current year plus any amount carried forward from previous  
130.7 years or returned for reallocation all of its unused entitlement allocation. For purposes of  
130.8 this subdivision, its entitlement allocation includes an amount obtained under section  
130.9 474A.04, subdivision 6.

130.10 (b) An issuer that receives an allocation under this subdivision must permanently issue  
130.11 obligations equal to all or a portion of the allocation received on or before the earlier of:  
130.12 (1) 180 days of the allocation; or (2) the last business day of December. If an issuer that  
130.13 receives an allocation under this subdivision does not permanently issue obligations equal  
130.14 to all or a portion of the allocation received within the time period provided in this paragraph  
130.15 or returns the allocation to the commissioner, the amount of the allocation is canceled and  
130.16 returned for reallocation through the unified pool.

130.17 (c) The Minnesota Housing Finance Agency may apply for and receive an allocation  
130.18 under this section without submitting an application deposit.

130.19 Sec. 8. Minnesota Statutes 2022, section 474A.091, subdivision 2a, is amended to read:

130.20 Subd. 2a. **Application for all other types of qualified bonds.** (a) Issuers may apply  
130.21 for an allocation for all types of qualified bonds other than residential rental bonds under  
130.22 this section by submitting to the department an application on forms provided by the  
130.23 department accompanied by:

130.24 (1) a preliminary resolution;

130.25 (2) a statement of bond counsel that the proposed issue of obligations requires an  
130.26 allocation under this chapter and the Internal Revenue Code;

130.27 (3) the type of qualified bonds to be issued;

130.28 (4) an application deposit in the amount of two percent of the requested allocation; and

130.29 (5) a public purpose scoring worksheet for manufacturing and enterprise zone  
130.30 applications.

130.31 The issuer must pay the application deposit to the Department of Management and Budget.  
130.32 An entitlement issuer may not apply for an allocation for public facility bonds or mortgage

131.1 bonds under this section unless it has either permanently issued bonds equal to the amount  
 131.2 of its entitlement allocation for the current year plus any amount carried forward from  
 131.3 previous years or returned for reallocation all of its unused entitlement allocation. For  
 131.4 purposes of this subdivision, an entitlement allocation includes an amount obtained under  
 131.5 section 474A.04, subdivision 6.

131.6 (b) An issuer that receives an allocation under this subdivision must permanently issue  
 131.7 obligations equal to all or a portion of the allocation received on or before the earlier of:  
 131.8 (1) 120 days of the allocation; or (2) the last business day of December. If an issuer that  
 131.9 receives an allocation under this subdivision does not permanently issue obligations equal  
 131.10 to all or a portion of the allocation received within the time period provided in this paragraph  
 131.11 or returns the allocation to the commissioner, the amount of the allocation is canceled and  
 131.12 returned for reallocation through the unified pool.

131.13 (c) Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,  
 131.14 the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds  
 131.15 under this section prior to the first Monday in October, but may be awarded allocations for  
 131.16 mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota  
 131.17 Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota  
 131.18 Rural Finance Authority may apply for and receive an allocation under this section without  
 131.19 submitting an application deposit.

## 131.20 ARTICLE 8

### 131.21 MISCELLANEOUS

131.22 Section 1. Minnesota Statutes 2022, section 270C.21, is amended to read:

131.23 **270C.21 TAXPAYER ASSISTANCE GRANTS; TAX CREDIT OUTREACH**  
 131.24 **GRANTS.**

131.25 Subdivision 1. **Taxpayer assistance.** When the commissioner awards grants to ~~eligible~~  
 131.26 ~~organizations to coordinate, facilitate, encourage, and aid in the provision of taxpayer~~  
 131.27 ~~assistance services~~ under this section, the commissioner must provide public notice of the  
 131.28 grants in a timely manner so that the grant process is completed and grants are awarded by  
 131.29 October 1, in order for recipient ~~eligible~~ organizations to adequately plan expenditures for  
 131.30 the filing season. At the time the commissioner provides public notice, the commissioner  
 131.31 must also notify ~~eligible~~ organizations that received grants in the previous biennium. Amounts  
 131.32 appropriated for grants under this section are not subject to retention of administrative costs  
 131.33 under section 16B.98, subdivision 14.

132.1 Subd. 2. **Eligible organization Definitions.** "Eligible organization" means an organization  
 132.2 that meets the definition of eligible organization provided in section 7526A(e)(2)(B) of the  
 132.3 Internal Revenue Code.

132.4 (a) For the purposes of this section, the following terms have the meanings given.

132.5 (b) "Eligible credit" means a credit, refund, or other tax preference targeting low-income  
 132.6 taxpayers, including but not limited to the credits under sections 290.0661, 290.0671,  
 132.7 290.0674, and 290.0693, and chapter 290A.

132.8 (c) "Tax outreach organization" means a nonprofit organization or federally recognized  
 132.9 Indian Tribe with experience serving demographic groups or geographic regions that have  
 132.10 historically had low rates of participation in eligible credits.

132.11 (d) "Taxpayer assistance services" means accounting and tax preparation services  
 132.12 provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents to  
 132.13 help them file federal and state income tax returns and Minnesota property tax refund claims  
 132.14 and to provide personal representation before the Department of Revenue and Internal  
 132.15 Revenue Service.

132.16 (e) "Volunteer taxpayer assistance organization" means an eligible organization qualifying  
 132.17 under section 7526A(e)(2)(B) of the Internal Revenue Code of 1986.

132.18 Subd. 3. Taxpayer assistance grants. The commissioner must make grants to one or  
 132.19 more volunteer taxpayer assistance organizations to coordinate, facilitate, encourage, and  
 132.20 aid in the provision of taxpayer assistance services.

132.21 Subd. 4. Tax credit outreach grants. The commissioner must make one or more grants  
 132.22 to tax outreach organizations and volunteer assistance organizations. Grants provided under  
 132.23 this subdivision must be used to:

132.24 (1) publicize and promote the availability of eligible credits to taxpayers likely to be  
 132.25 eligible for those credits; or

132.26 (2) provide taxpayer assistance services.

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

132.28 Sec. 2. Minnesota Statutes 2022, section 270C.33, is amended by adding a subdivision to  
 132.29 read:

132.30 Subd. 4a. Limitations; sales, corporate, and income taxes. (a) The provisions of this  
 132.31 subdivision are a limitation on the assessment authority of the commissioner under this  
 132.32 section.

133.1 (b) The commissioner must not assess additional tax due under chapter 290 or 297A if  
133.2 each of the following requirements are met:

133.3 (1) the taxpayer was given erroneous advice in writing by an employee of the department  
133.4 acting in an official capacity, if the advice:

133.5 (i) was reasonably relied on and was included in a tax order or in response to a specific  
133.6 written request by the taxpayer; and

133.7 (ii) was not the result of failure by the taxpayer to provide adequate or accurate  
133.8 information; and

133.9 (2) effective for a taxable period beginning after the period covered by clause (1), neither  
133.10 the statute or administrative rule on which the reporting or other practice is based has been  
133.11 materially changed, its interpretation has not been changed by a court decision, or there has  
133.12 been a federal adjustment as defined under section 289A.381, subdivision 7, and the  
133.13 commissioner has not issued a revenue notice or directly notified the taxpayer, in writing,  
133.14 of the commissioner's position as to the proper reporting or other treatment of the relevant  
133.15 income, transaction, deduction, credit, or other item of tax preference.

133.16 (c) For an audit of a prior taxable period by the commissioner, paragraph (b), clause (1),  
133.17 applies only to the issues within the scope of and specifically addressed by the audit where  
133.18 the written order given to the taxpayer includes erroneous advice on those issues. For a  
133.19 written order that includes data sampling, paragraph (b), clause (1), applies only to the  
133.20 reviewed sampled population.

133.21 **EFFECTIVE DATE.** This section is effective for erroneous advice given to the taxpayer  
133.22 in writing after June 30, 2024.

133.23 Sec. 3. Minnesota Statutes 2023 Supplement, section 297H.13, subdivision 2, is amended  
133.24 to read:

133.25 Subd. 2. **Allocation of revenues.** (a) Of the amounts remitted under this chapter, 70  
133.26 percent must be credited to the environmental fund established in section 16A.531,  
133.27 subdivision 1.

133.28 (b) In addition to the amounts credited to the environmental fund in paragraph (a), ~~in~~  
133.29 ~~fiscal year 2024 and later,~~ three percent of the amounts remitted under this chapter shall be  
133.30 deposited into the resource management account in the environmental fund. For fiscal year  
133.31 2025 only, an additional \$3,252,000 must be deposited in the resource management account  
133.32 in the environmental fund.

134.1 (c) The remainder must be deposited into the general fund.

134.2 (d) ~~Beginning in fiscal year 2024 and annually thereafter,~~ The money deposited in the  
 134.3 resource management account in the environmental fund under paragraph (b) is appropriated  
 134.4 to the commissioner of the Pollution Control Agency for distribution to counties under  
 134.5 section 115A.557, subdivision 2, paragraph (a), clauses (1) to (7) and (9) to (11). Amounts  
 134.6 appropriated for distribution under this section are not subject to retention of administrative  
 134.7 costs under section 16B.98, subdivision 14.

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

134.9 Sec. 4. **HENNEPIN COUNTY BASEBALL STADIUM TAX; REVIEW AND**  
 134.10 **EVALUATION.**

134.11 (a) The commissioner of revenue must review and evaluate the provisions of Minnesota  
 134.12 Statutes, sections 473.75 to 473.763, to determine whether the tax authorized under Minnesota  
 134.13 Statutes, section 473.757, subdivision 10, should be extended to fund purposes other than  
 134.14 those included in Minnesota Statutes, section 473.757, subdivision 11.

134.15 (b) The review and evaluation must include possible distribution of revenues to fund  
 134.16 improvements to hospitals located in Hennepin County and the need for continued operating  
 134.17 costs to and improvements to public infrastructure of the ballpark, as defined under Minnesota  
 134.18 Statutes, section 473.751, subdivision 3.

134.19 (c) In performing the requirements of paragraphs (a) and (b), the commissioner of revenue  
 134.20 must consult with:

134.21 (1) the Hennepin County Board of Commissioners;

134.22 (2) members of the senate and house of representatives whose districts include areas  
 134.23 both within and outside Hennepin County;

134.24 (3) the Minnesota Ballpark Authority, as defined under Minnesota Statutes, section  
 134.25 473.751, subdivision 2;

134.26 (4) the team, as defined under Minnesota Statutes, section 473.751, subdivision 9; and

134.27 (5) members of the boards of directors of hospitals located within Hennepin County.

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

135.1 **Sec. 5. APPROPRIATION; CITY OF SOUTH ST. PAUL; GRANT.**

135.2 (a) \$250,000 in fiscal year 2024 is appropriated from the general fund to the commissioner  
 135.3 of revenue for a grant to the city of South St. Paul. This is a onetime appropriation. The  
 135.4 grant must be paid by June 30, 2024. The grant under this section is not subject to retention  
 135.5 of administrative costs under Minnesota Statutes, section 16B.98, subdivision 14.

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

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

135.9 **Sec. 6. APPROPRIATION; TAX CREDIT OUTREACH GRANTS; TAXPAYER**  
 135.10 **ASSISTANCE GRANTS.**

135.11 (a) \$1,000,000 in fiscal year 2025 is appropriated from the general fund to the  
 135.12 commissioner of revenue for tax credit outreach grants under Minnesota Statutes, section  
 135.13 270C.21, subdivision 4. This appropriation is in addition to the amount appropriated in  
 135.14 Laws 2023, chapter 64, article 7, section 30.

135.15 (b) The base for the \$1,000,000 appropriation in paragraph (a) is \$1,044,000 in fiscal  
 135.16 year 2026 and \$1,045,000 in fiscal year 2027.

135.17 (c) \$750,000 in fiscal year 2025 is appropriated from the general fund to the commissioner  
 135.18 of revenue for taxpayer assistance grants under Minnesota Statutes, section 270C.21,  
 135.19 subdivision 3. This appropriation is in addition to the amount appropriated for taxpayer  
 135.20 assistance in Laws 2023, chapter 62, article 1, section 14, subdivision 2.

135.21 **ARTICLE 9**

135.22 **DEPARTMENT OF REVENUE; INDIVIDUAL INCOME AND CORPORATE**  
 135.23 **FRANCHISE TAXES**

135.24 Section 1. Minnesota Statutes 2022, section 116U.27, subdivision 2, is amended to read:

135.25 Subd. 2. **Credit allowed.** A taxpayer is eligible for a credit up to 25 percent of eligible  
 135.26 production costs paid in ~~a taxable year~~ any consecutive 12-month period as described in  
 135.27 subdivision 1, paragraph (h). A taxpayer may only claim a credit if the taxpayer was issued  
 135.28 a credit certificate under subdivision 4.

135.29 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
 135.30 after December 31, 2022.

136.1 Sec. 2. Minnesota Statutes 2023 Supplement, section 290.01, subdivision 19, is amended  
136.2 to read:

136.3 Subd. 19. **Net income.** (a) For a trust or estate taxable under section 290.03, and a  
136.4 corporation taxable under section 290.02, the term "net income" means the federal taxable  
136.5 income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through  
136.6 the date named in this subdivision, incorporating the federal effective dates of changes to  
136.7 the Internal Revenue Code and any elections made by the taxpayer in accordance with the  
136.8 Internal Revenue Code in determining federal taxable income for federal income tax  
136.9 purposes, and with the modifications provided in sections 290.0131 to 290.0136.

136.10 (b) For an individual, the term "net income" means federal adjusted gross income with  
136.11 the modifications provided in sections 290.0131, 290.0132, and 290.0135 to 290.0137.

136.12 (c) In the case of a regulated investment company or a fund thereof, as defined in section  
136.13 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment  
136.14 company taxable income as defined in section 852(b)(2) of the Internal Revenue Code,  
136.15 except that:

136.16 (1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal  
136.17 Revenue Code does not apply;

136.18 (2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue  
136.19 Code must be applied by allowing a deduction for capital gain dividends and exempt-interest  
136.20 dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code;  
136.21 and

136.22 (3) the deduction for dividends paid must also be applied in the amount of any  
136.23 undistributed capital gains which the regulated investment company elects to have treated  
136.24 as provided in section 852(b)(3)(D) of the Internal Revenue Code.

136.25 (d) The net income of a real estate investment trust as defined and limited by section  
136.26 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust  
136.27 taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

136.28 (e) The net income of a designated settlement fund as defined in section 468B(d) of the  
136.29 Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal  
136.30 Revenue Code.

136.31 (f) The Internal Revenue Code of 1986, as amended through May 1, 2023, applies for  
136.32 taxable years beginning after December 31, 1996.



137.1 (g) Except as otherwise provided, references to the Internal Revenue Code in this  
 137.2 subdivision and sections 290.0131 to 290.0136 mean the code in effect for purposes of  
 137.3 determining net income for the applicable year.

137.4 (h) In the case of a partnership electing to file a composite return under section 289A.08,  
 137.5 subdivision 7, "net income" means the partner's share of federal adjusted gross income from  
 137.6 the partnership modified by the additions provided in section 290.0131, subdivisions 8 to  
 137.7 10, 16, and 17, and the subtractions provided in: (1) section 290.0132, subdivisions 9, 27,  
 137.8 ~~and 28, and 31~~, to the extent the amount is assignable or allocable to Minnesota under section  
 137.9 290.17; and (2) section 290.0132, subdivision 14. The subtraction allowed under section  
 137.10 290.0132, subdivision 9, is only allowed on the composite tax computation to the extent  
 137.11 the electing partner would have been allowed the subtraction.

137.12 (i) In the case of a qualifying entity electing to pay the pass-through entity tax under  
 137.13 section 289A.08, subdivision 7a, "net income" means the qualifying owner's share of federal  
 137.14 adjusted gross income from the qualifying entity modified by the additions provided in  
 137.15 section 290.0131, subdivisions 5, 8 to 10, 16, and 17, and the subtractions provided in: (1)  
 137.16 section 290.0132, subdivisions 3, 9, 27, ~~and 28, and 31~~, to the extent the amount is assignable  
 137.17 or allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14.  
 137.18 The subtraction allowed under section 290.0132, subdivision 9, is only allowed on the  
 137.19 pass-through entity tax computation to the extent the qualifying owners would have been  
 137.20 allowed the subtraction. ~~The income of both a resident and nonresident qualifying owner~~  
 137.21 ~~is allocated and assigned to this state as provided for nonresident partners and shareholders~~  
 137.22 ~~under sections 290.17, 290.191, and 290.20.~~

137.23 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
 137.24 after December 31, 2022.

137.25 Sec. 3. Minnesota Statutes 2023 Supplement, section 290.0132, subdivision 26, is amended  
 137.26 to read:

137.27 Subd. 26. **Social Security benefits.** (a) A taxpayer is allowed a subtraction equal to the  
 137.28 greater of the simplified subtraction allowed under paragraph (b) or the alternate subtraction  
 137.29 determined under paragraph (e).

137.30 (b) A taxpayer's simplified subtraction equals the amount of taxable social security  
 137.31 benefits, as reduced under paragraphs (c) and (d).

137.32 (c) For a taxpayer other than a married taxpayer filing a separate return with adjusted  
 137.33 gross income above the phaseout threshold, the simplified subtraction is reduced by ten

138.1 percent for each \$4,000 of adjusted gross income, or fraction thereof, in excess of the  
138.2 phaseout threshold. The phaseout threshold equals:

138.3 (1) \$100,000 for a married taxpayer filing a joint return or surviving spouse;

138.4 (2) \$78,000 for a single or head of household taxpayer; and

138.5 (3) for a married taxpayer filing a separate return, half the amount for a married taxpayer  
138.6 filing a joint return.

138.7 (d) For a married taxpayer filing a separate return, the simplified subtraction is reduced  
138.8 by ten percent for each \$2,000 of adjusted gross income, or fraction thereof, in excess of  
138.9 the phaseout threshold.

138.10 (e) A taxpayer's alternate subtraction equals the lesser of taxable Social Security benefits  
138.11 or a maximum subtraction subject to the limits under paragraphs (f), (g), and (h).

138.12 (f) For married taxpayers filing a joint return and surviving spouses, the maximum  
138.13 subtraction under paragraph ~~(e)~~ (e) equals \$5,840. The maximum subtraction is reduced by  
138.14 20 percent of provisional income over \$88,630. In no case is the subtraction less than zero.

138.15 (g) For single or head-of-household taxpayers, the maximum subtraction under paragraph  
138.16 ~~(e)~~ (e) equals \$4,560. The maximum subtraction is reduced by 20 percent of provisional  
138.17 income over \$69,250. In no case is the subtraction less than zero.

138.18 (h) For married taxpayers filing separate returns, the maximum subtraction under  
138.19 paragraph ~~(e)~~ (e) equals one-half the maximum subtraction for joint returns under paragraph  
138.20 (f). The maximum subtraction is reduced by 20 percent of provisional income over one-half  
138.21 the threshold amount specified in paragraph (d). In no case is the subtraction less than zero.

138.22 (i) For purposes of this subdivision, "provisional income" means modified adjusted gross  
138.23 income as defined in section 86(b)(2) of the Internal Revenue Code, plus one-half of the  
138.24 taxable Social Security benefits received during the taxable year, and "Social Security  
138.25 benefits" has the meaning given in section 86(d)(1) of the Internal Revenue Code.

138.26 (j) The commissioner shall adjust the phaseout threshold amounts in paragraphs (c) ~~and~~  
138.27 ~~(d)~~, clauses (1) and (2), as provided in section 270C.22. The statutory year is taxable year  
138.28 2023. The maximum subtraction and threshold amounts as adjusted must be rounded to the  
138.29 nearest \$10 amount. If the amount ends in \$5, the amount is rounded up to the nearest \$10  
138.30 amount.

138.31 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
138.32 after December 31, 2022.

139.1 Sec. 4. Minnesota Statutes 2023 Supplement, section 290.0132, subdivision 34, is amended  
139.2 to read:

139.3 Subd. 34. **Qualified retirement benefits.** (a) The amount of qualified public pension  
139.4 income is a subtraction. The subtraction in this section is limited to:

139.5 (1) \$25,000 for a married taxpayer filing a joint return or surviving spouse; or

139.6 (2) \$12,500 for all other filers.

139.7 (b) For a taxpayer with adjusted gross income above the phaseout threshold, the  
139.8 subtraction is reduced by ten percent for each \$2,000 of adjusted gross income, or fraction  
139.9 thereof, in excess of the threshold. The phaseout threshold equals:

139.10 (1) \$100,000 for a married taxpayer filing a joint return or surviving spouse;

139.11 (2) \$78,000 for a single or head of household taxpayer; or

139.12 (3) for a married taxpayer filing a separate return, half the amount for a married taxpayer  
139.13 filing a joint return.

139.14 (c) For the purposes of this section, "qualified public pension income" means any amount  
139.15 received:

139.16 (1) by a former basic member or the survivor of a former basic member, as an annuity  
139.17 or survivor benefit, from a pension plan governed by chapter 353, 353E, 354, or 354A,  
139.18 provided that the annuity or benefit is based on service for which the member or survivor  
139.19 ~~is not also receiving~~ did not earn Social Security benefits;

139.20 (2) as an annuity or survivor benefit from the legislators plan under chapter 3A, the State  
139.21 Patrol retirement plan under chapter 352B, or the public employees police and fire plan  
139.22 under sections 353.63 to 353.666, provided that the annuity or benefit is based on service  
139.23 for which the member or survivor ~~is not also receiving~~ did not earn Social Security benefits;

139.24 (3) from any retirement system administered by the federal government that is based on  
139.25 service for which the recipient or the recipient's survivor ~~is not also receiving~~ did not earn  
139.26 Social Security benefits; or

139.27 (4) from a public retirement system of or created by another state or any of its political  
139.28 subdivisions, or the District of Columbia, if the income tax laws of the other state or district  
139.29 permit a similar deduction or exemption or a reciprocal deduction or exemption of a  
139.30 retirement or pension benefit received from a public retirement system of or created by this  
139.31 state or any political subdivision of this state.

140.1 (d) The commissioner must annually adjust the subtraction limits in paragraph (a) and  
140.2 the phaseout thresholds in paragraph (b), as provided in section 270C.22. The statutory year  
140.3 is taxable year 2023.

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

140.5 Sec. 5. Minnesota Statutes 2023 Supplement, section 290.0134, subdivision 20, is amended  
140.6 to read:

140.7 Subd. 20. **Delayed business interest.** (a) For each taxable year an addition is required  
140.8 under section ~~290.0131, subdivision 19~~ 290.0133, subdivision 15, the amount of the addition,  
140.9 less the sum of all amounts subtracted under this paragraph in all prior taxable years, that  
140.10 does not exceed the limitation on business interest in section 163(j) of the Internal Revenue  
140.11 Code of 1986, as amended through December 15, 2022, notwithstanding the special rule in  
140.12 section 163(j)(10) of the Internal Revenue Code, is a subtraction. Any excess is a delayed  
140.13 business interest carryforward, the entire amount of which must be carried to the earliest  
140.14 taxable year. No subtraction is allowed under this paragraph for taxable years beginning  
140.15 after December 31, 2022.

140.16 (b) For each of the five taxable years beginning after December 31, 2022, there is allowed  
140.17 a subtraction equal to one-fifth of the sum of all carryforward amounts that remain after the  
140.18 expiration of paragraph (a).

140.19 (c) Entities that are part of a combined reporting group under the unitary rules of section  
140.20 290.17, subdivision 4, must compute deductions and additions as required under section  
140.21 290.34, subdivision 5.

140.22 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
140.23 after December 31, 2019.

140.24 Sec. 6. Minnesota Statutes 2023 Supplement, section 290.0693, subdivision 1, is amended  
140.25 to read:

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

140.28 (b) "Dependent" means any individual who is considered a dependent under sections  
140.29 151 and 152 of the Internal Revenue Code and was claimed by the taxpayer as a dependent.

140.30 (c) "Disability" has the meaning given in section 290A.03, subdivision 10.

141.1 (d) "Exemption amount" means the exemption amount under section 290.0121,  
141.2 subdivision 1, paragraph (b).

141.3 (e) "Gross rent" means rent paid for the right of occupancy, at arm's length, of a  
141.4 homestead, exclusive of charges for any medical services furnished by the landlord as a  
141.5 part of the rental agreement, whether expressly set out in the rental agreement or not. The  
141.6 gross rent of a resident of a nursing home or intermediate care facility is \$600 per month.  
141.7 The gross rent of a resident of an adult foster care home is \$930 per month. The commissioner  
141.8 shall annually adjust the amounts in this paragraph as provided in section 270C.22. The  
141.9 statutory year is 2023. If the landlord and tenant have not dealt with each other at arm's  
141.10 length and the commissioner determines that the gross rent charged was excessive, the  
141.11 commissioner may adjust the gross rent to a reasonable amount for purposes of this section.

141.12 (f) "Homestead" has the meaning given in section 290A.03, subdivision 6.

141.13 (g) "Household" has the meaning given in section 290A.03, subdivision 4.

141.14 (h) "Household income" means all income received by all persons of a household in a  
141.15 taxable year while members of the household, other than income of a dependent.

141.16 (i) "Income" means adjusted gross income, minus:

141.17 (1) for the taxpayer's first dependent, the exemption amount multiplied by 1.4;

141.18 (2) for the taxpayer's second dependent, the exemption amount multiplied by 1.3;

141.19 (3) for the taxpayer's third dependent, the exemption amount multiplied by 1.2;

141.20 (4) for the taxpayer's fourth dependent, the exemption amount multiplied by 1.1;

141.21 (5) for the taxpayer's fifth dependent, the exemption amount; and

141.22 (6) if the taxpayer or taxpayer's spouse had a disability or attained the age of 65 on or  
141.23 before the close of the taxable year, the exemption amount.

141.24 (j) "Rent constituting property taxes" means 17 percent of the gross rent actually paid  
141.25 in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any taxable  
141.26 year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the  
141.27 taxable year, and which rent constitutes the basis, in the succeeding taxable year of a claim  
141.28 for a credit under this section by the claimant. If an individual occupies a homestead with  
141.29 another person or persons not related to the individual as the individual's spouse or as  
141.30 dependents, and the other person or persons are residing at the homestead under a rental or  
141.31 lease agreement with the individual, the amount of rent constituting property tax for the  
141.32 individual equals that portion not covered by the rental agreement.

142.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
142.2 31, 2023.

142.3 Sec. 7. Minnesota Statutes 2023 Supplement, section 290.0693, subdivision 6, is amended  
142.4 to read:

142.5 Subd. 6. **Residents of nursing homes, intermediate care facilities, long-term care**  
142.6 **facilities, or facilities accepting housing support payments.** (a) A taxpayer must not claim  
142.7 a credit under this section if the taxpayer is a resident of a nursing home, intermediate care  
142.8 facility, long-term residential facility, or a facility that accepts housing support payments  
142.9 whose rent constituting property taxes is paid pursuant to the Supplemental Security Income  
142.10 program under title XVI of the Social Security Act, the Minnesota supplemental aid program  
142.11 under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX  
142.12 of the Social Security Act, or the housing support program under chapter 256I.

142.13 (b) If only a portion of the rent constituting property taxes is paid by these programs,  
142.14 the resident is eligible for a credit, but the credit calculated must be multiplied by a fraction,  
142.15 the numerator of which is adjusted gross income, ~~reduced by the total amount of income~~  
142.16 ~~from the above sources other than vendor payments under the medical assistance program~~  
142.17 and the denominator of which is adjusted gross income, plus vendor payments under the  
142.18 medical assistance program, to determine the allowable credit.

142.19 (c) Notwithstanding paragraphs (a) and (b), if the taxpayer was a resident of the nursing  
142.20 home, intermediate care facility, long-term residential facility, or facility for which the rent  
142.21 was paid for the claimant by the housing support program for only a portion of the taxable  
142.22 year covered by the claim, the taxpayer may compute rent constituting property taxes by  
142.23 disregarding the rent constituting property taxes from the nursing home or facility and may  
142.24 use only that amount of rent constituting property taxes or property taxes payable relating  
142.25 to that portion of the year when the taxpayer was not in the facility. The taxpayer's household  
142.26 income is the income for the entire taxable year covered by the claim.

142.27 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
142.28 31, 2023.

142.29 Sec. 8. Minnesota Statutes 2023 Supplement, section 290.0693, subdivision 8, is amended  
142.30 to read:

142.31 Subd. 8. **One claimant per household.** Only one taxpayer per household per year is  
142.32 entitled to claim a credit under this section. In the case of a married couple filing a joint  
142.33 return, the couple may claim a credit under this section based on the total amount of both

143.1 spouses' gross rent. In the case of a married taxpayer filing a separate return, only one spouse  
 143.2 may claim the credit under this section. The credit amount for the spouse that claims the  
 143.3 credit must be calculated based on household income and not solely on the income of the  
 143.4 spouse.

143.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 143.6 31, 2023.

143.7 Sec. 9. Minnesota Statutes 2023 Supplement, section 290.0695, subdivision 2, is amended  
 143.8 to read:

143.9 Subd. 2. **Credit allowed; limitation; carryover.** (a) An eligible taxpayer is allowed a  
 143.10 credit against tax due under this chapter equal to 50 percent of ~~eligible expenses, not to~~  
 143.11 ~~exceed \$3,000 per mile, multiplied by the number of miles of railroad track owned or leased~~  
 143.12 ~~within the state by the eligible taxpayer for which the taxpayer made the~~ qualified railroad  
 143.13 reconstruction or replacement expenditures ~~as of the close of the taxable year for which the~~  
 143.14 ~~credit is claimed~~ made by an eligible taxpayer within this state during the taxable year for  
 143.15 which the credit is claimed.

143.16 (b) The credit allowed under paragraph (a) for any taxable year must not exceed the  
 143.17 product of:

143.18 (1) \$3,000, multiplied by;

143.19 (2) the number of miles of railroad track owned or leased by the eligible taxpayer within  
 143.20 this state as of the close of the taxable year for which the taxpayer made qualified railroad  
 143.21 reconstruction or replacement expenditures for which the credit is claimed.

143.22 ~~(b)~~ (c) If the amount of the credit determined under this section for any taxable year  
 143.23 exceeds the liability for tax under this chapter, the excess is a credit carryover to each of  
 143.24 the five succeeding taxable years. The entire amount of the excess unused credit for the  
 143.25 taxable year must be carried first to the earliest of the taxable years to which the credit may  
 143.26 be carried and then to each successive year to which the credit may be carried. The amount  
 143.27 of the unused credit that may be added under this paragraph must not exceed the taxpayer's  
 143.28 liability for tax less the credit for the taxable year.

143.29 ~~(c)~~ (d) An eligible taxpayer claiming a credit under this section may not also claim the  
 143.30 credit under section 297I.20, subdivision 6, for the same qualified railroad reconstruction  
 143.31 or replacement expenditures.

143.32 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
 143.33 after December 31, 2022.

144.1 Sec. 10. Laws 2023, chapter 1, section 22, is amended to read:

144.2 Sec. 22. **TEMPORARY ADDITIONS AND SUBTRACTIONS; INDIVIDUALS,**  
144.3 **ESTATES, AND TRUSTS.**

144.4 (a) For the purposes of this section:

144.5 (1) "subtraction" has the meaning given in Minnesota Statutes, section 290.0132,  
144.6 subdivision 1, and the rules in that subdivision apply to this section;

144.7 (2) "addition" has the meaning given in Minnesota Statutes, section 290.0131, subdivision  
144.8 1, and the rules in that subdivision apply to this section; and

144.9 (3) the definitions in Minnesota Statutes, section 290.01, apply to this section.

144.10 (b) The following amounts are subtractions:

144.11 (1) the amount of wages used for the calculation of the employee retention credit for  
144.12 employers affected by qualified disasters, to the extent not deducted from income, under  
144.13 Public Law 116-94, division Q, section 203, or Public Law 116-260, division EE, section  
144.14 303;

144.15 (2) the amount of wages used for the calculation of the payroll credit for required paid  
144.16 sick leave, to the extent not deducted from income, under Public Law 116-127, section  
144.17 7001, as amended by section 9641 of Public Law 117-2;

144.18 (3) the amount of wages or expenses used for the calculation of the payroll credit for  
144.19 required paid family leave, to the extent not deducted from income, under Public Law  
144.20 116-127, section 7003, as amended by section 9641 of Public Law 117-2;

144.21 (4) the amount of wages used for the calculation of the employee retention credit for  
144.22 employers subject to closure due to COVID-19, to the extent not deducted from income,  
144.23 under Public Law 116-136, section 2301, as amended by Public Law 116-260, division EE,  
144.24 section 207, and Public Law 117-2, section 9651; and

144.25 (5) the amount required to be added to gross income to claim the credit in section 6432  
144.26 of the Internal Revenue Code.

144.27 (c) The following amounts are additions:

144.28 (1) the amount subtracted for qualified tuition expenses under section 222 of the Internal  
144.29 Revenue Code, as amended by Public Law 116-94, division Q, section 104;

144.30 (2) the amount of above the line charitable contributions deducted under section 2204  
144.31 of Public Law 116-136;



145.1 (3) the amount of meal expenses in excess of the 50 percent limitation under section  
 145.2 274(n)(1) of the Internal Revenue Code allowed under subsection (n), paragraph (2),  
 145.3 subparagraph (D), of that section; and

145.4 (4) the amount of charitable contributions deducted from federal taxable income by a  
 145.5 trust for taxable year 2020 under Public Law 116-136, section 2205(a).

145.6 (d) The commissioner of revenue must apply the subtractions in paragraph (b) and the  
 145.7 additions in paragraph (c), when calculating the following:

145.8 (1) the percentage under Minnesota Statutes, section 290.06, subdivision 2c, paragraph  
 145.9 (e);

145.10 (2) a taxpayer's alternative minimum taxable income under Minnesota Statutes, section  
 145.11 290.091; and

145.12 (3) "income" as defined in Minnesota Statutes, section 289A.08, subdivision 7, paragraph  
 145.13 (j), for the purposes of determining the tax for composite filers and the pass-through entity  
 145.14 tax, means the partner's share of federal adjusted gross income from the partnership modified  
 145.15 by the additions provided in Minnesota Statutes, section 290.0131, subdivisions 8 to 10,  
 145.16 16, 17, and 19, and the subtractions provided in (i) Minnesota Statutes, section 290.0132,  
 145.17 subdivisions 9, 27, and 28, to the extent the amount is assignable or allocable to Minnesota  
 145.18 under Minnesota Statutes, section 290.17; and (ii) Minnesota Statutes, section 290.0132,  
 145.19 subdivision 14. The subtraction allowed under Minnesota Statutes, section 290.0132,  
 145.20 subdivision 9, is only allowed on the composite tax computation to the extent the electing  
 145.21 partner would have been allowed the subtraction.

145.22 (e) For the purpose of calculating property tax refunds under Minnesota Statutes, chapter  
 145.23 290A, any amounts allowed as a subtraction in paragraph (b) are excluded from "income,"  
 145.24 as defined in Minnesota Statutes, section 290A.03, subdivision 3.

145.25 **EFFECTIVE DATE.** This section is effective retroactively at the same time the changes  
 145.26 in Laws 2023, chapter 1, section 22, were effective for federal purposes.

145.27

## ARTICLE 10

145.28 **DEPARTMENT OF REVENUE; PROPERTY TAXES AND LOCAL GOVERNMENT**  
 145.29 **AIDS**

145.30 Section 1. Minnesota Statutes 2022, section 273.13, subdivision 22, is amended to read:

145.31 Subd. 22. **Class 1.** (a) Except as provided in subdivision 23 and in paragraphs (b) and  
 145.32 (c), real estate which is residential and used for homestead purposes is class 1a. In the case  
 145.33 of a duplex or triplex in which one of the units is used for homestead purposes, the entire

146.1 property is deemed to be used for homestead purposes. The market value of class 1a property  
146.2 must be determined based upon the value of the house, garage, and land.

146.3 The first \$500,000 of market value of class 1a property has a net classification rate of  
146.4 one percent of its market value; and the market value of class 1a property that exceeds  
146.5 \$500,000 has a classification rate of 1.25 percent of its market value.

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

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

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

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

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

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

146.21 Permanently and totally disabled for the purpose of this subdivision means a condition  
146.22 which is permanent in nature and totally incapacitates the person from working at an  
146.23 occupation which brings the person an income. The first \$50,000 market value of class 1b  
146.24 property has a net classification rate of .45 percent of its market value. The remaining market  
146.25 value of class 1b property is classified as class 1a ~~or~~, class 2a property, or class 4d(2)  
146.26 whichever is appropriate.

146.27 (c) Class 1c property is commercial use real and personal property that abuts public  
146.28 water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by  
146.29 the Department of Natural Resources, and is devoted to temporary and seasonal residential  
146.30 occupancy for recreational purposes but not devoted to commercial purposes for more than  
146.31 250 days in the year preceding the year of assessment, and that includes a portion used as  
146.32 a homestead by the owner, which includes a dwelling occupied as a homestead by a  
146.33 shareholder of a corporation that owns the resort, a partner in a partnership that owns the

147.1 resort, or a member of a limited liability company that owns the resort even if the title to  
147.2 the homestead is held by the corporation, partnership, or limited liability company. For  
147.3 purposes of this paragraph, property is devoted to a commercial purpose on a specific day  
147.4 if any portion of the property, excluding the portion used exclusively as a homestead, is  
147.5 used for residential occupancy and a fee is charged for residential occupancy. Class 1c  
147.6 property must contain three or more rental units. A "rental unit" is defined as a cabin,  
147.7 condominium, townhouse, sleeping room, or individual camping site equipped with water  
147.8 and electrical hookups for recreational vehicles. Class 1c property must provide recreational  
147.9 activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill  
147.10 or cross-country ski equipment; provide marina services, launch services, or guide services;  
147.11 or sell bait and fishing tackle. Any unit in which the right to use the property is transferred  
147.12 to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies  
147.13 for class 1c even though it may remain available for rent. A camping pad offered for rent  
147.14 by a property that otherwise qualifies for class 1c is also class 1c, regardless of the term of  
147.15 the rental agreement, as long as the use of the camping pad does not exceed 250 days. If  
147.16 the same owner owns two separate parcels that are located in the same township, and one  
147.17 of those properties is classified as a class 1c property and the other would be eligible to be  
147.18 classified as a class 1c property if it was used as the homestead of the owner, both properties  
147.19 will be assessed as a single class 1c property; for purposes of this sentence, properties are  
147.20 deemed to be owned by the same owner if each of them is owned by a limited liability  
147.21 company, and both limited liability companies have the same membership. The portion of  
147.22 the property used as a homestead is class 1a property under paragraph (a). The remainder  
147.23 of the property is classified as follows: the first \$600,000 of market value is tier I, the next  
147.24 \$1,700,000 of market value is tier II, and any remaining market value is tier III. The  
147.25 classification rates for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent; and tier III, 1.25  
147.26 percent. Owners of real and personal property devoted to temporary and seasonal residential  
147.27 occupancy for recreation purposes in which all or a portion of the property was devoted to  
147.28 commercial purposes for not more than 250 days in the year preceding the year of assessment  
147.29 desiring classification as class 1c, must submit a declaration to the assessor designating the  
147.30 cabins or units occupied for 250 days or less in the year preceding the year of assessment  
147.31 by January 15 of the assessment year. Those cabins or units and a proportionate share of  
147.32 the land on which they are located must be designated as class 1c as otherwise provided.  
147.33 The remainder of the cabins or units and a proportionate share of the land on which they  
147.34 are located must be designated as class 3a commercial. The owner of property desiring  
147.35 designation as class 1c property must provide guest registers or other records demonstrating  
147.36 that the units for which class 1c designation is sought were not occupied for more than 250

148.1 days in the year preceding the assessment if so requested. The portion of a property operated  
 148.2 as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5)  
 148.3 other nonresidential facility operated on a commercial basis not directly related to temporary  
 148.4 and seasonal residential occupancy for recreation purposes does not qualify for class 1c.

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

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

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

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

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

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

148.18 **EFFECTIVE DATE.** This section is effective for assessment year 2025 and thereafter.

148.19 Sec. 2. Minnesota Statutes 2022, section 375.192, subdivision 2, is amended to read:

148.20 Subd. 2. **Procedure, conditions.** Upon written application by the owner of any property,  
 148.21 the county board may grant the reduction or abatement of estimated market valuation or  
 148.22 taxes and of any costs, penalties, or interest on them as the board deems just and equitable  
 148.23 and order the refund in whole or part of any taxes, costs, penalties, or interest which have  
 148.24 been erroneously or unjustly paid. Except as provided in sections 469.1812 to 469.1815,  
 148.25 no reduction or abatement may be granted on the basis of providing an incentive for economic  
 148.26 development or redevelopment. Except as provided in section 375.194, the county board  
 148.27 may consider and grant reductions or abatements on applications only as they relate to taxes  
 148.28 payable in the current year and the two prior years; provided that reductions or abatements  
 148.29 for the two prior years shall be considered or granted only for (i) clerical errors, or (ii) when  
 148.30 the taxpayer fails to file for a reduction or an adjustment due to hardship, as determined by  
 148.31 the county board. The application must include the Social Security number or individual  
 148.32 taxpayer identification number of the applicant. The Social Security number ~~is~~ and individual  
 148.33 taxpayer identification number are private data on individuals as defined by section 13.02,

149.1 subdivision 12. All applications must be approved by the county assessor, or, if the property  
 149.2 is located in a city of the first or second class having a city assessor, by the city assessor,  
 149.3 and by the county auditor before consideration by the county board, except that the part of  
 149.4 the application which is for the abatement of penalty or interest must be approved by the  
 149.5 county treasurer and county auditor. Approval by the county or city assessor is not required  
 149.6 for abatements of penalty or interest. No reduction, abatement, or refund of any special  
 149.7 assessments made or levied by any municipality for local improvements shall be made  
 149.8 unless it is also approved by the board of review or similar taxing authority of the  
 149.9 municipality. On any reduction or abatement when the reduction of taxes, costs, penalties,  
 149.10 and interest exceed \$10,000, the county board shall give notice within 20 days to the school  
 149.11 board and the municipality in which the property is located. The notice must describe the  
 149.12 property involved, the actual amount of the reduction being sought, and the reason for the  
 149.13 reduction.

149.14 An appeal may not be taken to the Tax Court from any order of the county board made  
 149.15 in the exercise of the discretionary authority granted in this section.

149.16 The county auditor shall notify the commissioner of revenue of all abatements resulting  
 149.17 from the erroneous classification of real property, for tax purposes, as nonhomestead property.  
 149.18 For the abatements relating to the current year's tax processed through June 30, the auditor  
 149.19 shall notify the commissioner on or before July 31 of that same year of all abatement  
 149.20 applications granted. For the abatements relating to the current year's tax processed after  
 149.21 June 30 through the balance of the year, the auditor shall notify the commissioner on or  
 149.22 before the following January 31 of all applications granted. The county auditor shall submit  
 149.23 a form containing the Social Security number or individual taxpayer identification number  
 149.24 of the applicant and such other information the commissioner prescribes.

149.25 **EFFECTIVE DATE.** This section is effective retroactively for abatement applications  
 149.26 filed in 2023 and thereafter.

149.27 Sec. 3. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 6, is amended  
 149.28 to read:

149.29 Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount  
 149.30 of aid payable to each tier I city and county under this section. ~~By August 1 of each year,~~  
 149.31 ~~the commissioner must certify the distribution factors of each tier I city and county to be~~  
 149.32 ~~used in the following year. The commissioner must pay local affordable housing aid annually~~  
 149.33 ~~at the times provided in section 477A.015, distributing the amounts available on the~~  
 149.34 ~~immediately preceding June 1 under the accounts established in section 477A.37, subdivisions~~

150.1 ~~2 and 3.~~ On or before September 1 of each year, the commissioner of revenue must certify  
150.2 the amount to be paid to each tier I city and county in that year. By July 15, 2024, and  
150.3 annually thereafter, the commissioner of management and budget must certify to the  
150.4 commissioner of revenue the balances in the accounts established in section 477A.37,  
150.5 subdivisions 2 and 3, as of the immediately preceding June 1. The commissioner of revenue  
150.6 must pay the full amount of aid on October 1 annually.

150.7 (b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later  
150.8 than December 1 of each year, to the Minnesota Housing Finance Agency. The report must  
150.9 include documentation of the location of any unspent funds distributed under this section  
150.10 and of qualifying projects completed or planned with funds under this section. If a tier I  
150.11 city or county fails to submit a report, if a tier I city or county fails to spend funds within  
150.12 the timeline imposed under subdivision 5, paragraph (b), or if a tier I city or county uses  
150.13 funds for a project that does not qualify under this section, the Minnesota Housing Finance  
150.14 Agency shall notify the Department of Revenue and the cities and counties that must repay  
150.15 funds under paragraph (c) by February 15 of the following year.

150.16 (c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a  
150.17 tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or  
150.18 county received under this section if the city or county:

150.19 (1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);

150.20 (2) spends the funds on anything other than a qualifying project; or

150.21 (3) fails to submit a report documenting use of the funds.

150.22 (d) The commissioner of revenue must stop distributing funds to a tier I city or county  
150.23 that, in three consecutive years, the Minnesota Housing Finance Agency has reported,  
150.24 pursuant to paragraph (b), to have failed to use funds, misused funds, or failed to report on  
150.25 its use of funds.

150.26 (e) The commissioner may resume distributing funds to a tier I city or county to which  
150.27 the commissioner has stopped payments in the year following the August 1 after the  
150.28 Minnesota Housing Finance Agency certifies that the city or county has submitted  
150.29 documentation of plans for a qualifying project.

150.30 (f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph  
150.31 (c) must be deposited in the housing development fund. Funds deposited under this paragraph  
150.32 are appropriated to the commissioner of the Minnesota Housing Finance Agency for use  
150.33 on the family homeless prevention and assistance program under section 462A.204, the

151.1 economic development and housing challenge program under section 462A.33, and the  
151.2 workforce and affordable homeownership development program under section 462A.38.

151.3 **EFFECTIVE DATE.** This section is effective for aids payable in 2024 and thereafter.

## 151.4 **ARTICLE 11**

### 151.5 **DEPARTMENT OF REVENUE; MISCELLANEOUS**

151.6 Section 1. Minnesota Statutes 2022, section 270C.445, subdivision 6, is amended to read:

151.7 Subd. 6. **Enforcement; administrative order; penalties; cease and desist.** (a) The  
151.8 commissioner may impose an administrative penalty of not more than \$1,000 per violation  
151.9 of subdivision 3 or 5, or section 270C.4451, provided that a penalty may not be imposed  
151.10 for any conduct for which a tax preparer penalty is imposed under section 289A.60,  
151.11 subdivision 13. The commissioner may terminate a tax preparer's authority to transmit  
151.12 returns electronically to the state, if the commissioner determines the tax preparer engaged  
151.13 in a pattern and practice of violating this section. Imposition of a penalty under this paragraph  
151.14 is subject to the contested case procedure under chapter 14. The commissioner shall collect  
151.15 the penalty in the same manner as the income tax. There is no right to make a claim for  
151.16 refund under section 289A.50 of the penalty imposed under this paragraph. Penalties imposed  
151.17 under this paragraph are public data.

151.18 (b) In addition to the penalty under paragraph (a), if the commissioner determines that  
151.19 a tax preparer has violated subdivision 3 or 5, or section 270C.4451, the commissioner may  
151.20 issue an administrative order to the tax preparer requiring the tax preparer to cease and  
151.21 desist from committing the violation. The administrative order may include an administrative  
151.22 penalty provided in paragraph (a).

151.23 (c) If the commissioner issues an administrative order under paragraph (b), the  
151.24 commissioner must send the order to the tax preparer addressed to the last known address  
151.25 of the tax preparer.

151.26 (d) A cease and desist order under paragraph (b) must:

151.27 (1) describe the act, conduct, or practice committed and include a reference to the law  
151.28 that the act, conduct, or practice violates; and

151.29 (2) provide notice that the tax preparer may request a hearing as provided in this  
151.30 subdivision.

151.31 (e) Within 30 days after the commissioner issues an administrative order under paragraph  
151.32 (b), the tax preparer may request a hearing to review the commissioner's action. The request

152.1 for hearing must be made in writing and must be served on the commissioner at the address  
152.2 specified in the order. The hearing request must specifically state the reasons for seeking  
152.3 review of the order. The date on which a request for hearing is served by mail is the postmark  
152.4 date on the envelope in which the request for hearing is mailed.

152.5 (f) If a tax preparer does not timely request a hearing regarding an administrative order  
152.6 issued under paragraph (b), the order becomes a final order of the commissioner and is not  
152.7 subject to review by any court or agency.

152.8 (g) If a tax preparer timely requests a hearing regarding an administrative order issued  
152.9 under paragraph (b), the hearing must be commenced by the issuance of a notice of and  
152.10 order for hearing by the commissioner within ~~ten~~ 30 days after the commissioner receives  
152.11 the request for a hearing.

152.12 (h) A hearing timely requested under paragraph (e) is subject to the contested case  
152.13 procedure under chapter 14, as modified by this subdivision. The administrative law judge  
152.14 must issue a report containing findings of fact, conclusions of law, and a recommended  
152.15 order within ~~ten~~ 30 days after the completion of the hearing, the receipt of late-filed exhibits,  
152.16 or the submission of written arguments, whichever is later.

152.17 (i) Within ~~five~~ 15 days of the date of the administrative law judge's report issued under  
152.18 paragraph (h), any party aggrieved by the administrative law judge's report may submit  
152.19 written exceptions and arguments to the commissioner. Within ~~15~~ 45 days after receiving  
152.20 the administrative law judge's report, the commissioner must issue an order vacating,  
152.21 modifying, or making final the administrative order.

152.22 (j) The commissioner and the tax preparer requesting a hearing may by agreement  
152.23 lengthen any time periods prescribed in paragraphs (g) to (i).

152.24 (k) An administrative order issued under paragraph (b) is in effect until it is modified  
152.25 or vacated by the commissioner or an appellate court. The administrative hearing provided  
152.26 by paragraphs (e) to (i) and any appellate judicial review as provided in chapter 14 constitute  
152.27 the exclusive remedy for a tax preparer aggrieved by the order.

152.28 (l) The commissioner may impose an administrative penalty, in addition to the penalty  
152.29 under paragraph (a), up to \$5,000 per violation of a cease and desist order issued under  
152.30 paragraph (b). Imposition of a penalty under this paragraph is subject to the contested case  
152.31 procedure under chapter 14. Within 30 days after the commissioner imposes a penalty under  
152.32 this paragraph, the tax preparer assessed the penalty may request a hearing to review the  
152.33 penalty order. The request for hearing must be made in writing and must be served on the  
152.34 commissioner at the address specified in the order. The hearing request must specifically



153.1 state the reasons for seeking review of the order. The cease and desist order issued under  
153.2 paragraph (b) is not subject to review in a proceeding to challenge the penalty order under  
153.3 this paragraph. The date on which a request for hearing is served by mail is the postmark  
153.4 date on the envelope in which the request for hearing is mailed. If the tax preparer does not  
153.5 timely request a hearing, the penalty order becomes a final order of the commissioner and  
153.6 is not subject to review by any court or agency. A penalty imposed by the commissioner  
153.7 under this paragraph may be collected and enforced by the commissioner as an income tax  
153.8 liability. There is no right to make a claim for refund under section 289A.50 of the penalty  
153.9 imposed under this paragraph. A penalty imposed under this paragraph is public data.

153.10 (m) If a tax preparer violates a cease and desist order issued under paragraph (b), the  
153.11 commissioner may terminate the tax preparer's authority to transmit returns electronically  
153.12 to the state. Termination under this paragraph is public data.

153.13 (n) A cease and desist order issued under paragraph (b) is public data when it is a final  
153.14 order.

153.15 (o) Notwithstanding any other law, the commissioner may impose a penalty or take other  
153.16 action under this subdivision against a tax preparer, with respect to a return, within the  
153.17 period to assess tax on that return as provided by sections 289A.38 to 289A.382.

153.18 (p) Notwithstanding any other law, the imposition of a penalty or any other action against  
153.19 a tax preparer under this subdivision, other than with respect to a return, must be taken by  
153.20 the commissioner within five years of the violation of statute.

153.21 **EFFECTIVE DATE.** This section is effective for penalties assessed and orders issued  
153.22 after the day following final enactment.

153.23 Sec. 2. Minnesota Statutes 2022, section 289A.12, subdivision 18, is amended to read:

153.24 Subd. 18. **Returns** **Return by qualified heirs.** A qualified heir, as defined in section  
153.25 291.03, subdivision 8, paragraph (c), must file ~~two returns~~ a return with the commissioner  
153.26 attesting that no disposition or cessation as provided by section 291.03, subdivision 11,  
153.27 paragraph (a), occurred. ~~The first return must be filed no earlier than 24 months and no later~~  
153.28 ~~than 26 months after the decedent's death.~~ The ~~second~~ return must be filed no earlier than  
153.29 36 months and no later than 39 months after the decedent's death.

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

154.1 Sec. 3. Minnesota Statutes 2023 Supplement, section 297E.06, subdivision 4, is amended  
154.2 to read:

154.3 Subd. 4. **Annual audit, and certified inventory, ~~and cash count~~.** (a) An organization  
154.4 licensed under chapter 349 with gross receipts from lawful gambling of more than \$750,000  
154.5 in any year must have an annual financial audit of its lawful gambling activities and funds  
154.6 for that year. For the purposes of this subdivision, "gross receipts" does not include a licensed  
154.7 organization's receipts from electronic pull-tabs regulated under chapter 349 provided the  
154.8 electronic pull-tab manufacturer has completed an annual system and organization controls  
154.9 audit, containing standards that must incorporate and be consistent with standards prescribed  
154.10 by the American Institute of Certified Public Accountants.

154.11 (b) The commissioner may require a financial audit of the lawful gambling activities  
154.12 and funds of an organization licensed under chapter 349, with gross receipts less than  
154.13 \$750,000 annually, when an organization has:

- 154.14 (1) failed to timely file required gambling tax returns;
- 154.15 (2) failed to timely pay the gambling tax or regulatory fee;
- 154.16 (3) filed fraudulent gambling tax returns;
- 154.17 (4) failed to take corrective actions required by the commissioner; or
- 154.18 (5) failed to otherwise comply with this chapter.

154.19 (c) Audits under this subdivision must be performed by an independent accountant firm  
154.20 licensed in accordance with chapter 326A.

154.21 (d) An organization licensed under chapter 349 must perform an annual certified inventory  
154.22 ~~and cash count~~ report at the end of its fiscal year and submit the report to the commissioner  
154.23 within 30 days after the end of its fiscal year. The report shall be on a form prescribed by  
154.24 the commissioner.

154.25 (e) The commissioner of revenue shall prescribe standards for the audits; and certified  
154.26 inventory; ~~and cash count reports~~ report required under this subdivision. The standards may  
154.27 vary based on the gross receipts of the organization. The standards must incorporate and  
154.28 be consistent with standards prescribed by the American Institute of Certified Public  
154.29 Accountants. A complete, true, and correct copy of the audits; and certified inventory; ~~and~~  
154.30 ~~cash count~~ report must be filed as prescribed by the commissioner.

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

155.1 Sec. 4. Minnesota Statutes 2022, section 297I.20, subdivision 4, is amended to read:

155.2 Subd. 4. **Film production credit.** (a) A taxpayer may claim a credit against the premiums  
155.3 tax imposed under this chapter equal to the amount indicated on the credit certificate  
155.4 statement issued to the company under section 116U.27. If the amount of the credit exceeds  
155.5 the taxpayer's liability for tax under this chapter, the excess is a credit carryover to each of  
155.6 the five succeeding taxable years. The entire amount of the excess unused credit for the  
155.7 taxable year must be carried first to the earliest of the taxable years to which the credit may  
155.8 be carried and then to each successive year to which the credit may be carried. This credit  
155.9 does not affect the calculation of fire state aid under section 477B.03 and police state aid  
155.10 under section 477C.03.

155.11 (b) This subdivision expires January 1, ~~2025~~ 2031, for taxable years beginning after and  
155.12 premiums received after December 31, ~~2024~~ 2030.

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

155.14 Sec. 5. Laws 2023, chapter 1, section 28, is amended to read:

155.15 Sec. 28. **EXTENSION OF STATUTE OF LIMITATIONS.**

155.16 (a) Notwithstanding any law to the contrary, a taxpayer whose tax liability changes as  
155.17 a result of this act may file an amended return by December 31, 2023. The commissioner  
155.18 may review and assess the return of a taxpayer covered by this provision for the later of:

155.19 (1) the periods under Minnesota Statutes, sections 289A.38; ~~289.39~~ 289A.39, subdivision  
155.20 3; and 289A.40; or

155.21 (2) one year from the time the amended return is filed as a result of a change in tax  
155.22 liability under this section.

155.23 (b) Interest on any additional liabilities as a result of any provision in this act accrue  
155.24 beginning on January 1, 2024.

155.25 **EFFECTIVE DATE.** This section is effective retroactively at the same time the changes  
155.26 incorporated in Laws 2023, chapter 1, were effective for federal purposes.

### **13.4967 OTHER TAX DATA CODED ELSEWHERE.**

Subd. 5. **Marijuana and controlled substance tax information.** Disclosure of information obtained under chapter 297D is governed by section 297D.13, subdivisions 1 to 3.

#### **297A.99 LOCAL SALES TAXES.**

Subd. 3a. **Temporary moratorium.** (a) Notwithstanding subdivisions 1, 2, and 3, until after May 31, 2025, a political subdivision may not engage in any of the following activities in connection with imposing a new local sales and use tax or modifying an existing local sales and use tax:

- (1) any activity described in subdivision 1, paragraph (d);
- (2) adopt a resolution; or
- (3) seek voter approval.

(b) Paragraph (a) does not apply to new local sales and use taxes or modifications to existing local sales and use taxes authorized in May, 2023.

(c) This subdivision expires June 1, 2025.

#### **297D.01 DEFINITIONS.**

Subdivision 1. **Illegal cannabis.** "Illegal cannabis" means any taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (r), whether real or counterfeit, that is held, possessed, transported, transferred, sold, or offered to be sold in violation of chapter 342 or Minnesota criminal laws.

Subd. 2. **Controlled substance.** "Controlled substance" means any drug or substance, whether real or counterfeit, as defined in section 152.01, subdivision 4, that is held, possessed, transported, transferred, sold, or offered to be sold in violation of Minnesota laws. "Controlled substance" does not include illegal cannabis.

Subd. 3. **Tax obligor or obligor.** "Tax obligor" or "obligor" means a person who in violation of Minnesota law manufactures, produces, ships, transports, or imports into Minnesota or in any manner acquires or possesses more than 42-1/2 grams of illegal cannabis, or seven or more grams of any controlled substance, or ten or more dosage units of any controlled substance which is not sold by weight. A quantity of illegal cannabis or other controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the tax obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of revenue.

#### **297D.02 ADMINISTRATION.**

The commissioner of revenue shall administer this chapter. The commissioner shall prescribe the content, format, and manner of all forms and other documents required to be filed under this chapter pursuant to section 270C.30. Payments required by this chapter must be made to the commissioner on the form provided by the commissioner. Tax obligors are not required to give their name, address, Social Security number, or other identifying information on the form. The commissioner shall collect all taxes under this chapter.

#### **297D.03 RULES.**

The commissioner may adopt rules necessary to enforce this chapter. The commissioner shall adopt a uniform system of providing, affixing, and displaying official stamps, official labels, or other official indicia for marijuana and controlled substances on which a tax is imposed.

#### **297D.04 TAX PAYMENT REQUIRED FOR POSSESSION.**

No tax obligor may possess any illegal cannabis or controlled substance upon which a tax is imposed by section 297D.08 unless the tax has been paid on the illegal cannabis or a controlled substance as evidenced by a stamp or other official indicia.

#### **297D.05 NO IMMUNITY.**

Nothing in this chapter may in any manner provide immunity for a tax obligor from criminal prosecution pursuant to Minnesota law.

**297D.06 PHARMACEUTICALS.**

Nothing in this chapter requires persons registered under chapter 151 or otherwise lawfully in possession of illegal cannabis or a controlled substance to pay the tax required under this chapter.

**297D.07 MEASUREMENT.**

For the purpose of calculating the tax under section 297D.08, a quantity of illegal cannabis or a controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the tax obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

**297D.08 TAX RATE.**

A tax is imposed on illegal cannabis and controlled substances as defined in section 297D.01 at the following rates:

- (1) on each gram of illegal cannabis, or each portion of a gram, \$3.50; and
- (2) on each gram of controlled substance, or portion of a gram, \$200; or
- (3) on each ten dosage units of a controlled substance that is not sold by weight, or portion thereof, \$400.

**297D.085 CREDIT FOR PREVIOUSLY PAID TAXES.**

If another state or local unit of government has previously assessed an excise tax on the illegal cannabis or controlled substances, the taxpayer must pay the difference between the tax due under section 297D.08 and the tax previously paid. If the tax previously paid to the other state or local unit of government was equal to or greater than the tax due under section 297D.08, no tax is due. The burden is on the taxpayer to show that an excise tax on the illegal cannabis or controlled substances has been paid to another state or local unit of government.

**297D.09 PENALTIES; CRIMINAL PROVISIONS.**

Subdivision 1. **Penalties.** Any tax obligor violating this chapter is subject to a penalty of 100 percent of the tax in addition to the tax imposed by section 297D.08. The penalty will be collected as part of the tax.

Subd. 1a. **Criminal penalty; sale without affixed stamps.** In addition to the tax penalty imposed, a tax obligor distributing or possessing illegal cannabis or controlled substances without affixing the appropriate stamps, labels, or other indicia is guilty of a crime and, upon conviction, may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than \$14,000, or both.

Subd. 2. **Statute of limitations.** Notwithstanding section 628.26, or any other provision of the criminal laws of this state, an indictment may be found and filed, or a complaint filed, upon any criminal offense specified in this section, in the proper court within six years after the commission of this offense.

**297D.10 STAMP PRICE.**

Official stamps, labels, or other indicia to be affixed to all illegal cannabis or controlled substances shall be purchased from the commissioner. The purchaser shall pay 100 percent of face value for each stamp, label, or other indicia at the time of the purchase.

**297D.11 PAYMENT DUE.**

Subdivision 1. **Stamps affixed.** When a tax obligor purchases, acquires, transports, or imports into this state illegal cannabis or controlled substances on which a tax is imposed by section 297D.08, and if the indicia evidencing the payment of the tax have not already been affixed, the tax obligor shall have them permanently affixed on the illegal cannabis or controlled substance immediately after receiving the substance. Each stamp or other official indicia may be used only once.

Subd. 2. **Payable on possession.** Taxes imposed upon illegal cannabis or controlled substances by this chapter are due and payable immediately upon acquisition or possession in this state by a tax obligor.

**297D.12 ALL ASSESSMENTS ARE JEOPARDY.**

Subdivision 1. **Assessment procedure.** An assessment for a tax obligor not possessing valid stamps or other official indicia showing that the tax has been paid shall be considered a jeopardy assessment or collection, as provided in section 270C.36. The commissioner shall assess a tax and applicable penalties based on personal knowledge or information available to the commissioner; mail the taxpayer at the taxpayer's last known address or serve in person, a written notice of the amount of tax and penalty; demand its immediate payment; and, if payment is not immediately made, collect the tax and penalty by any method prescribed in chapter 270C, except that the commissioner need not await the expiration of the times specified in chapter 270C.

Subd. 2. **Injunction prohibited.** No person may bring suit to enjoin the assessment or collection of any taxes, interest, or penalties imposed by this chapter.

Subd. 3. **Standard of proof.** The tax and penalties assessed by the commissioner are presumed to be valid and correctly determined and assessed. The burden is upon the taxpayer to show their incorrectness or invalidity. Any statement filed by the commissioner with the court administrator, or any other certificate by the commissioner of the amount of tax and penalties determined or assessed is admissible in evidence and is prima facie evidence of the facts it contains.

**297D.13 CONFIDENTIAL NATURE OF INFORMATION.**

Subdivision 1. **Disclosure prohibited.** Notwithstanding any law to the contrary, neither the commissioner nor a public employee may reveal facts contained in a report or return required by this chapter or any information obtained from a tax obligor; nor can any information contained in such a report or return or obtained from a tax obligor be used against the tax obligor in any criminal proceeding, unless independently obtained, except in connection with a proceeding involving taxes due under this chapter from the tax obligor making the return.

Subd. 2. **Penalty for disclosure.** Any person violating this section is guilty of a gross misdemeanor.

Subd. 3. **Statistics.** This section does not prohibit the commissioner from publishing statistics that do not disclose the identity of tax obligors or the contents of particular returns or reports.

Subd. 4. **Possession of stamps.** A stamp denoting payment of the tax imposed under this chapter must not be used against the taxpayer in a criminal proceeding, except that the stamp may be used against the taxpayer in connection with the administration or civil or criminal enforcement of the tax imposed under this chapter or any similar tax imposed by another state or local unit of government.

**477A.35 LOCAL AFFORDABLE HOUSING AID.**

Subdivision 1. **Purpose.** The purpose of this section is to help metropolitan local governments to develop and preserve affordable housing within their jurisdictions in order to keep families from losing housing and to help those experiencing homelessness find housing.

*Laws 2023, chapter 64, article 15, section 24*

Sec. 24. **TAX FILING MODERNIZATION.**

Subdivision 1. **Account established; appropriation.** A tax filing modernization account is established in the special revenue fund. All funds in the tax filing modernization account are appropriated to the commissioner of revenue for the purposes specified in subdivision 3.

Subd. 2. **Transfer.** \$5,000,000 in fiscal year 2024 is transferred to the tax filing modernization account from the general fund. This is a onetime transfer.

Subd. 3. **Eligible uses.** (a) The commissioner of revenue may use funds in the tax filing modernization account to modernize the state process for filing individual income tax returns, including:

(1) updating and reviewing changes to individual income tax forms resulting from this act;

(2) coordinating the process for filing state individual income tax returns with free filing options for the federal income tax; and

(3) development and implementation of state free filing options for the individual income tax.

(b) Beginning July 1, 2026, the commissioner of revenue may use any unspent funds in the tax filing modernization account to make taxpayer assistance grants to eligible organizations qualifying under section 7526A(e)(2)(B) of the Internal Revenue Code.

Subd. 4. **Unspent funds.** Any unspent funds in the tax filing modernization account cancel to the general fund on June 30, 2027.