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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4255

02/26/2024 Authored by Myers, Witte, Engen, Bakeberg, Skraba and others
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; providing a payment to owners of homesteads based on the
1.3 November forecast; amending Minnesota Statutes 2023 Supplement, section
1.4 16A.152, subdivision 2; proposing coding for new law in Minnesota Statutes,
1.5 chapter 290A.

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

1.7 Section 1. Minnesota Statutes 2023 Supplement, section 16A.152, subdivision 2, is
1.8 amended to read:

1.9 Subd. 2. Additional revenues; priority. (a) If on the basis of a forecast of general fund
1.10 revenues and expenditures, the commissioner of management and budget determines that
1.11 there will be a positive unrestricted budgetary general fund balance at the close of the
1.12 biennium, the commissioner of management and budget must allocate money to the following
1.13 accounts and purposes in priority order:

1.14 (1) the cash flow account established in subdivision 1 until that account reaches
1.15 \$350,000,000;

1.16 (2) the budget reserve account established in subdivision 1a until that account reaches
1.17 \$2,852,098,000;

1.18 (3) the amount necessary to increase the aid payment schedule for school district aids
1.19 and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest
1.20 tenth of a percent without exceeding the amount available and with any remaining funds
1.21 deposited in the budget reserve; and

2.1 (4) the amount necessary to restore all or a portion of the net aid reductions under section
 2.2 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75,
 2.3 subdivision 5, by the same amount; and

2.4 (5) for a forecast in November only, the amount remaining, if any, after transfers in
 2.5 clauses (1) to (4), to make adjustments under section 290A.50.

2.6 (b) The amounts necessary to meet the requirements of this section are appropriated
 2.7 from the general fund within two weeks after the forecast is released or, in the case of
 2.8 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations
 2.9 schedules otherwise established in statute.

2.10 (c) The commissioner of management and budget shall certify the total dollar amount
 2.11 of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education.
 2.12 The commissioner of education shall increase the aid payment percentage and reduce the
 2.13 property tax shift percentage by these amounts and apply those reductions to the current
 2.14 fiscal year and thereafter.

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

2.16 Sec. 2. **[290A.50] SURPLUS REFUND.**

2.17 Subdivision 1. **Determination.** By January 30 of each assessment year, the assessor of
 2.18 each county must certify to the commissioner of revenue a list of each homestead in the
 2.19 county for the current assessment year that qualifies for homestead treatment under section
 2.20 273.124, subdivision 1, except that only owner-occupied homesteads are included. The list
 2.21 must include the address of each homestead property and the name of the property owners.

2.22 Subd. 2. **Refund amount.** (a) Homesteads certified under subdivision 1 are due a surplus
 2.23 refund. The surplus refund amount under this section is equal to the amount under section
 2.24 16A.152, subdivision 2, clause (5), in the immediately preceding November forecast, divided
 2.25 by the total number of homesteads certified under subdivision 1.

2.26 (b) If the amount available under section 16A.152, subdivision 2, clause (5), in the
 2.27 immediately preceding November forecast is less than \$170,000,000, the refund amount
 2.28 under this section is \$0.

2.29 Subd. 3. **Payments.** By June 30 of any year in which the refund amount under subdivision
 2.30 2 is greater than \$0, the commissioner must make payment of the refund amount to the
 2.31 property owner of each homestead in the list certified under subdivision 1. Only one payment
 2.32 is to be made for each homestead.

- 3.1 Subd. 4. **Appropriation.** An amount necessary to make payments under this section is
- 3.2 annually appropriated from the general fund to the commissioner of revenue.
- 3.3 **EFFECTIVE DATE.** This section is effective beginning January 1, 2025.