



CITY OF MARSHALL
City Council Meeting
Agenda
Tuesday, May 24, 2022 at 5:30 PM
City Hall, 344 West Main Street

OPENING ITEMS

APPROVAL OF AGENDA

APPROVAL OF MINUTES

- [1.](#) Consider approval of the minutes from the regular meeting held on May 10, 2022.

PUBLIC HEARING

AWARD OF BIDS

- [2.](#) Project ST-005: Rose Parking Lot Reconstruction Lot Project - 1) Resolution Declaring Official Intent Regarding the Reimbursement of Expenditures with the Proceeds of Tax-Exempt Bonds; 2) Resolution Accepting Bid (Awarding Contract).
- [3.](#) Project ST-023: W. Lyon Street (College to 1st) Reconstruction Project - 1) Resolution Declaring Official Intent Regarding the Reimbursement of Expenditures with the Proceeds of Tax-Exempt Bonds; 2) Resolution Accepting Bid (Awarding Contract).

CONSENT AGENDA

- [4.](#) Wastewater Treatment Facilities Improvement Project – Consider Payment of Invoice 0288838 to Bolton & Menk, Inc.
- [5.](#) Project ST-024: Baldwin Parking Lot Reconstruction Project – Consider Authorization to Advertise for Bids.
- [6.](#) Consider Grant of Permanent Easement with Unique Opportunities Marshall, LLC (Lot 2, Block One, Unique Addition).
- [7.](#) Consider authorization to declare vehicles as surplus property for the Marshall Police Department.
- [8.](#) Consider LG220 Application for Exempt Permit for Holy Redeemer Church
- [9.](#) Consider approval of the bills/project payments

APPROVAL OF ITEMS PULLED FROM CONSENT

OLD BUSINESS

TABLED ITEM

NEW BUSINESS

- [10.](#) Consider the annual adoption of a Resolution Declaring the Sounds of Summer as a Community Festival.
- [11.](#) Legislative Update
- [12.](#) Consider approval of labor agreements between the City of Marshall and Law Enforcement Labor Services, Inc., Local No. 245
- [13.](#) Consider Request for Proposals Indoor Recreation Facility and YMCA Collaboration Feasibility
- [14.](#) Consider Request for Proposals- City Attorney Services
- [15.](#) Proposed 2023 budget timeline
- [16.](#) Consider Appointments to the Various Boards, Commissions, Bureaus and Authorities.

COUNCIL REPORTS

STAFF REPORTS

ADMINISTRATIVE REPORTS

INFORMATION ONLY

- [17.](#) Library Board Minutes - April
- [18.](#) Public Housing Commission Minutes - March
- [19.](#) Portfolio

Disclaimer: These agendas have been prepared to provide information regarding an upcoming meeting of the Common Council of the City of Marshall. This document does not claim to be complete and is subject to change.

[20.](#) Building Permits

**ADJOURN TO CLOSED SESSION
MEETINGS**

[21.](#) Upcoming Meetings

ADJOURN

Disclaimer: These agendas have been prepared to provide information regarding an upcoming meeting of the Common Council of the City of Marshall. This document does not claim to be complete and is subject to change.



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, May 24, 2022
Category:	APPROVAL OF MINUTES
Type:	ACTION
Subject:	Consider approval of the minutes from the regular meeting held on May 10, 2022.
Background Information:	Enclosed are the minutes from the regular meeting held on May 10, 2022.
Fiscal Impact:	None
Alternative/ Variations:	Staff encourages City Council Members to provide any suggested corrections to the minutes in writing to Human Resources Manager, Sheila Dubs, prior to the meeting.
Recommendations:	That the minutes from the regular meeting held on May 10, 2022 be approved as filed with each member and that the reading of the same be waived.

**CITY OF MARSHALL
CITY COUNCIL MEETING
M I N U T E S
Tuesday, May 10, 2022**

The regular meeting of the Common Council of the City of Marshall was held May 10, 2022, at City Hall, 344 West Main Street. The meeting was called to order at 5:30 P.M. by Mayor Robert Byrnes. In addition to Byrnes the following members were in attendance: Craig Schafer, Steve Meister, Russ Labat, John DeCramer, and James Lozinski. Absent: None. Staff present included: Sharon Hanson, City Administrator; Dennis Simpson, City Attorney; Jason Anderson, Director of Public Works/ City Engineer; E.J. Moberg, Director of Administrative Services; Sheila Dubs, Human Resource Manager; Jasmine DeSmet, Training Facility Coordinator, and Kyle Box, City Clerk.

The Pledge of Allegiance was recited at this time.

There was a consensus to operate under the current agenda.

Consider approval of the minutes from the regular meeting held on April 26, 2022.

Motion made by Councilmember Meister, Seconded by Councilmember Labat that the minutes from the regular meeting held on April 26, 2022 be approved as filed with each member and that the reading of the same be waived. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

Amending Various Ordinances-1). Public Hearing on the Ordinance Amending Sections: 70-21 Definitions, 86-50 Home Occupations, 86-51 Bed and Breakfast, 86-96 Agricultural District, 86-230 Required number of spaces, 86-247 Landscaping, 86-248 Outside storage 2). Close the Public Hearing on Amending Various Ordinances 3). Approve Ordinance Amending Sections: 70-21 Definitions, 86-50 Home Occupations, 86-51 Bed and Breakfast, 86-96 Agricultural District, 86-230 Required number of spaces, 86-247 Landscaping, 86-248 Outside storage

Mayor Byrnes opened the Public Hearing on amending various ordinances. Public Works Director Jason Anderson presented changes to Section 70-21 Definitions, will allow taxing B&B facilities and future short term rental facilities similar to other transitory forms of lodging, such as hotels and motels. Changes to Section 86-50 Home Occupation are mostly minor: making a few activities possible (for example, pet grooming) and a few impossible (for example, alcohol and tobacco production and sales), and defining renewal terms. Bed and Breakfast Section 86-51 is amended to put it in line with the Home Occupation Section, by changing it to an interim use permit rather than conditional use permit. The proposed amendments to Section 86-96 Agricultural District are based on requested changes, past and current. A few other changes are made to better align the section with other sections. Section 86-230 Required number of spaces, is amended to better reflect certain businesses' nature and parking needs. In most cases parking requirements were reduced. The changes to Section 86-162 Yard Modification and 86-248 Outside Storage are minor and intended to provide flexibility in approving conditions for variances and conditional use permits and allow owners and contractors additional storage during major construction projects.

The Planning and Zoning Commission approved the recommended changes at the October 13, 2021, regular Planning Commission meeting, the March 9, 2022, regular Planning Commission meeting, and the

April 13, 2022, regular Planning Commission meeting. The Legislative and Ordinance Committee recommended approval to the full Council at their April 12, 2022 meeting.

Mayor Byrnes asked for any public input or comment from the Council. Councilmember Labat questioned social media monitoring, language regarding a limit on number garage sales per year, storage containers enforcement, and a change to add recreational or other similar vehicle language.

Motion by Councilmember DeCramer, seconded by Councilmember Labat to close the Public Hearing on Amending Various Ordinances. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

Motion by Councilmember Schafer, Seconded by Councilmember Lozinski to approve Ordinance Amending Sections: 70-21 Definitions, 86-50 Home Occupations, 86-51 Bed and Breakfast, 86-96 Agricultural District, 86-230 Required number of spaces, 86-247 Landscaping, 86-248 Outside storage. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

Project ST-006 / SP# 139-591-001 / MINN Project No. STPF 4222(149): School Pedestrian Crossing Signage and Improvements Project - Consider Award of Bids- RESOLUTION NUMBER 22-053

Public Works Director Anderson presented information on Project ST-006: Rectangular Rapid Flashing Beacon (RRFB) School Pedestrian Crossing Improvements Project, which proposes the following improvements for select locations at the Marshall Middle School, Southview Elementary School, Parkside Elementary School, and True Light Christian School:

- Sidewalk ramp improvements and associated sidewalk improvements where necessary for ADA-compliance.
- Speed limit flasher system (DSD): includes a posted speed limit when flashing and a radar feedback sign to display driver speed. The DSD install will identify the school zone area on either side of the school crossing area, as well as identify the speed limit when the zone is in effect. The power requirements will be met with a solar array and battery.
- Pedestrian crosswalk flasher system (RRFB): includes a crosswalk sign with a pedestrian-activated rectangular rapid flashing beacon (RRFB). The crosswalk flasher system will be installed at select locations where the schools prefer to see crossing occur. The power requirements will be met with a solar array and battery.
- Concrete refuge island (median): because all locations have a two-way left turn lane (TWLTL) striping configuration, city staff believes it is prudent to install center islands for pedestrian refuge and safety. This also allows for a crosswalk flasher system (RRFB) to be installed in the center of the road in addition to behind perimeter curbs; this further attracts a driver's attention. The True Light Christian School location is the only location that is not proposed to receive a median with this project. MnDOT will install in 2025 with the College Drive Reconstruction project.

On May 4, 2022, the following bids were received for the above-referenced project:

Bidder	Bid Amount
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Duininck, Inc. Prinsburg, MN	\$480,250.35
R&G Construction Co. Marshall, MN	\$491,626.50

Mayor Byrnes commented on the timing of the construction schedule so as not to conflict with the school schedule. Byrnes also commented on possible supply chain delivery issues. Director Anderson indicated the intent is to work with the contractor on any supply chain issues to allow for contract extensions. Councilmember Labat commented that supply chain issues may have caused the difference in the engineer's estimate.

Motion by Councilmember Labat, seconded by Councilmember Lozinski adopting RESOLUTION NUMBER 22-053, which provides for Accepting Bid (Awarding Contract) and authorizing entering into an agreement with Duininck, Inc. of Prinsburg, Minnesota, in the amount of \$480,250.35 for the above-referenced project, contingent upon approval from the MnDOT Office of Civil Rights. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

Consider Approval of the Consent Agenda

Motion made by Councilmember Schafer, seconded by Councilmember Meister to approve the consent agenda. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

- Consider the request of the Marshall Downtown Business Association for Crazy Days (Thursday-July 21, 2022).
- Set Public Hearing Date for Monday, June 13, 2022, for MS4 Permit Program Summary of the 2021 Activities
- Consider a LG220 Application for Exempt Permit for the Pride in the Tiger Foundation.
- Consider approval of a Temporary On-Sale Intoxicating Liquor License for the Knights of Columbus Holy Redeemer.
- Consider approval of a Temporary On-Sale Intoxicating Liquor License for Southwest Minnesota State University.
- Consider approval of a Temporary On-Sale Intoxicating Liquor License for SMSU Foundation.
- Consider approval for a Transient Merchant License for KT's Fireworks.
- Consider approval of MedSurety to administer health savings and medical spending accounts
- Consider approval of the bills/project payments

Consider Amendment of Ordinance No. 22-003 Chapter 2, Section 2, Boards and Commissions

The City Council has asked the Legislative and Ordinance Committee to review the current ordinance pertaining to membership to the City's boards, commissions, bureaus, and authorities. Current membership requirements included living within the Marshall city limits, with the exception of the MERIT Center Commission and Diversity, Equity, and Inclusion Commission. At the April 12, 2022 meeting, the

Legislative and Ordinance Committee unanimously approved for the amendments to proceed to the City Council for consideration.

Amendments include: allowing Airport and Adult Community Center Commission members to live outside of city limits, repealing the Hospital Board, and various grammatical and non-substantial changes.

On April 26, 2022, the City Council introduced the proposed ordinance to be considered at the May 10, 2022 meeting.

Mayor Byrnes asked for Council input. Councilmember DeCramer indicated support for non-Marshall residents to be a part of these boards. Mayor Byrnes requested discussion by the Council about reducing the size of the Airport Commission from seven members to five members. Councilmember Schafer and Councilmember indicated support for this amendment.

Motion by Councilmember Schafer, Seconded by Councilmember Meister to approve the amendments to Ordinance No. 22-003 Chapter 2, Section 2, Boards and Commissions, including the additional revision to decrease the Airport Commission members from seven (7) to five (5). Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

Consider Amendment of Ordinance No. 22-004, Chapter 22, Section 22-91 through 22-95, Mobile Food Units and Food Carts

The Legislative and Ordinance Committee asked staff for an amendment to the current Mobile Food Units and Food Carts Ordinance. This proposed amendment will allow license holders to remain on private property after business has concluded. At the April 12, 2022, Legislative and Ordinance Committee meeting it was considered and unanimously approved to proceed to the City Council for consideration. On April 26, 2022, the City Council Introduced the proposed ordinance for consideration on Tuesday, May 10, 2022 the following Ordinance Changes:

(7) A mobile food unit or food cart shall be allowed to set up one hour prior to conducting food vending and shall exit from the site within one hour of the close of conducting business.
a. A mobile food unit or food cart may remain on private property in commercial and industrial zoned districts after conducting business with permission from the property owner.

(3) Leave a mobile food unit or food cart unattended or at an authorized location outside allowed hours of operation; *a. A mobile food unit or food cart may be exempt from this requirement following sec. b (7) a.*

Motion by Councilmember Lozinski, Seconded by Councilmember Meister to approve amendment of Ordinance No. 22-004, Chapter 22, Section 22-91 through 22-95, Mobile Food Units and Food Carts as presented.

Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

Consider Resolution Authorizing Execution of Mn/DOT Master Partnership Contract No. 1050086 between the City of Marshall and the State of Minnesota- RESOLUTION NUMBER 22-054

Public Works Director Anderson presented a Mn/DOT Master Partnership Contract No. 1050086 between the City of Marshall and the State of Minnesota that allows the City and Mn/DOT to respond quickly and efficiently to such opportunities for collaboration and have determined that having the ability to write “work orders” against a master contract would provide the greatest speed and flexibility in responding to identified needs.

Motion by Councilmember Schafer, Seconded by Councilmember Lozinski to adopt Resolution Number 22-054 authorizing execution of Mn/DOT Master Partnership Contract No. 1050086 between the City of Marshall and the State of Minnesota effective upon State signature and effective until June 30, 2027.

Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

Project AP-003: Snow Removal Equipment (SRE) and Aircraft Rescue Firefighting Facility (ARFF) – Consider Proposal for Design Phase Services with TKDA

Public Works Director Anderson presented for consideration a proposal for design phase services with TKDA for the SRE Facility at the Airport. At the 04/26/2022 meeting, the City Council authorized City and TKDA staff to submit requests for federal and State grant funding for this project. The grant application was submitted on 04/29/2022. Securing grant agreements to utilize AIP funds and State grant dollars for project design is critical to ensure that the City remains on target for future project bidding and construction. The services under this proposal may be authorized contingent upon the receipt of the federal and State grant agreements.

Design phase services with TKDA total \$255,000. Total design cost in our request for grant funding is \$297,000.00. This total includes \$7,000 in local project costs and \$35,000 reimbursement for our pre-design study.

Federal Airport Improvement Program (AIP) funding for fiscal year 2022 is requested in the amount of \$132,448.00 for 90% of the federally eligible work. State funding is requested in the amount of \$112,242.75 for a 70% State funding share on federally ineligible portions of the facility, and a 5% match on the federally eligible work. The remainder will be funded with local funds in the amount of \$52,309.25.

Councilmember Schafer commented that this is a critical step to move forward for both daily air service and maintenance/service work that is accomplished at this airport.

Motion by Councilmember Schafer, seconded by Councilmember DeCramer approving the proposal from TKDA in the amount of \$255,000 for design services for Project AP-003: Snow Removal Equipment (SRE) and Aircraft Rescue Firefighting Facility (ARFF), contingent on FAA Grant approval.

Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

Consider approval of a Temporary On-Sale Intoxicating Liquor License for Marshall Festivals

Motion by Councilmember Lozinski, seconded by Councilmember Schafer approving a temporary on-sale intoxicating liquor license for Marshall Festivals.

Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember DeCramer, Councilmember Lozinski. Voting Nay: None. Abstaining: Councilmember Labat. The motion **Carried. 5 Yeas, 0 Nays, 1 Abstain**

Commission/Board Liaison Reports

- Byrnes SRDC Meeting to be held Thursday May 12, 2022 regarding their annual levy.
- Schafer Provided report on training that occurred at MERIT Center, utilized 28 out of 30 days in the month of April; provided a brief update on MERIT Center bonding proposal for Phase 3.
- Meister No Report
- DeCramer Diversity Equity Inclusion Commission—commented on World Café event which was well attended, Juneteenth observation for the community, Pride event in June, and September 20, 2022 Welcoming Week event. Attended Public Housing Commission meeting-currently have a 60-person waiting list for public housing in Marshall, parking lot work, other miscellaneous maintenance items.
- Labat Library Board met and discussed 2023 budget request and timeline. Transit Advisory Board- the 2023 budget is being developed and there is concern for the need for additional drivers.
- Lozinski No Report

Councilmember Individual Items

Councilmember Schafer commented on the Shades of the Past Roll-In held on Main Street on May 5, 2022 and how well it was done.

Councilmember Meister commented on a pothole on the bike trail in between Walmart and D’s Thai.

Councilmember Lozinski commented on filing dates for Council seat May 17th through May 31st and the Shades of the Past Roll-in.

Councilmember Labat thanked Kyle Box for his service to the City.

Councilmember DeCramer commented on Shades of the Past Roll-In, filing dates for Councilmember offices open May 17th through May 31st, and thanked Kyle Box for his service to the City.

Mayor Byrnes commented that the SRDC Annual Meeting will be held in Marshall this year, Census appeal, and Marshall Aquatic Center sales tax status in the Legislature.

City Administrator

Administrator Hanson reported on status of MERIT Center bonding, scooter discussions with staff, MCMA Conference attendance, Marshall Aquatic Center Committee meeting.

Director of Public Works

Director of Public Works/ City Engineer provided an update on the Independence Park project stormwater retention project and the trail improvement project, Whitney/High alley concerns, downtown parking bidding status, 3rd and Lyon Street project, chloride grant, Lyon Street bidding status, TKDA meeting on zoning revisions.

City Attorney

City Attorney reported that MN Department of Ag will investigate additional specialty chemicals with cooperation from Helena, continued Broadmoor Valley owner discussions regarding MN Housing Finance grant award, North 7th Street Annexation petition with cooperation from the current owner MRES, Block 11 Development Agreement status.

Information Only

There were no questions on the information items.

Upcoming Meetings

There were no questions on the upcoming meetings.

Adjourn

At 6:44 P.M., Motion made by Councilmember Schafer, seconded by Councilmember Lozinski to adjourn. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

Mayor

Attest:

City Clerk

CITY OF MARSHALL
AGENDA ITEM REPORT

Meeting Date:	Tuesday, May 24, 2022
Category:	AWARD OF BIDS
Type:	ACTION
Subject:	Project ST-005: Rose Parking Lot Reconstruction Lot Project - 1) Resolution Declaring Official Intent Regarding the Reimbursement of Expenditures with the Proceeds of Tax-Exempt Bonds; 2) Resolution Accepting Bid (Awarding Contract).
Background Information:	<p>This project consists of: reconstruction of the Rose Parking Lot adjacent to W. Lyon Street; pavement removal and concrete paved surfacing. The Rose Parking Lot is located behind the Wooden Nickel. The parking lot is in poor surface condition and warrants replacement. There are no utilities that would be replaced as part of the project. Staff has met with the PI/T Committee to propose the layouts included in the Council packet. The proposed parking layout is generally the same as the current arrangement.</p> <p>On May 18, 2022, bids were received for the above-referenced project. Three bids were received as shown on the attached Resolution Accepting Bid. The low bid was from R&G Construction Co. of Marshall, Minnesota, in the amount of \$140,177.51. The engineer's estimate for the construction portion of the project is \$149,900.00.</p>
Fiscal Impact:	<p>The proposed project is included in the 2022 capital improvement plan (CIP).</p> <p>The above-referenced project, or a portion thereof, may be financed by the sale of bonds with repayment coming from assessments and Debt Service Fund Levy. It is required that action be authorized by City Council via Resolution Declaring Official Intent Regarding the Reimbursement of Expenditures with the Proceeds of Tax-Exempt Bonds.</p> <p>Attached is the "Resolution Accepting Bid" awarding the contract to R&G Construction Co. of Marshall, Minnesota, in the amount of \$140,177.51.</p> <p>The estimated total project cost including 5% allowance for contingencies and 16% for engineering and administrative costs is \$170,736.21.</p>
Alternatives:	No alternative actions recommended.
Recommendations:	<p>Recommendation No. 1 that the Council adopt RESOLUTION NUMBER 22-055, which provides for Resolution Declaring Official Intent Regarding the Reimbursement of Expenditures with the Proceeds of Tax-Exempt Bonds for Project ST-005: Rose Parking Lot Reconstruction Lot Project.</p> <p>Recommendation No. 2 that the Council adopt RESOLUTION NUMBER 22-056, which provides for the Resolution Accepting Bid (Awarding Contract) and authorizing entering into an agreement with to R&G Construction Co. of Marshall, Minnesota, in the amount of \$140,177.51 for Project ST-005: Rose Parking Lot Reconstruction Lot Project.</p>

RESOLUTION NUMBER 22-055

**DECLARATION OF OFFICIAL INTENT
REGARDING THE REIMBURSEMENT OF EXPENDITURES
WITH THE PROCEEDS OF TAX-EXEMPT BONDS**

WHEREAS, under regulations adopted by the Secretary of the Treasury of the United States of America, the City of Marshall, Minnesota (the "City") is required to make a declaration of its official intent prior to making a capital expenditure, if it intends to be reimbursed for such capital expenditure at a future date from the proceeds of a tax-exempt bond; and

WHEREAS, the City intends to make capital expenditures with respect to the project described below and also intends to reimburse the fund or account described below from which the capital expenditure will be initially paid from the proceeds of an issue of tax-exempt bonds issued at a future date.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City as follows:

1. A general functional description of the project for which the expenditures to be reimbursed are paid is set forth below:

PROJECT ST-005: ROSE PARKING LOT RECONSTRUCTION LOT PROJECT -- This project consists of: reconstruction of the Rose Parking Lot adjacent to W. Lyon Street; pavement removal and concrete paved surfacing.

The principal amount of debt expected to be issued for the project referred to above will not exceed \$200,000.

2. The fund or account from which the expenditures to be reimbursed are to be paid and the general functional purpose of the fund or account is set forth below:

Public Improvement Projects Fund

3. The City reasonably expects to reimburse the expenditures referred to above with the proceeds of tax-exempt bonds.
4. This statement of the official intent of the City is a declaration of official intent under the regulations adopted by the Secretary of the Treasury of the United States of America.

Passed and adopted by the City Council this 24th day of May, 2022.

ATTEST:

City Clerk

Mayor

This Instrument Drafted By: Jason R. Anderson, P.E.; Director of Public Works/City Engineer

**RESOLUTION NUMBER 22-056
RESOLUTION ACCEPTING BID (AWARD CONTRACT)**

WHEREAS, pursuant to an advertisement for bids for the following project:

PROJECT ST-005: ROSE PARKING LOT RECONSTRUCTION LOT PROJECT -- This project consists of: reconstruction of the Rose Parking Lot adjacent to W. Lyon Street; pavement removal and concrete paved surfacing.

bids were received, opened and tabulated according to law, and the following bids were received complying with the advertisement:

Bidder	Bid Amount
R&G Construction Co. Marshall, MN	\$140,177.51
D&G Excavating, Inc. Marshall, MN	\$145,507.41
Duininck, Inc. Prinsburg, MN	\$154,567.00

AND WHEREAS, it appears that R&G Construction Co. of Marshall, Minnesota, is the lowest responsible bidder.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MARSHALL, MINNESOTA:

1. The Mayor and City Clerk are hereby authorized and directed to enter into a contract with R&G Construction Co. of Marshall, Minnesota, in the amount of \$140,177.51, in the name of the City of Marshall for the above referenced project, according to the plans and specifications therefore approved by the City Council and on file in the office of the City Clerk.

Passed and adopted by the City Council this 24th day of May, 2022.

ATTEST:

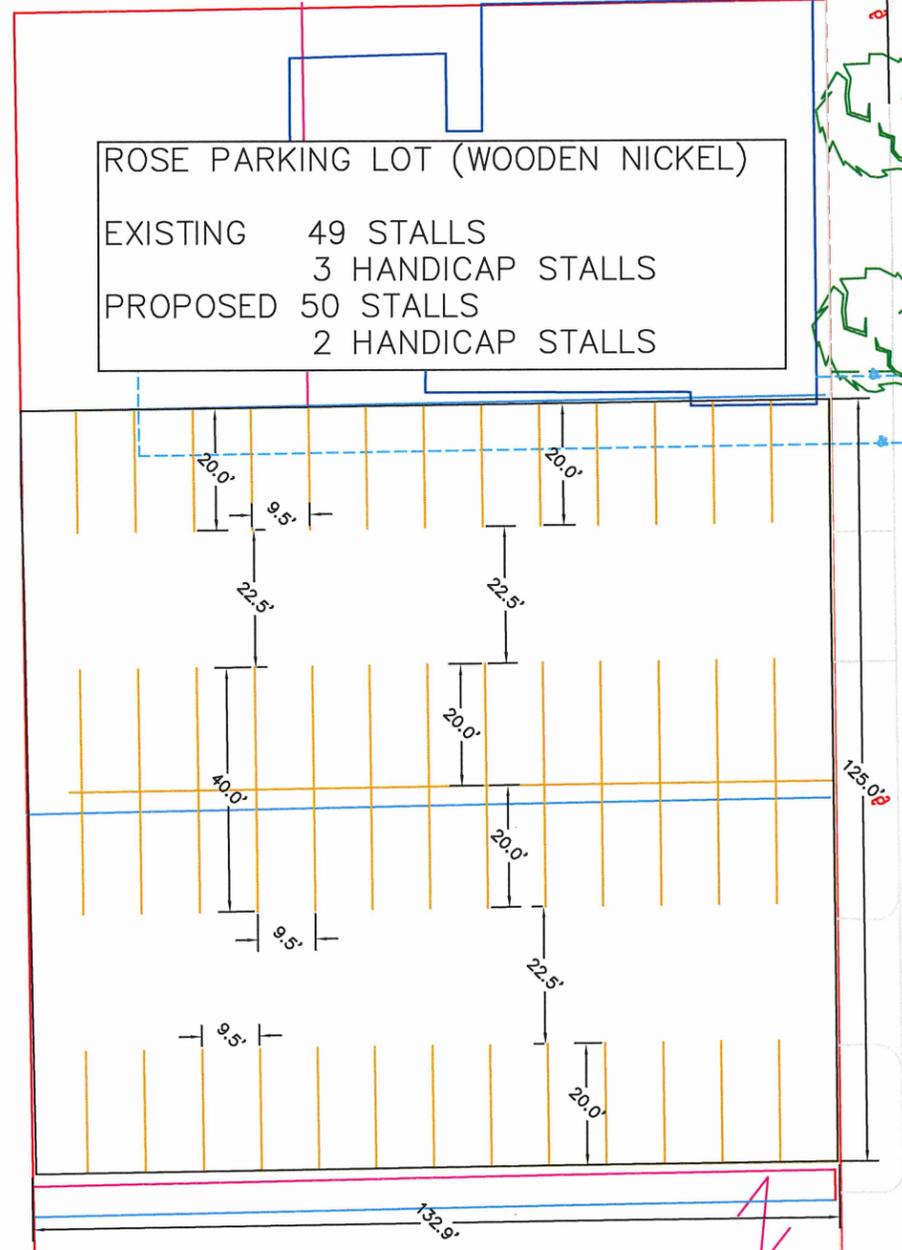
City Clerk

Mayor

This Instrument Drafted By: Jason R. Anderson, P.E.; Director of Public Works/City Engineer

5TH STREET '08

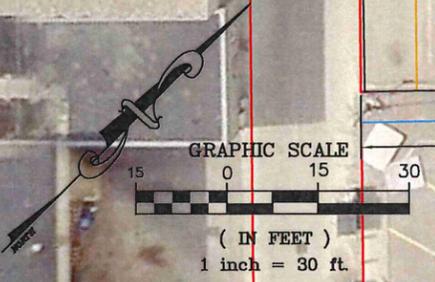
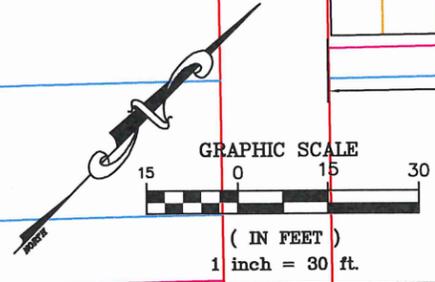
5TH STREET



60.00
 60.00

LYON STREET

LYON STREET



DESIGNED BY: G.J.S.	DATE	REVISIONS	INIT.
Item 2.			
SCALE: 1"=##'			

MARSHALL
 ENGINEERING DEPARTMENT
 344 WEST MAIN STREET
 MARSHALL, MINNESOTA
 56258

PARKING LOT STRIPING
 ROSE LOT

I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.
 DATE _____ LICENSE NO. 53322

CITY PROJECT NO. ST-005	DATE 10/20/2021
STATE AID PROJECT NO. N/A	SHEET # OF ## Page 14

CITY OF MARSHALL
AGENDA ITEM REPORT

Meeting Date:	Tuesday, May 24, 2022
Category:	AWARD OF BIDS
Type:	ACTION
Subject:	Project ST-023: W. Lyon Street (College to 1 st) Reconstruction Project - 1) Resolution Declaring Official Intent Regarding the Reimbursement of Expenditures with the Proceeds of Tax-Exempt Bonds; 2) Resolution Accepting Bid (Awarding Contract).
Background Information:	<p>The project limits include: W. Lyon Street (E. College Drive to N. 1st Street). The proposed project was originally included in the scope of the Z82 (N. 1st/Redwood/Marshall) Reconstruction Project constructed in 2021. In consideration of the unknown status regarding the potential development of the Block 11 property, the block of W. Lyon Street between E. College Drive and N. 1st Street was removed from the scope of the project.</p> <p>The developer of the Block 11 property has submitted for a building permit and is working with the City Attorney on finalization of the land ownership transaction. Staff is confident that the Block 11 redevelopment project is well on its way to construction this summer. With these developments set to occur, staff believes that the Council should feel comfortable moving forward with street reconstruction on this block.</p> <p>On May 19, 2022, bids were received for the above-referenced project. Two bids were received as shown on the attached Resolution Accepting Bid. The low bid was from R&G Construction Co. of Marshall, Minnesota, in the amount of \$409,645.10. The engineer's estimate for the construction portion of the project is \$332,680.00.</p>
Fiscal Impact:	<p>The proposed project is included in the 2022 capital improvement plan (CIP).</p> <p>The above-referenced project, or a portion thereof, may be financed by the sale of bonds with repayment coming from assessments and Debt Service Fund Levy. It is required that action be authorized by City Council via Resolution Declaring Official Intent Regarding the Reimbursement of Expenditures with the Proceeds of Tax-Exempt Bonds.</p> <p>Attached is the "Resolution Accepting Bid" awarding the contract to R&G Construction Co. of Marshall, Minnesota, in the amount of \$409,645.10.</p> <p>The estimated total project cost including 5% allowance for contingencies and 16% for engineering and administrative costs is \$498,947.73.</p> <p>All improvements will be assessed according to the current Special Assessment Policy, including but not limited to participation from Marshall Municipal Utilities, Wastewater Department, Surface Water Management Utility Fund and Ad Valorem participation.</p> <p>The financing and cost participation will be forthcoming and addressed at the time of the Resolution Declaring Cost to be Assessed.</p> <p>Though the project is over our estimate, engineering staff has discussed funding with our Finance Department and the City is prepared and able to cover the proposed cost of this project.</p>
Alternatives:	No alternative actions recommended.

Recommendations:	<p>Recommendation No. 1 that the Council adopt RESOLUTION NUMBER 22-057, which provides for Resolution Declaring Official Intent Regarding the Reimbursement of Expenditures with the Proceeds of Tax-Exempt Bonds for Project ST-023: W. Lyon Street (College to 1st) Reconstruction Project.</p> <p>Recommendation No. 2 that the Council adopt RESOLUTION NUMBER 22-058, which provides for the Resolution Accepting Bid (Awarding Contract) and authorizing entering into an agreement with to R&G Construction Co. of Marshall, Minnesota, in the amount of \$409,645.10 for Project ST-023: W. Lyon Street (College to 1st) Reconstruction Project.</p>
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RESOLUTION NUMBER 22-057

**DECLARATION OF OFFICIAL INTENT
REGARDING THE REIMBURSEMENT OF EXPENDITURES
WITH THE PROCEEDS OF TAX-EXEMPT BONDS**

WHEREAS, under regulations adopted by the Secretary of the Treasury of the United States of America, the City of Marshall, Minnesota (the "City") is required to make a declaration of its official intent prior to making a capital expenditure, if it intends to be reimbursed for such capital expenditure at a future date from the proceeds of a tax-exempt bond; and

WHEREAS, the City intends to make capital expenditures with respect to the project described below and also intends to reimburse the fund or account described below from which the capital expenditure will be initially paid from the proceeds of an issue of tax-exempt bonds issued at a future date.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City as follows:

1. A general functional description of the project for which the expenditures to be reimbursed are paid is set forth below:

PROJECT ST-023: This project consists of: reconstruction and utility replacement on W. Lyon Street from E. College Drive to N. 1st Street; watermain, sanitary sewer, and storm sewer will be installed with a concrete paved surfacing. Water and sewer services will be installed to the right-of-way and connected to the existing watermain and sanitary sewer main. This project will also include new curb & gutter, sidewalk, and driveway aprons.

The principal amount of debt expected to be issued for the project referred to above will not exceed \$525,000.

2. The fund or account from which the expenditures to be reimbursed are to be paid and the general functional purpose of the fund or account is set forth below:

Public Improvement Projects Fund

3. The City reasonably expects to reimburse the expenditures referred to above with the proceeds of tax-exempt bonds.
4. This statement of the official intent of the City is a declaration of official intent under the regulations adopted by the Secretary of the Treasury of the United States of America.

Passed and adopted by the City Council this 24th day of May, 2022.

ATTEST:

City Clerk

Mayor

This Instrument Drafted By: Jason R. Anderson, P.E.; Director of Public Works/City Engineer

RESOLUTION NUMBER 22-058
RESOLUTION ACCEPTING BID (AWARD CONTRACT)

WHEREAS, pursuant to an advertisement for bids for the following project:

PROJECT ST-023: This project consists of: reconstruction and utility replacement on W. Lyon Street from E. College Drive to N. 1st Street; watermain, sanitary sewer, and storm sewer will be installed with a concrete paved surfacing. Water and sewer services will be installed to the right-of-way and connected to the existing watermain and sanitary sewer main. This project will also include new curb & gutter, sidewalk, and driveway aprons.

bids were received, opened and tabulated according to law, and the following bids were received complying with the advertisement:

Bidder	Bid Amount
R&G Construction Co. Marshall, MN	\$409,645.10
Duininck, Inc. Prinsburg, MN	\$428,686.65

AND WHEREAS, it appears that R&G Construction Co. of Marshall, Minnesota, is the lowest responsible bidder.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MARSHALL, MINNESOTA:

1. The Mayor and City Clerk are hereby authorized and directed to enter into a contract with R&G Construction Co. of Marshall, Minnesota, in the amount of \$409,645.10, in the name of the City of Marshall for the above referenced project, according to the plans and specifications therefore approved by the City Council and on file in the office of the City Clerk.

Passed and adopted by the City Council this 24th day of May, 2022.

ATTEST:

City Clerk

Mayor

This Instrument Drafted By: Jason R. Anderson, P.E.; Director of Public Works/City Engineer



E. COLLEGE DRIVE

W. LYON STREET

N. 1ST STREET



DESIGNED BY: J.L.D.
DRAWN BY: J.L.D.
Item 3.
Scale: 1"=##'

DATE	REVISIONS	INIT.



MARSHALL
 ENGINEERING DEPARTMENT
 344 WEST MAIN STREET
 MARSHALL, MINNESOTA
 56258

W. Lyon St. Reconstruction Project
 Project Area

I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.
 DATE: 00/00/21 LICENSE NO.: 53322

CITY PROJECT NO. ST-023	DATE 11/4/2021
STATE AID PROJECT NO.	SH Page 19







Item 3.



**PUBLIC WORKS DIVISION
344 WEST MAIN STREET
MARSHALL, MINNESOTA
56258**

Rain Garden Example

W. Lyon/N. 3rd Reconstruct
(Alternative 2)

I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.

DATE _____ LICENSE NO. 53322

DATE
10/01/2021

DESIGNED BY
DRAWN BY JLD
REVISIONS:

PROJECT NO.
ST-009

Page 22

02 OF 04

Meeting Date:	Tuesday, May 24, 2022
Category:	CONSENT AGENDA
Type:	ACTION
Subject:	Wastewater Treatment Facilities Improvement Project – Consider Payment of Invoice 0288838 to Bolton & Menk, Inc.
Background Information:	<p>Attached are the following for the above-referenced project:</p> <ol style="list-style-type: none"> 1) Invoice 0288838 to Bolton & Menk, Inc., of Mankato, Minnesota, in the amount of \$2,137.50 <p>As this project is financed with a Public Facilities Authority low interest loan through the State of Minnesota, pay applications are required to be placed on the City Council agenda for approval.</p>
Fiscal Impact:	This project is financed with a Public Facilities Authority low interest loan through the State of Minnesota.
Alternative/ Variations:	No alternative actions recommended.
Recommendations:	that the Council authorize payment of Invoice 0288838 to Bolton & Menk, Inc., of Mankato, Minnesota, in the amount of \$2,137.50.



Real People. Real Solutions.

Please Remit To: Bolton & Menk, Inc.
 1960 Premier Drive | Mankato, MN 56001-5900
 507-625-4171 | 507-625-4177 (fax)

Payment by Credit Card Available Online at www.Bolton-Menk.com
 To Ensure Proper Credit, Provide Invoice Numbers with Payment

City of Marshall
 Wastewater Treatment Facility
~~Bob Van Moer, Wastewater Superintendent~~
 600 Erie Street
 Marshall, MN 56258

April 29, 2022
 Project No: T22.115360
 Invoice No: 0288388
 Client Account: MARS

Marshall/WWTF Improvements

Marshall WWTF Improvement

Professional Services per Agreement from March 19, 2022 through April 15, 2022:

Construction Services (004)

Professional Services

	Hours	Amount	
Meetings/Hearing/Presentation			
Principal	8.00	1,560.00	
Design/Plan/Report Review			
Project Manager	2.00	450.00	
Word Processing/Data Entry			
Administrative	.50	57.50	
Record Drawings			
Technician	.50	70.00	
Totals	11.00	2,137.50	
Total Labor			2,137.50

Billing Limits

	Current	Prior	To-Date
Total Billings	2,137.50	713,855.23 ✓	715,992.73 ✓
Limit			900,000.00 ✓
Remaining			184,007.27 ✓

Total this Task \$2,137.50

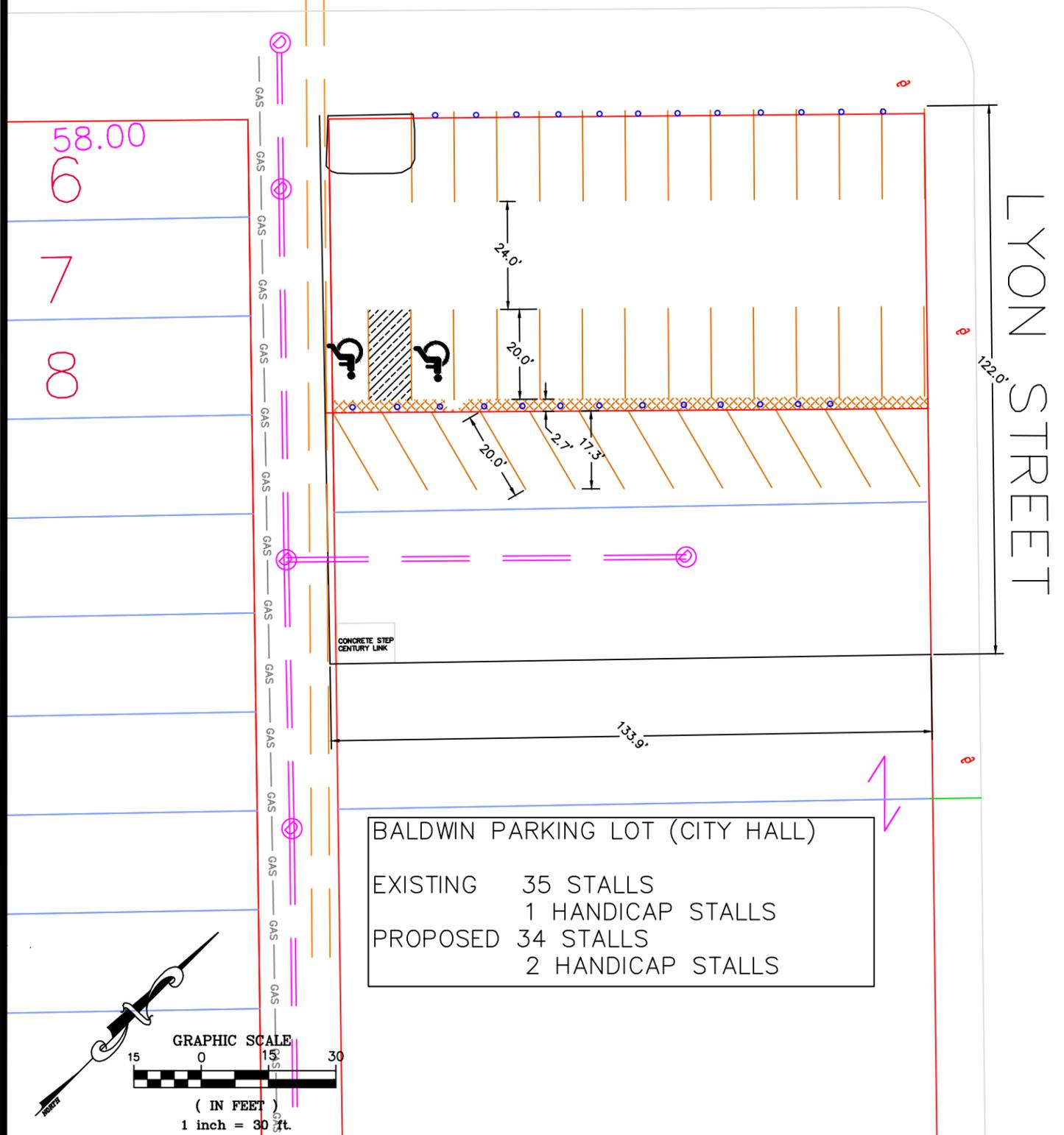
Total this Invoice \$2,137.50

VENDOR # 0724
 INVOICE # 0288388
 \$ AMOUNT 2,137.50
 DATE 5-6-22
 ACCT & PROJ # 602-49500-55120/W13
 DESCRIPTION WWTF Improvements
 SIGNATURE [Signature]

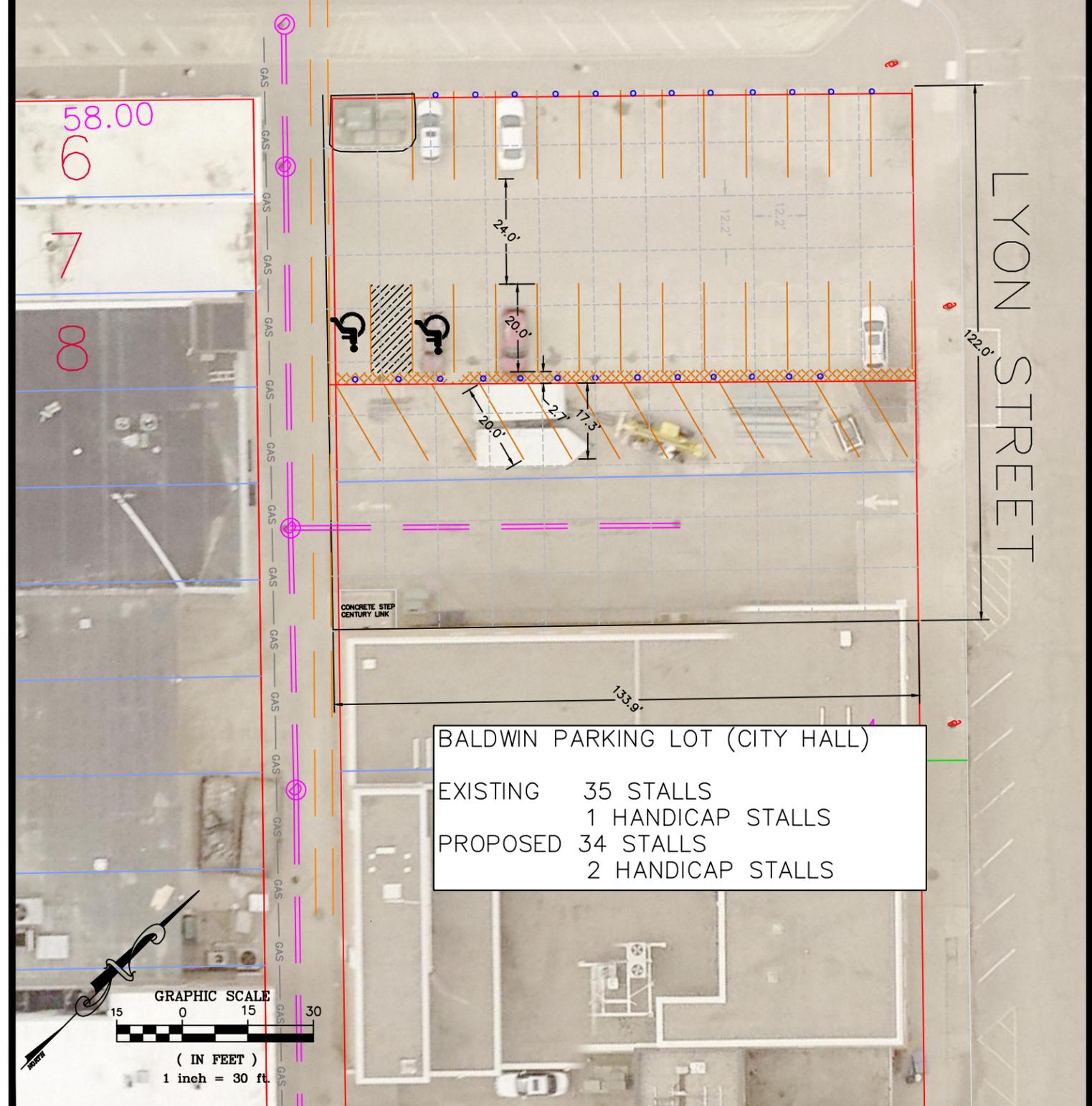
**CITY OF MARSHALL
AGENDA ITEM REPORT**

Meeting Date:	Tuesday, May 24, 2022
Category:	CONSENT AGENDA
Type:	ACTION
Subject:	Project ST-024: Baldwin Parking Lot Reconstruction Project – Consider Authorization to Advertise for Bids.
Background Information:	<p>This project consists of the reconstruction of the Baldwin Parking Lot adjacent to W. Lyon Street; pavement removal and concrete paved surfacing. The Baldwin Parking Lot is located behind City Hall. The parking lot is in poor surface condition and warrants replacement. There are no utilities that would be replaced as part of the project. Staff has met with the PI/T Committee to propose the layouts included in the Council packet. The proposed parking layout is generally the same as the current arrangement.</p> <p>Reconstruction of both the Baldwin Lot and Rose Lot would occur over the summer and ideally be completed prior to or following the 150th Anniversary events. By reconstructing both of these lots in 2022, this allows for both lots to be available for patrons during the 2023 W. Lyon/N. 3rd Reconstruction project. The Addison Lot (movie theater) is planned to be reconstructed in coordination with the W. Lyon/N. 3rd project.</p> <p>City staff continues to work with CenturyLink staff and our City Attorney to ensure that easements are in place to allow for construction activity to occur on land that is owned by CenturyLink.</p>
Fiscal Impact:	The proposed project is included in the 2022 capital improvement plan (CIP) for reconstruction of parking lot surfacing.
Alternative/ Variations:	No alternative actions recommended.
Recommendation:	that the City Council authorize the advertisement for bids for Project ST-024: Baldwin Parking Lot Reconstruction Project.

4TH STREET



4TH STREET



DESIGNED BY: GJS	DATE	REVISIONS	INIT.
DRAWN BY: GJS			
Item 5.			
E: 1"=##			


ENGINEERING DEPARTMENT
 344 WEST MAIN STREET
 MARSHALL, MINNESOTA
 56258

PARKING LOT STRIPING
 BALDWIN LOT

I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.
 DATE _____ LICENSE NO. 53322

CITY PROJECT NO. ST-005	DATE 10/20/2021
STATE AID PROJECT NO. N/A	SH Page 26



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, May 24, 2022
Category:	CONSENT AGENDA
Type:	ACTION
Subject:	Consider Grant of Permanent Easement with Unique Opportunities Marshall, LLC (Lot 2, Block One, Unique Addition).
Background Information:	<p>Our current Capital Improvement Plan identifies the Legion Field Road Stormwater Phase III Basin for 2023 construction. This easement document will provide space for the City to install a 48" diameter stormwater pipe conveyance to bring storm water to this future, proposed pond.</p> <p>There is no cost associated with this easement and no work scheduled for this year within this easement. When a future project is identified, possibly in 2023, it is likely that this easement space will be used to install a stormwater pipe.</p>
Fiscal Impact:	No fiscal impact.
Alternative/ Variations:	No alternative actions recommended.
Recommendation:	that the Council authorize execution of the attached Grant of Utility Easement and City Clerk recording of the document at the Office of the Lyon County Recorder.

GRANT OF PERMANENT EASEMENT

THIS AGREEMENT made and entered into this 11th day of May, 2022 by and between Unique Opportunities Marshall, LLC, a Minnesota limited liability company, Grantor, and the City of Marshall, a Minnesota municipal corporation under the laws of the State of Minnesota, Grantee, as follows:

WHEREAS, Grantor is the fee owner of the property legally described in Exhibit A (the "Property"); and

THEREFORE, in consideration of sum of \$1.00 and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Grantor gives and grants to the Grantee, its successors and assigns, the right in perpetuity, to enter upon and occupy, the right of ingress and egress, the right to construct, install, maintain, operate, use and replace utility facilities within the Easement Area. The described permanent easement is shown in Exhibit A and Exhibit B and referred to as the "Easement Area."
2. As an essential part of the consideration herein and by the acceptance of the grant of easement, said Grantee, its successors and assigns, further takes said easement, subject to the condition and thereby covenants that upon the initial construction, improvement or repair within the easement area given by the Grantor that Grantee will restore and return said premises to substantially the same condition as said premises were prior to said construction, improvement or repair.

*** THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY ***

The Agreement herein set out shall be construed as a covenant running with the remainder of the lands owned by the Grantor and is binding on said party as the owner of said lands, and for themselves, their heirs, executors, administrators, and assigns, anyone claiming under them, or any of them, as owners or occupants thereof.

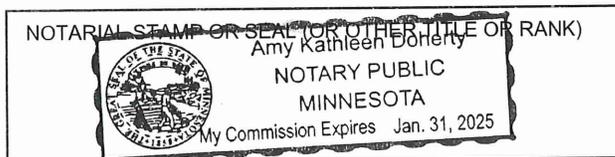
IN WITNESS WHEREOF, the Grantor has hereto set its hand the date and year first above written.

GRANTOR
Unique Opportunities Marshall, LLC

By: 
Name : Samuel P. Herzog
Its: Managing Member

STATE OF MINNESOTA)
) ss.
COUNTY OF LYON)

The foregoing instrument was acknowledged before me this 11th day of May, 2022, by Samuel P. Herzog, Managing Member of Unique Opportunities Marshall, LLC, a Minnesota limited liability company, on behalf of the company.




SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT

*** THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY ***

Grantee hereby agrees to be bound by the terms and conditions of the grant of this easement.

GRANTEE: CITY OF MARSHALL

By: Robert J. Byrnes
Its: Mayor

By: _____
Its: _____

STATE OF MINNESOTA)
)ss.
COUNTY OF LYON)

The foregoing instrument was acknowledged before me this _____ day of _____, 2022, by Robert J. Byrnes and _____, the Mayor and _____ for the City of Marshall, a municipal corporation under the laws of State of Minnesota, on behalf of the corporation.

NOTARIAL STAMP OR SEAL (OR OTHER TITLE OR RANK)

SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT

THIS INSTRUMENT WAS DRAFTED BY:
QUARNSTROM & DOERING, P.A.
MARSHALL CITY ATTORNEY
By: Dennis H. Simpson
109 South Fourth Street
Marshall, MN 56258
(507) 537-1441

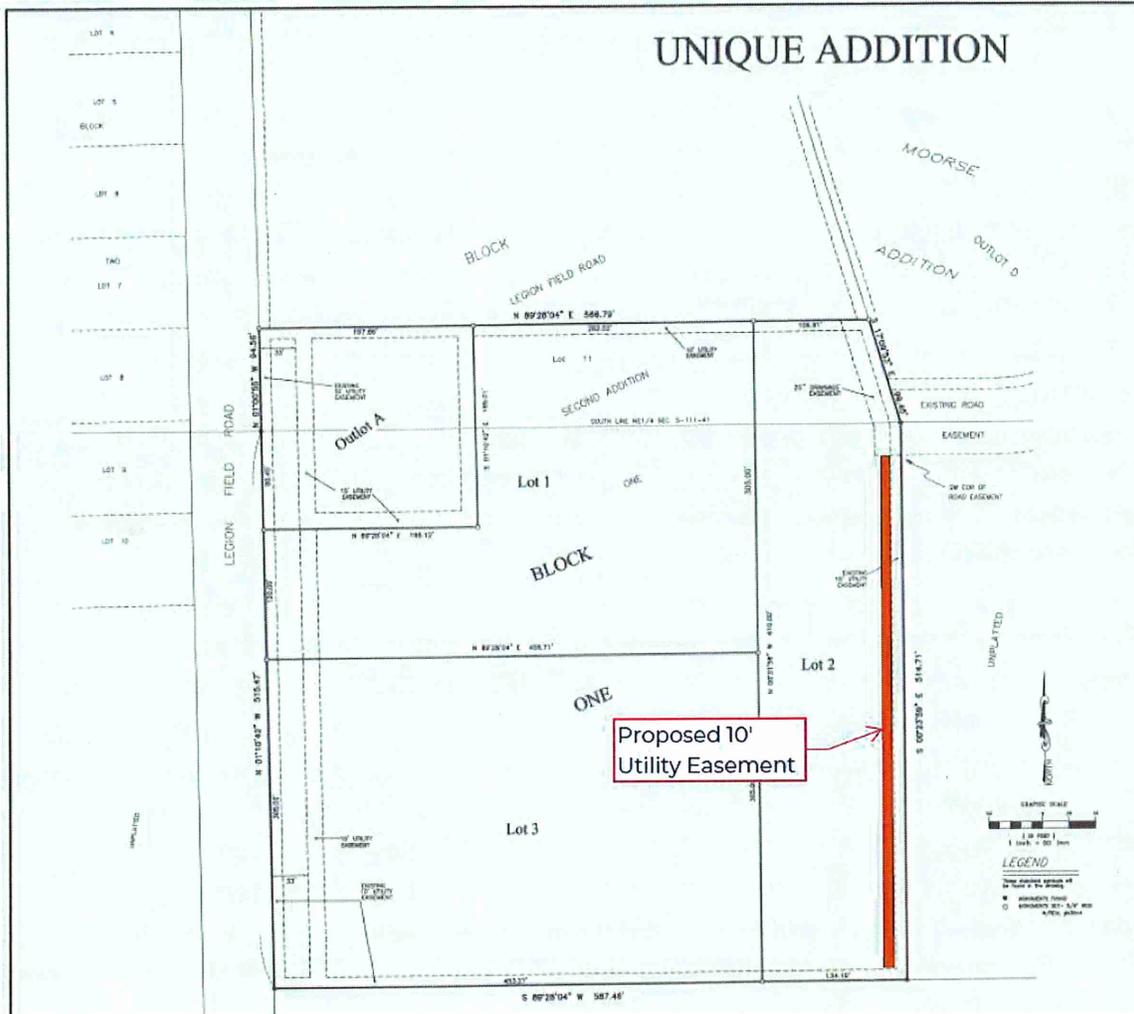
*** THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY ***

EXHIBIT A

All that part of Lot 2, Block 1 of Unique Addition, in the City of Marshall, as filed and recorded in the office of the County Recorder in and for Lyon County, Minnesota, being more particularly described as follows:

Commencing at the southeast corner of said Lot 2; thence South 89 degrees 28 minutes 4 seconds West, bearing based on Lyon County Coordinate System (1996 Adj.), along the south line of said Lot 2, a distance of 10 feet; thence North 0 degrees 23 minutes 59 seconds West, a distance of 10 feet to the point of beginning; thence North 0 degrees 23 minutes 59 seconds West, a distance of 484.71 feet; thence South 89 degrees 28 minutes 4 seconds West, a distance of 10 feet; thence South 0 degrees 23 minutes 59 seconds East, a distance of 484.71 feet; thence North 89 degrees 28 minutes 4 seconds East, a distance of 10 feet to the point of beginning.

EXHIBIT B



**CITY OF MARSHALL
AGENDA ITEM REPORT**

Meeting Date:	Tuesday, May 24, 2022
Category:	CONSENT AGENDA
Type:	ACTION
Subject:	Consider authorization to declare vehicles as surplus property for the Marshall Police Department.
Background Information:	These vehicles have been abandoned or seized by the Marshall Police Department and have gone through the notification processes and required periods for disposal.
Fiscal Impact:	These vehicles will be auctioned on-line at the state site, sold, or will be taken to Alters for disposal.
Alternative/ Variations:	
Recommendations:	That these vehicles be declared as surplus property by the City of Marshall.

21-3054	15 Chevy Silverado	SD WT215	3GCUKRECZFG112273	Forf (City Atty)
21-7754	05 Pontiac Grand Prix	929 TRP	2G2WP522751140855	Forf (City Atty)
21-18535	11 Nissan Altima	BXS 464	1N4BL2APGBM441179	Forf (City Atty)
18-15668	00 Toyota Camry	SD 4B7641	JT2BG22K6Y0493671	Forf (Co Atty)
	Fairway Villager golf cart	None	Unknown	Surplus

**CITY OF MARSHALL
AGENDA ITEM REPORT**

Meeting Date:	Tuesday, May 24, 2022
Category:	CONSENT AGENDA
Type:	ACTION
Subject:	Consider LG220 Application for Exempt Permit for Holy Redeemer Church
Background Information:	Attached is an application for Exempt Permit for Holy Redeemer Church for an event to be held on December 30, 2022.
Fiscal Impact:	There is no City fee for this permit.
Alternative/ Variations:	None recommended.
Recommendations:	BE IT RESOLVED, that the City Council hereby (1) grants local unit of government approval to Holy Redeemer Church to hold a raffle on December 30, 2022, at Holy Redeemer Church, Marshall Minnesota, (2) acknowledges the receipt of LG220 Application of Exempt Permit, (3) waives the 30-day waiting period, and (4) authorizes and directs the appropriate City personnel to compete and sign the LG220 Application for Exempt Permit on behalf of the City of Marshall.

MINNESOTA LAWFUL GAMBLING
LG220 Application for Exempt Permit

11/17
Page 1 of 2

An exempt permit may be issued to a nonprofit organization that:

- conducts lawful gambling on five or fewer days, and
- awards less than \$50,000 in prizes during a calendar year.

If total raffle prize value for the calendar year will be \$1,500 or less, contact the Licensing Specialist assigned to your county by calling 651-539-1900.

Application Fee (non-refundable)

Applications are processed in the order received. If the application is postmarked or received 30 days or more before the event, the application fee is **\$100**; otherwise the fee is **\$150**.

Due to the high volume of exempt applications, payment of additional fees prior to 30 days before your event will not expedite service, nor are telephone requests for expedited service accepted.

ORGANIZATION INFORMATION

Organization Name: Holy Redeemer Church Previous Gambling Permit Number: [REDACTED]
Minnesota Tax ID Number, if any: [REDACTED] Federal Employer ID Number (FEIN), if any: [REDACTED]
Mailing Address: 503 W Lyon St
City: Marshall State: MN Zip: 56258 County: Lyon
Name of Chief Executive Officer (CEO): Fr. Anthony J. Stubeda
CEO Daytime Phone: 507-532-5711 CEO Email: astubeda@holy-redeemer.com
(permit will be emailed to this email address unless otherwise indicated below)
Email permit to (if other than the CEO): lnelson@holy-redeemer.com

NONPROFIT STATUS

Type of Nonprofit Organization (check one):

Fraternal Religious Veterans Other Nonprofit Organization

Attach a copy of one of the following showing proof of nonprofit status:

(DO NOT attach a sales tax exempt status or federal employer ID number, as they are not proof of nonprofit status.)

- A current calendar year Certificate of Good Standing**
Don't have a copy? Obtain this certificate from:
MN Secretary of State, Business Services Division
60 Empire Drive, Suite 100
St. Paul, MN 55103
Secretary of State website, phone numbers:
www.sos.state.mn.us
651-296-2803, or toll free 1-877-551-6767
- IRS income tax exemption (501(c)) letter in your organization's name**
Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS toll free at 1-877-829-5500.
- IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)**
If your organization falls under a parent organization, attach copies of both of the following:
1. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling; and
2. the charter or letter from your parent organization recognizing your organization as a subordinate.

GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted (for raffles, list the site where the drawing will take place): Holy Redeemer Parish Office
Physical Address (do not use P.O. box): 503 W Lyon St
Check one:
 City: Marshall Zip: 56258 County: Lyon
 Township: _____ Zip: _____ County: _____
Date(s) of activity (for raffles, indicate the date of the drawing): December 30, 2022

Check each type of gambling activity that your organization will conduct:

Bingo Paddlewheels Pull-Tabs Tipboards Raffle

Gambling equipment for bingo paper, bingo boards, raffle boards, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. EXCEPTION: Bingo hard cards and bingo ball selection devices may be borrowed from another organization authorized to conduct bingo. To find a licensed distributor, go to www.mn.gov/gcb and click on **Distributors** under the **List of Licensees** tab, or call 651-539-1900.

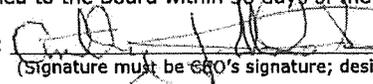
LG220 Application for Exempt Permit

LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT (required before submitting application to the Minnesota Gambling Control Board)

<p style="text-align: center;">CITY APPROVAL for a gambling premises located within city limits</p> <p><input checked="" type="checkbox"/> The application is acknowledged with no waiting period.</p> <p><input type="checkbox"/> The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city).</p> <p><input type="checkbox"/> The application is denied.</p> <p>Print City Name: <u>Marshall</u></p> <p>Signature of City Personnel: _____</p> <p>Title: <u>City Clerk</u> Date: _____</p> <div style="border: 1px solid black; padding: 5px; text-align: center; margin-top: 20px;"> <p>The city or county must sign before submitting application to the Gambling Control Board.</p> </div>	<p style="text-align: center;">COUNTY APPROVAL for a gambling premises located in a township</p> <p><input type="checkbox"/> The application is acknowledged with no waiting period.</p> <p><input type="checkbox"/> The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days.</p> <p><input type="checkbox"/> The application is denied.</p> <p>Print County Name: _____</p> <p>Signature of County Personnel: _____</p> <p>Title: _____ Date: _____</p> <p>TOWNSHIP (If required by the county) On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minn. Statutes, section 349.213.)</p> <p>Print Township Name: _____</p> <p>Signature of Township Officer: _____</p> <p>Title: _____ Date: _____</p>
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CHIEF EXECUTIVE OFFICER'S SIGNATURE (required)

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief Executive Officer's Signature:  Date: 4/20/22

(Signature must be CEO's signature; designee may not sign)

Print Name: Fr. Anthony J. Stubeda

<p>REQUIREMENTS</p> <p>Complete a separate application for:</p> <ul style="list-style-type: none"> • all gambling conducted on two or more consecutive days; or • all gambling conducted on one day. <p>Only one application is required if one or more raffle drawings are conducted on the same day.</p> <p>Financial report to be completed within 30 days after the gambling activity is done: A financial report form will be mailed with your permit. Complete and return the financial report form to the Gambling Control Board.</p> <p>Your organization must keep all exempt records and reports for 3-1/2 years (Minn. Statutes, section 349.166, subd. 2(f)).</p>	<p>MAIL APPLICATION AND ATTACHMENTS</p> <p>Mail application with:</p> <p>_____ a copy of your proof of nonprofit status; and</p> <p>_____ application fee (non-refundable). If the application is postmarked or received 30 days or more before the event, the application fee is \$100; otherwise the fee is \$150. Make check payable to State of Minnesota.</p> <p>To: Minnesota Gambling Control Board 1711 West County Road B, Suite 300 South Roseville, MN 55113</p> <p>Questions? Call the Licensing Section of the Gambling Control Board at 651-539-1900.</p>
--	--

<p>Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the</p>	<p>application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to Board members, Board staff whose work requires access to the information; Minnesota's Depart-</p>	<p>ment of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.</p>
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This form will be made available in alternative format (i.e. large print, braille) upon request.

An equal opportunity employer

**CITY OF MARSHALL
AGENDA ITEM REPORT**

Meeting Date:	Tuesday, May 24, 2022
Category:	CONSENT AGENDA
Type:	ACTION
Subject:	Consider approval of the bills/project payments
Background Information:	Staff encourages the City Council Members to contact staff in advance of the meeting regarding these items if there are questions. Construction contract questions are encouraged to be directed to Director of Public Works, Jason Anderson at 537-6051 or Finance Director, Karla Drown at 537-6764
Fiscal Impact:	
Alternative/ Variations:	
Recommendations:	The following bills and project payments be authorized for payment.



Marshall, MN

Council Check Report

By Vendor Name

Date Range: 05/13/2022 - 05/24/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP-REG AP						
4549	A & B BUSINESS, INC	05/13/2022	EFT	0.00	2,174.37	9673
6734	ABM EQUIPMENT & SUPPLY, LLC	05/13/2022	EFT	0.00	616.07	9674
5813	ACE HOME & HARDWARE	05/13/2022	EFT	0.00	115.00	9675
5813	ACE HOME & HARDWARE	05/20/2022	EFT	0.00	136.45	9724
6128	ACTION CO LLC	05/13/2022	EFT	0.00	8,987.00	9676
6128	ACTION CO LLC	05/20/2022	EFT	0.00	73.00	9725
0567	ALEX AIR APPARATUS INC	05/20/2022	EFT	0.00	344.11	9726
0578	AMAZON CAPITAL SERVICES	05/13/2022	EFT	0.00	70.03	9677
0578	AMAZON CAPITAL SERVICES	05/20/2022	EFT	0.00	74.78	9727
3761	AMERICAN BOTTLING CO.	05/13/2022	Regular	0.00	94.44	121160
3761	AMERICAN BOTTLING CO.	05/20/2022	Regular	0.00	109.08	121192
0658	AP DESIGN	05/13/2022	EFT	0.00	272.20	9678
0658	AP DESIGN	05/20/2022	EFT	0.00	2,333.52	9728
6694	ARAMARK UNIFORM & CAREER APPAREL GROUP,	05/20/2022	EFT	0.00	79.09	9729
0630	ARCTIC GLACIER	05/13/2022	Regular	0.00	828.78	121161
0629	ARNOLD MOTOR SUPPLY	05/20/2022	Regular	0.00	3.81	121193
5447	ARTISAN BEER COMPANY	05/13/2022	EFT	0.00	1,199.35	9679
5447	ARTISAN BEER COMPANY	05/20/2022	EFT	0.00	1,690.20	9730
6883	AT&T MOBILITY II LLC	05/20/2022	Regular	0.00	38.23	121194
6986	AVI SYSTEMS, INC.	05/13/2022	Regular	0.00	742.50	121162
5702	B & H PHOTO & ELECTRONICS CORP	05/13/2022	EFT	0.00	352.49	9680
2340	BAKER TILLY MUNICIPAL ADVISORS, LLC	05/13/2022	EFT	0.00	41,600.00	9681
0674	BARGEN, INC.	05/13/2022	Regular	0.00	69.47	121163
6818	BEEK, JORDY	05/20/2022	EFT	0.00	375.54	9731
0688	BELLBOY CORPORATION	05/13/2022	EFT	0.00	2,063.54	9682
0699	BEVERAGE WHOLESALERS	05/13/2022	Regular	0.00	34,163.91	121164
0699	BEVERAGE WHOLESALERS	05/20/2022	Regular	0.00	39,234.92	121195
7005	BLY, JACK	05/20/2022	EFT	0.00	150.00	9732
0724	BOLTON & MENK INC	05/13/2022	EFT	0.00	16,828.00	9683
0724	BOLTON & MENK INC	05/20/2022	EFT	0.00	3,175.00	9733
0726	BORCHS SPORTING GOODS	05/20/2022	EFT	0.00	380.00	9734
0018	BORDER STATES ELECTRIC SUPPLY	05/13/2022	EFT	0.00	24.18	9684
0018	BORDER STATES ELECTRIC SUPPLY	05/20/2022	EFT	0.00	112.03	9735
3829	BRAU BROTHERS	05/13/2022	Regular	0.00	262.60	121165
4457	BREAKTHRU BEVERAGE	05/13/2022	Regular	0.00	9,805.73	121166
4457	BREAKTHRU BEVERAGE	05/20/2022	Regular	0.00	11,202.90	121196
0728	BUFFALO RIDGE CONCRETE, INC	05/20/2022	EFT	0.00	516.00	9736
6791	CAPITAL ONE	05/13/2022	Regular	0.00	318.42	121167
6791	CAPITAL ONE	05/20/2022	Regular	0.00	541.99	121198
0799	CARLOS CREEK WINERY	05/13/2022	Regular	0.00	1,332.00	121168
0815	CATTOOR OIL COMPANY INC	05/13/2022	EFT	0.00	12,217.27	9685
6823	CHARTER COMMUNICATIONS	05/20/2022	Regular	0.00	50.00	121200
0836	CHARTER COMMUNICATIONS	05/13/2022	EFT	0.00	11.99	9686
0836	CHARTER COMMUNICATIONS	05/20/2022	EFT	0.00	101.88	9737
0853	CLAREYS SAFETY EQUIPMENT INC	05/20/2022	EFT	0.00	3,797.58	9738
5733	CLARITY TELECOM, LLC	05/20/2022	EFT	0.00	2,927.56	9739
0875	COMPUTER MAN INC	05/13/2022	EFT	0.00	2,492.75	9687
0920	CULLIGAN WATER CONDITIONING OF MARSHALL	05/13/2022	Regular	0.00	81.00	121169
0948	DAKOTA RIGGERS & TOOL SUPPLY INC	05/20/2022	EFT	0.00	354.20	9740
5731	DOLL DISTRIBUTING	05/13/2022	EFT	0.00	18,578.50	9688
5731	DOLL DISTRIBUTING	05/20/2022	EFT	0.00	27,000.75	9741
4126	DOOM & CUYPER CONSTRUCTION	05/13/2022	EFT	0.00	300.59	9689
1037	ECOWATER SYSTEMS	05/13/2022	EFT	0.00	5.00	9690
6443	EDAM	05/13/2022	Regular	0.00	295.00	121170

Council Check Report

Date Range: 05/13/2022 - 05/24/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
3566	ELECTRIC MOTOR CO	05/13/2022	EFT	0.00	451.18	9691
3566	ELECTRIC MOTOR CO	05/20/2022	EFT	0.00	926.29	9742
1047	ELECTRIC PUMP INC	05/13/2022	EFT	0.00	13,420.05	9692
4858	ENGRAVESTONE	05/20/2022	Regular	0.00	294.00	121201
4753	ENTERPRISE LEASING CO	05/13/2022	EFT	0.00	21.79	9693
1090	FASTENAL COMPANY	05/13/2022	EFT	0.00	648.89	9694
1090	FASTENAL COMPANY	05/20/2022	EFT	0.00	273.68	9743
4805	FURTHER	05/13/2022	Bank Draft	0.00	9,860.71	DFT0001701
4805	FURTHER	05/13/2022	Bank Draft	0.00	7,062.92	DFT0001706
1158	GALLS INC	05/13/2022	EFT	0.00	677.93	9695
5944	GOERGEN, JOSH	05/20/2022	EFT	0.00	457.36	9744
1199	GRAHAM TIRE AND AUTOMOTIVE SERVICES	05/13/2022	Regular	0.00	33.35	121171
1199	GRAHAM TIRE AND AUTOMOTIVE SERVICES	05/20/2022	Regular	0.00	19.00	121202
1201	GRAINGER INC	05/13/2022	EFT	0.00	85.85	9696
1201	GRAINGER INC	05/20/2022	EFT	0.00	285.72	9745
6291	GUARDIAN FLEET SAFETY	05/13/2022	Regular	0.00	41,730.69	121172
6269	HANSON, SHARON	05/13/2022	EFT	0.00	72.70	9697
1256	HAWKINS INC	05/13/2022	EFT	0.00	7,090.62	9698
1256	HAWKINS INC	05/20/2022	EFT	0.00	7,463.28	9746
1267	HEIMAN INC.	05/20/2022	EFT	0.00	1,372.50	9747
1271	HENLE PRINTING COMPANY	05/13/2022	EFT	0.00	197.76	9699
1271	HENLE PRINTING COMPANY	05/20/2022	EFT	0.00	913.49	9748
1280	HP INC	05/13/2022	Regular	0.00	1,083.96	121173
1325	ICMA RETIREMENT TRUST #300877	05/13/2022	Regular	0.00	50.00	121174
5546	INDIAN ISLAND WINERY	05/20/2022	Regular	0.00	1,007.52	121203
6536	INNOVATIVE OFFICE SOLUTIONS, LLC	05/13/2022	EFT	0.00	94.22	9700
1358	INTERNAL REVENUE SERVICE	05/13/2022	Bank Draft	0.00	26,071.42	DFT0001707
1358	INTERNAL REVENUE SERVICE	05/13/2022	Bank Draft	0.00	23,945.75	DFT0001708
1358	INTERNAL REVENUE SERVICE	05/13/2022	Bank Draft	0.00	8,132.56	DFT0001709
5329	INTERSTATE ALL BATTERY CENTER	05/13/2022	Regular	0.00	63.00	121175
1399	JOHNSON BROTHERS LIQUOR COMPANY	05/13/2022	EFT	0.00	10,762.62	9701
1399	JOHNSON BROTHERS LIQUOR COMPANY	05/20/2022	EFT	0.00	17,114.55	9749
1417	KENNEDY & GRAVEN, CHARTERED	05/13/2022	EFT	0.00	2,864.00	9702
1417	KENNEDY & GRAVEN, CHARTERED	05/20/2022	EFT	0.00	6,348.00	9750
5095	KIBBLE EQUIPMENT	05/13/2022	EFT	0.00	23.31	9703
5095	KIBBLE EQUIPMENT	05/20/2022	EFT	0.00	67.97	9751
5138	L & A SYSTEMS, LLC	05/20/2022	EFT	0.00	1,172.00	9752
3906	LALEMAN, GARY	05/20/2022	Regular	0.00	85.00	121204
6792	LANDRUM AND BROWN, INC	05/20/2022	Regular	0.00	1,250.00	121205
3653	LANGUAGE LINE SERVICES	05/13/2022	EFT	0.00	443.66	9704
1483	LEAGUE OF MINNESOTA CITIES INS TRUST	05/13/2022	Regular	0.00	3,005.81	121176
1507	LOCHER BROTHERS INC	05/20/2022	EFT	0.00	875.10	9753
1531	LYON COUNTY AUDITOR-TREASURER	05/20/2022	EFT	0.00	523.29	9754
1545	LYON COUNTY HIGHWAY DEPARTMENT	05/13/2022	EFT	0.00	9,546.30	9705
1552	LYON COUNTY RECORDER	05/13/2022	EFT	0.00	64.55	9706
1555	LYON LINCOLN ELECTRIC COOPERATIVE INC	05/20/2022	Regular	0.00	38.43	121206
1565	MACQUEEN EQUIPMENT INC.	05/20/2022	EFT	0.00	1,167.81	9755
6292	MADDEN, GALANTER, HANSEN, LLP	05/20/2022	EFT	0.00	266.00	9756
1575	MAILBOXES & PARCEL DEPOT	05/20/2022	EFT	0.00	7.73	9757
1602	MARSHALL AMATEUR HOCKEY ASSOCIATION	05/13/2022	Regular	0.00	989.45	121177
1604	MARSHALL AREA CHAMBER OF COMMERCE	05/20/2022	EFT	0.00	50.00	9758
1616	MARSHALL CONVENTION & VISITORS BUREAU	05/13/2022	EFT	0.00	23,426.86	9707
4660	MARSHALL FESTIVALS INC.	05/20/2022	EFT	0.00	718.94	9759
1623	MARSHALL INDEPENDENT, INC	05/20/2022	Regular	0.00	3,150.15	121207
6018	MARSHALL M CLUB	05/20/2022	Regular	0.00	547.50	121209
1633	MARSHALL MUNICIPAL UTILITIES	05/13/2022	EFT	0.00	8,144.09	9708
1633	MARSHALL MUNICIPAL UTILITIES	05/20/2022	EFT	0.00	2,072.17	9760
1635	MARSHALL NORTHWEST PIPE FITTINGS INC	05/20/2022	EFT	0.00	1,368.79	9761
3545	MARSHALL RADIO	05/13/2022	EFT	0.00	500.00	9709
6733	MARTI, GEORGE & PAULA	05/13/2022	Regular	0.00	219.00	121178
6586	MCDYER TOOLS	05/13/2022	Regular	0.00	253.50	121179

Council Check Report

Date Range: 05/13/2022 - 05/24/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
6586	MCDYER TOOLS	05/20/2022	Regular	0.00	155.50	121210
4980	MENARDS INC	05/13/2022	Regular	0.00	209.31	121180
4980	MENARDS INC	05/20/2022	Regular	0.00	60.47	121211
6388	MIDWEST ALARM CO.,INC	05/13/2022	Regular	0.00	600.00	121181
0095	MINNESOTA CITY/COUNTY MANAGEMENT ASSOC	05/13/2022	Regular	0.00	185.00	121182
3669	MINNESOTA STATE RETIREMENT SYSTEM	05/13/2022	Bank Draft	0.00	8,944.69	DFT0001704
1757	MN CHILD SUPPORT PAYMENT CENTER	05/13/2022	Bank Draft	0.00	386.70	DFT0001697
1757	MN CHILD SUPPORT PAYMENT CENTER	05/13/2022	Bank Draft	0.00	96.38	DFT0001698
1757	MN CHILD SUPPORT PAYMENT CENTER	05/13/2022	Bank Draft	0.00	287.49	DFT0001699
1757	MN CHILD SUPPORT PAYMENT CENTER	05/13/2022	Bank Draft	0.00	85.83	DFT0001700
1774	MN DEPT OF LABOR AND INDUSTRY FINANCIAL SE	05/13/2022	Regular	0.00	242.00	121183
3555	MN DOT	05/13/2022	Regular	0.00	358.08	121185
1818	MN REVENUE	05/13/2022	Bank Draft	0.00	11,192.73	DFT0001710
1787	MN STATE BOARD OF ASSESSORS	05/20/2022	Regular	0.00	275.00	121212
1864	MONTES ELECTRIC INC	05/13/2022	Regular	0.00	65.00	121186
7003	M-R SIGN CO., INC.	05/20/2022	Regular	0.00	1,931.60	121213
2512	NATIONWIDE RETIREMENT	05/13/2022	Bank Draft	0.00	575.00	DFT0001693
2512	NATIONWIDE RETIREMENT	05/13/2022	Bank Draft	0.00	1,188.59	DFT0001694
1938	NEWMAN SIGNS	05/20/2022	EFT	0.00	79.16	9762
1945	NORM'S GTC	05/13/2022	Regular	0.00	62.76	121187
1945	NORM'S GTC	05/20/2022	Regular	0.00	372.98	121214
1961	NORTHERN SAFETY COMPANY INC	05/20/2022	EFT	0.00	99.44	9763
6463	OFFICE OF MNIT SERVICES	05/20/2022	Regular	0.00	695.15	121215
5891	ONE OFFICE SOLUTION	05/13/2022	EFT	0.00	73.97	9710
6190	OPG-3 INC	05/20/2022	Regular	0.00	9,600.00	121216
2010	PARK SUPPLY INC	05/20/2022	Regular	0.00	444.18	121217
2019	PAUSTIS WINE COMPANY	05/13/2022	Regular	0.00	3,858.00	121188
2026	PEPSI COLA BOTTLING OF PIPESTONE MN INC	05/13/2022	EFT	0.00	48.00	9711
2028	PERA OF MINNESOTA REG	05/13/2022	Bank Draft	0.00	54,044.62	DFT0001702
2030	PETERSON, ALEX	05/13/2022	EFT	0.00	538.26	9712
2034	PETTY CASH	05/20/2022	Regular	0.00	242.00	121218
2036	PHILLIPS WINE AND SPIRITS INC	05/13/2022	EFT	0.00	9,907.40	9713
2036	PHILLIPS WINE AND SPIRITS INC	05/20/2022	EFT	0.00	6,246.38	9764
2065	POWER PROCESS EQUIPMENT INC	05/20/2022	Regular	0.00	1,647.75	121219
2064	POWERPLAN	05/20/2022	Regular	0.00	273.64	121220
6166	PULVER MOTOR SVC, LLC	05/13/2022	EFT	0.00	160.00	9714
2096	QUARNSTROM & DOERING, PA	05/20/2022	EFT	0.00	3,686.00	9765
5180	RTVISION INC	05/20/2022	EFT	0.00	7,115.00	9766
2201	RUNNINGS SUPPLY INC	05/13/2022	EFT	0.00	210.32	9715
2201	RUNNINGS SUPPLY INC	05/20/2022	EFT	0.00	498.45	9767
6212	SANITATION PRODUCTS	05/20/2022	Regular	0.00	4,990.85	121221
2271	SHORT ELLIOTT HENDRICKSON INC	05/13/2022	Regular	0.00	314.00	121189
3495	SMSU	05/20/2022	EFT	0.00	25.00	9768
4855	SOUTHERN GLAZER'S	05/13/2022	EFT	0.00	13,089.92	9716
4855	SOUTHERN GLAZER'S	05/20/2022	EFT	0.00	23,302.93	9769
2311	SOUTHWEST GLASS CENTER	05/20/2022	EFT	0.00	7.20	9770
2318	SOUTHWEST SANITATION INC.	05/13/2022	EFT	0.00	2,330.11	9717
5922	SRF CONSULTING GROUP, INC.	05/20/2022	EFT	0.00	6,793.14	9771
2345	ST CROIX RECREATION FUNPLAYGROUNDS	05/20/2022	Regular	0.00	2,871.40	121222
2349	STAN HOUSTON EQUIPMENT COMPANY INC	05/20/2022	EFT	0.00	131.11	9772
6318	STERLING EQUIPMENT & REPAIR, INC	05/20/2022	EFT	0.00	67.21	9773
0495	SWANSON, GREGG	05/20/2022	EFT	0.00	116.51	9774
2429	TKDA	05/20/2022	EFT	0.00	2,475.00	9775
6156	TRUE BRANDS	05/13/2022	EFT	0.00	482.26	9718
3342	TRUEDSON, SCOTT	05/20/2022	EFT	0.00	80.00	9776
6997	UFKIN, ALISON	05/20/2022	Regular	0.00	30.00	121223
2477	UNIQUE PAVING MATERIALS CORPORATION	05/20/2022	EFT	0.00	877.13	9777
4402	UPS	05/13/2022	Regular	0.00	12.78	121190
2511	USA BLUE BOOK	05/13/2022	EFT	0.00	424.38	9719
3443	VALIC DEFERRED COMP	05/13/2022	Bank Draft	0.00	941.61	DFT0001695
3443	VALIC DEFERRED COMP	05/13/2022	Bank Draft	0.00	1,405.77	DFT0001696

Council Check Report

Date Range: 05/13/2022 - 05/24/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
6901	VAN METER INC	05/20/2022	EFT	0.00	84.69	9778
4372	VANIWAARDEN ASSOC.	05/13/2022	EFT	0.00	4,200.00	9720
6981	VECTOR SIGN SOLUTIONS	05/13/2022	Regular	0.00	137.50	121191
4489	VERIZON WIRELESS	05/20/2022	EFT	0.00	49.04	9779
2538	VIKING COCA COLA BOTTLING COMPANY	05/13/2022	EFT	0.00	301.80	9721
2538	VIKING COCA COLA BOTTLING COMPANY	05/20/2022	EFT	0.00	507.70	9780
4594	VINOCUPIA	05/13/2022	EFT	0.00	5,449.68	9722
6085	VOYA - INVESTORS CHOICE	05/13/2022	Bank Draft	0.00	2,191.90	DFT0001705
6330	WRS CO. LLC	05/20/2022	Regular	0.00	205.00	121224
6996	YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE N	05/20/2022	Regular	0.00	6,725.00	121225
6082	ZEUG, THOMAS	05/13/2022	EFT	0.00	180.00	9723
6082	ZEUG, THOMAS	05/20/2022	EFT	0.00	100.00	9781
2632	ZIEGLER INC	05/20/2022	EFT	0.00	262.04	9782

Bank Code AP Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	107	62	0.00	189,560.09
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	17	17	0.00	156,414.67
EFT's	218	110	0.00	363,510.30
	342	189	0.00	709,485.06

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	107	62	0.00	189,560.09
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	17	17	0.00	156,414.67
EFT's	218	110	0.00	363,510.30
	342	189	0.00	709,485.06

Fund Summary

Fund	Name	Period	Amount
999	POOLED CASH FUND	5/2022	709,485.06
			709,485.06

**CITY OF MARSHALL, MINNESOTA
PRIOR AND CURRENT YEARS CONSTRUCTION CONTRACTS**

5/24/2022

PROJECT #:	Coding	DATE	CONTRACTOR:	ORIGINAL CONTRACT AMOUNT:	CHANGE ORDERS	CURRENT CONTRACT AMOUNT	2019 Prior Payments	2020 Prior Payments	2021 Prior Payments	2022 Prior Payments	PYMTS THIS MEETING:	RETAINAGE	BALANCE:
W13	602-49500-55120	5/28/2019	WWTF Improvement Project	Magney Construction, Inc.	14,074,300.00	(26,609.74)	14,047,690.26	4,099,265.87	6,918,924.06	3,029,500.33		-	-
CH1	494-43300-55120	11/12/2019	City Hall Renovation	Brennan Companies	5,030,200.00	749,360.00	5,779,560.00		3,039,722.04	2,661,221.96	52,616.00	26,000.00	52,616.00
Z83	479-43300-55170	2/23/2021	James Ave/Camden Dr Reconstruction	Kuechle Underground	849,244.50		849,244.50			779,179.36		41,009.44	29,055.70
Z88	479-43300-55170	4/13/2021	State Aid Overlay	Duininck, Inc	1,924,600.45	31,330.31	1,955,930.76			1,859,801.49		-	96,129.27
PK-001	401-45200-55130	8/25/2021	Independence Park Trail Replacement	A & C Excavating, LLC	375,659.10		375,659.10			109,320.20		5,753.70	260,585.20
SWM-007	630-49600-55170	10/12/2021	Independence Park Pond Forebay Expansion	Towne & Country Excavating LLC	229,255.50		229,255.50				111,888.15	5,888.85	223,366.65
AP-005	101-43400-55120	10/12/2021	A/D Building Roof Repair	Gag Sheet Metal, Inc.	37,200.00	45,399.00	82,599.00			51,879.00		30,720.00	-
ST-002	495-43300-55170	2/8/2022	Bituminous Overlay on Various City Streets	Duininck, Inc	560,573.35		560,573.35						560,573.35
ST-003	480-43300-55170	2/6/2022	1st/Greeley/Williams Reconstruction	R & G Construction Co.	1,647,498.69	2,500.00	1,649,998.69				4,655.00	245.00	1,649,753.69
ST-001	101-43300-53425	2/22/2022	Chip Seals	Pearson Bros., Inc.	210,581.00		210,581.00						210,581.00
ST-004	480-43300-55170	2/22/2022	Halbur Road Reconstruction	Duininck, Inc	1,142,009.72		1,142,009.72						1,142,009.72
ST-006 (Z79)	495-43300-55130	5/10/2022	School Pedestrian Crossing Improvements	Duininck, Inc	480,250.35		480,250.35						480,250.35
					<u>26,561,372.66</u>	<u>801,979.57</u>	<u>27,363,352.23</u>	<u>4,099,265.87</u>	<u>9,958,646.10</u>	<u>8,490,902.34</u>	<u>0.00</u>	<u>78,896.99</u>	<u>4,704,920.93</u>

PERCENT
COMPLETE

100.00%
99.09%
96.58%
95.09%
30.63%
2.57%
100.00%
0.00%
0.01%
0.00%
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0.00%

**CITY OF MARSHALL
AGENDA ITEM REPORT**

Meeting Date:	Tuesday, May 24, 2022
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Consider the annual adoption of a Resolution Declaring the Sounds of Summer as a Community Festival.
Background Information:	Sounds of Summer Committee has submitted a letter requesting that the City declare “The Sounds of Summer” celebration as a Community Festival. The Sounds of Summer is scheduled for Thursday, August 18, 2022 through Sunday, August 21, 2022.
Fiscal Impact:	NA
Alternative/ Variations:	None Recommended
Recommendations:	Adopt Resolution No. 22-059, a Resolution declaring Sounds of Summer as a Community Festival.

RESOLUTION NUMBER 22-059

AUTHORIZATION TO DECLARE SOUNDS OF SUMMER AS A COMMUNITY FESTIVAL

WHEREAS, the Sounds of Summer Committee, in cooperation with many community partners, hosts an annual community festival; and

WHEREAS, the Sounds of Summer Celebration is an annual event held in the City of Marshall which promotes a sense of community and belonging, and an atmosphere of celebration for all residents and visitors of the City; and

WHEREAS, the Marshall City Council is supportive of this event; and

WHEREAS, the Sounds of Summer Committee will be holding the Community Festival in August, 2022.

NOW, THEREFORE, BE IT RESOLVED, that the City Council declares the Sounds of Summer Community event scheduled for August 18, 2022 through August 21, 2022 as a "Community Festival".

Passed and adopted by the Common Council this 24th day of May, 2022.

Mayor of the City of Marshall

ATTEST:

City Clerk



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, May 24, 2022
Category:	NEW BUSINESS
Type:	INFO
Subject:	Legislative Update
Background Information:	Staff and representatives will provide an update on pending legislation effecting the City of Marshall
Fiscal Impact:	Total authorized funding is just over \$25,600,000
Alternative/ Variations:	Information Only
Recommendations:	Information Only

1.1 Senator moves to amend H.F. No. 3669 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 **"ARTICLE 1**
1.4 **FEDERAL UPDATE**

1.5 Section 1. Minnesota Statutes 2020, section 289A.02, subdivision 7, is amended to read:

1.6 Subd. 7. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal
1.7 Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December~~
1.8 ~~31, 2018~~ November 15, 2021.

1.9 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
1.10 the changes incorporated by federal changes are effective retroactively at the same time the
1.11 changes were effective for federal purposes, but are subject to the application of Minnesota
1.12 Statutes, section 290.993, subdivision 2.

1.13 Sec. 2. Minnesota Statutes 2021 Supplement, section 289A.08, subdivision 7, is amended
1.14 to read:

1.15 Subd. 7. **Composite income tax returns for nonresident partners, shareholders, and**
1.16 **beneficiaries.** (a) The commissioner may allow a partnership with nonresident partners to
1.17 file a composite return and to pay the tax on behalf of nonresident partners who have no
1.18 other Minnesota source income. This composite return must include the names, addresses,
1.19 Social Security numbers, income allocation, and tax liability for the nonresident partners
1.20 electing to be covered by the composite return.

1.21 (b) The computation of a partner's tax liability must be determined by multiplying the
1.22 income allocated to that partner by the highest rate used to determine the tax liability for
1.23 individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard
1.24 deductions, or personal exemptions are not allowed.

1.25 (c) The partnership must submit a request to use this composite return filing method for
1.26 nonresident partners. The requesting partnership must file a composite return in the form
1.27 prescribed by the commissioner of revenue. The filing of a composite return is considered
1.28 a request to use the composite return filing method.

1.29 (d) The electing partner must not have any Minnesota source income other than the
1.30 income from the partnership, other electing partnerships, and other qualifying entities
1.31 electing to file and pay the pass-through entity tax under subdivision 7a. If it is determined
1.32 that the electing partner has other Minnesota source income, the inclusion of the income

2.1 and tax liability for that partner under this provision will not constitute a return to satisfy
2.2 the requirements of subdivision 1. The tax paid for the individual as part of the composite
2.3 return is allowed as a payment of the tax by the individual on the date on which the composite
2.4 return payment was made. If the electing nonresident partner has no other Minnesota source
2.5 income, filing of the composite return is a return for purposes of subdivision 1.

2.6 (e) This subdivision does not negate the requirement that an individual pay estimated
2.7 tax if the individual's liability would exceed the requirements set forth in section 289A.25.
2.8 The individual's liability to pay estimated tax is, however, satisfied when the partnership
2.9 pays composite estimated tax in the manner prescribed in section 289A.25.

2.10 (f) If an electing partner's share of the partnership's gross income from Minnesota sources
2.11 is less than the filing requirements for a nonresident under this subdivision, the tax liability
2.12 is zero. However, a statement showing the partner's share of gross income must be included
2.13 as part of the composite return.

2.14 (g) The election provided in this subdivision is only available to a partner who has no
2.15 other Minnesota source income and who is either (1) a full-year nonresident individual or
2.16 (2) a trust or estate that does not claim a deduction under either section 651 or 661 of the
2.17 Internal Revenue Code.

2.18 (h) A corporation defined in section 290.9725 and its nonresident shareholders may
2.19 make an election under this paragraph. The provisions covering the partnership apply to
2.20 the corporation and the provisions applying to the partner apply to the shareholder.

2.21 (i) Estates and trusts distributing current income only and the nonresident individual
2.22 beneficiaries of the estates or trusts may make an election under this paragraph. The
2.23 provisions covering the partnership apply to the estate or trust. The provisions applying to
2.24 the partner apply to the beneficiary.

2.25 (j) For the purposes of this subdivision, "income" means the partner's share of federal
2.26 adjusted gross income from the partnership modified by the additions provided in section
2.27 290.0131, subdivisions 8 to 10, 16, ~~and 17~~, 19, and 20, and the subtractions provided in:
2.28 (1) section 290.0132, subdivisions 9, 27, and 28, to the extent the amount is assignable or
2.29 allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14, 31,
2.30 and 32. The subtraction allowed under section 290.0132, subdivision 9, is only allowed on
2.31 the composite tax computation to the extent the electing partner would have been allowed
2.32 the subtraction.

2.33 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.34 31, 2021.

3.1 Sec. 3. Minnesota Statutes 2021 Supplement, section 290.01, subdivision 19, is amended
3.2 to read:

3.3 Subd. 19. **Net income.** (a) For a trust or estate taxable under section 290.03, and a
3.4 corporation taxable under section 290.02, the term "net income" means the federal taxable
3.5 income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through
3.6 the date named in this subdivision, incorporating the federal effective dates of changes to
3.7 the Internal Revenue Code and any elections made by the taxpayer in accordance with the
3.8 Internal Revenue Code in determining federal taxable income for federal income tax
3.9 purposes, and with the modifications provided in sections 290.0131 to 290.0136.

3.10 (b) For an individual, the term "net income" means federal adjusted gross income with
3.11 the modifications provided in sections 290.0131, 290.0132, and 290.0135 to 290.0137.

3.12 (c) In the case of a regulated investment company or a fund thereof, as defined in section
3.13 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment
3.14 company taxable income as defined in section 852(b)(2) of the Internal Revenue Code,
3.15 except that:

3.16 (1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal
3.17 Revenue Code does not apply;

3.18 (2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue
3.19 Code must be applied by allowing a deduction for capital gain dividends and exempt-interest
3.20 dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code;
3.21 and

3.22 (3) the deduction for dividends paid must also be applied in the amount of any
3.23 undistributed capital gains which the regulated investment company elects to have treated
3.24 as provided in section 852(b)(3)(D) of the Internal Revenue Code.

3.25 (d) The net income of a real estate investment trust as defined and limited by section
3.26 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust
3.27 taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

3.28 (e) The net income of a designated settlement fund as defined in section 468B(d) of the
3.29 Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal
3.30 Revenue Code.

3.31 (f) The Internal Revenue Code of 1986, as amended through ~~December 31, 2018~~
3.32 November 15, 2021, applies for taxable years beginning after December 31, 1996, ~~except~~
3.33 ~~the sections of federal law in section 290.0111 shall also apply.~~

4.1 (g) Except as otherwise provided, references to the Internal Revenue Code in this
4.2 subdivision and sections 290.0131 to 290.0136 mean the code in effect for purposes of
4.3 determining net income for the applicable year.

4.4 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
4.5 the changes incorporated by federal changes are effective retroactively at the same time the
4.6 changes were effective for federal purposes, but are subject to the application of Minnesota
4.7 Statutes, section 290.993, subdivision 2.

4.8 Sec. 4. Minnesota Statutes 2021 Supplement, section 290.01, subdivision 31, is amended
4.9 to read:

4.10 Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal
4.11 Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December~~
4.12 ~~31, 2018, except the sections of federal law in section 290.0111 shall also apply~~ November
4.13 15, 2021. Internal Revenue Code also includes any uncodified provision in federal law that
4.14 relates to provisions of the Internal Revenue Code that are incorporated into Minnesota law.

4.15 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
4.16 the changes incorporated by federal changes are effective retroactively at the same time the
4.17 changes were effective for federal purposes, but are subject to the application of Minnesota
4.18 Statutes, section 290.993, subdivision 2.

4.19 Sec. 5. Minnesota Statutes 2020, section 290.0123, subdivision 3, is amended to read:

4.20 Subd. 3. **Amount for dependents.** For an individual who is a dependent, as defined in
4.21 sections 151 and 152 of the Internal Revenue Code, of another taxpayer for a taxable year
4.22 beginning in the calendar year in which the individual's taxable year begins, the standard
4.23 deduction for that individual is limited to the greater of:

4.24 (1) \$1,100; or

4.25 (2) the lesser of (i) the sum of \$350 and that individual's earned income, as defined in
4.26 section 32(c) of the Internal Revenue Code, except that a taxpayer must use earned income
4.27 from the current taxable year; or (ii) the standard deduction amount allowed under subdivision
4.28 1, clause (3).

4.29 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
4.30 after December 31, 2017.

5.1 Sec. 6. Minnesota Statutes 2020, section 290.0131, is amended by adding a subdivision
5.2 to read:

5.3 Subd. 19. **Meal expenses.** The amount of meal expenses in excess of the 50 percent
5.4 limitation under section 274(n)(1) of the Internal Revenue Code allowed under subsection
5.5 (n), paragraph (2), subparagraph (D), of that section is an addition.

5.6 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
5.7 31, 2021.

5.8 Sec. 7. Minnesota Statutes 2020, section 290.0131, is amended by adding a subdivision
5.9 to read:

5.10 Subd. 20. **Special limited adjustment.** (a) For taxable years beginning after December
5.11 31, 2021, and before January 1, 2023, the amount calculated under section 290.993,
5.12 subdivision 2, paragraph (c), that increases net income for the taxable year is an addition.

5.13 (b) Partners, shareholders, or beneficiaries who file their returns on a calendar year basis,
5.14 and who received an addition from a pass-through entity filing their return on a fiscal year
5.15 basis, must make the addition in the taxable year it is received as required for federal income
5.16 tax purposes.

5.17 (c) This subdivision expires for taxable years beginning after December 31, 2023.

5.18 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
5.19 31, 2021, and before January 1, 2024.

5.20 Sec. 8. Minnesota Statutes 2020, section 290.0132, subdivision 18, is amended to read:

5.21 Subd. 18. **Net operating losses.** (a) The amount of the net operating loss allowed under
5.22 section 290.095, subdivision 11, paragraph (c), is a subtraction.

5.23 (b) The unused portion of a net operating loss carryover under section 290.095,
5.24 subdivision 11, paragraph (d), is a subtraction. The subtraction is the lesser of:

5.25 (1) the amount carried into the taxable year minus any subtraction made under this
5.26 section for prior taxable years; or

5.27 (2) 80 percent of Minnesota taxable net income in a single taxable year and determined
5.28 without regard to this subtraction.

5.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
5.30 31, 2021.

6.1 Sec. 9. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision
6.2 to read:

6.3 Subd. 31. **Special Limited Adjustment.** (a) For taxable years beginning after December
6.4 31, 2021, and before January 1, 2023, the amount calculated under section 290.993,
6.5 subdivision 2, paragraph (c), that decreases net income for the taxable year is a subtraction.

6.6 (b) Partners, shareholders, or beneficiaries who file their returns on a calendar year basis,
6.7 and who received a subtraction from a pass-through entity filing their return on a fiscal year
6.8 basis, must make the subtraction in the taxable year it is received as required for federal
6.9 income tax purposes.

6.10 (c) This subdivision expires for taxable years beginning after December 31, 2023.

6.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
6.12 31, 2021, and before January 1, 2024.

6.13 Sec. 10. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision
6.14 to read:

6.15 Subd. 32. **Delayed business interest.** For each of the five taxable years beginning after
6.16 December 31, 2021, there is allowed a subtraction equal to one-fifth of the adjustment
6.17 amount, to the extent not already deducted, for the exclusion under section 290.993,
6.18 subdivision 2, paragraph (c), clause (11), due to the Coronavirus Aid, Relief and Economic
6.19 Security Act, Public Law 116-136, section 2306.

6.20 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
6.21 31, 2021.

6.22 Sec. 11. Minnesota Statutes 2020, section 290.0133, is amended by adding a subdivision
6.23 to read:

6.24 Subd. 15. **Meal expenses.** The amount of meal expenses in excess of the 50 percent
6.25 limitation under section 274(n)(1) of the Internal Revenue Code allowed under section
6.26 274(n)(2)(D) of the Internal Revenue Code is an addition.

6.27 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
6.28 31, 2021.

7.1 Sec. 12. Minnesota Statutes 2020, section 290.0133, is amended by adding a subdivision
7.2 to read:

7.3 Subd. 16. **Special Limited Adjustment.** (a) For taxable years beginning after December
7.4 31, 2021, and before January 1, 2023, the amount calculated under section 290.993,
7.5 subdivision 2, paragraph (c), that increases net income for the taxable year is an addition.

7.6 (b) Partners, shareholders, or beneficiaries who file their returns on a calendar year basis,
7.7 and who received an addition from a pass-through entity filing their return on a fiscal year
7.8 basis, must make the addition in the taxable year it is received as required for federal income
7.9 tax purposes.

7.10 (c) This subdivision expires for taxable years beginning after December 31, 2023.

7.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
7.12 31, 2021, and before January 1, 2024.

7.13 Sec. 13. Minnesota Statutes 2020, section 290.0134, is amended by adding a subdivision
7.14 to read:

7.15 Subd. 20. **Special Limited Adjustment.** (a) For taxable years beginning after December
7.16 31, 2021, and before January 1, 2023, the amount calculated under section 290.993,
7.17 subdivision 2, paragraph (c), that decreases net income for the taxable year is a subtraction.

7.18 (b) Partners, shareholders, or beneficiaries who file their returns on a calendar year basis,
7.19 and who received a subtraction from a pass-through entity filing their return on a fiscal year
7.20 basis, must make the subtraction in the taxable year it is received as required for federal
7.21 income tax purposes.

7.22 (c) This subdivision expires for taxable years beginning after December 31, 2023.

7.23 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
7.24 31, 2021, and before January 1, 2024.

7.25 Sec. 14. Minnesota Statutes 2020, section 290.0134, is amended by adding a subdivision
7.26 to read:

7.27 Subd. 21. **Delayed business interest.** For each of the five taxable years beginning after
7.28 December 31, 2021, there is allowed a subtraction equal to one-fifth of the adjustment
7.29 amount, to the extent not already deducted, for the exclusion under section 290.993,
7.30 subdivision 2, paragraph (c), clause (11), due to the Coronavirus Aid, Relief and Economic
7.31 Security Act, Public Law 116-136, section 2306.

8.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
8.2 31, 2021.

8.3 Sec. 15. Minnesota Statutes 2021 Supplement, section 290.06, subdivision 2c, is amended
8.4 to read:

8.5 Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes
8.6 imposed by this chapter upon married individuals filing joint returns and surviving spouses
8.7 as defined in section 2(a) of the Internal Revenue Code must be computed by applying to
8.8 their taxable net income the following schedule of rates:

8.9 (1) On the first \$38,770, 5.35 percent;

8.10 (2) On all over \$38,770, but not over \$154,020, 6.8 percent;

8.11 (3) On all over \$154,020, but not over \$269,010, 7.85 percent;

8.12 (4) On all over \$269,010, 9.85 percent.

8.13 Married individuals filing separate returns, estates, and trusts must compute their income
8.14 tax by applying the above rates to their taxable income, except that the income brackets
8.15 will be one-half of the above amounts after the adjustment required in subdivision 2d.

8.16 (b) The income taxes imposed by this chapter upon unmarried individuals must be
8.17 computed by applying to taxable net income the following schedule of rates:

8.18 (1) On the first \$26,520, 5.35 percent;

8.19 (2) On all over \$26,520, but not over \$87,110, 6.8 percent;

8.20 (3) On all over \$87,110, but not over \$161,720, 7.85 percent;

8.21 (4) On all over \$161,720, 9.85 percent.

8.22 (c) The income taxes imposed by this chapter upon unmarried individuals qualifying as
8.23 a head of household as defined in section 2(b) of the Internal Revenue Code must be
8.24 computed by applying to taxable net income the following schedule of rates:

8.25 (1) On the first \$32,650, 5.35 percent;

8.26 (2) On all over \$32,650, but not over \$131,190, 6.8 percent;

8.27 (3) On all over \$131,190, but not over \$214,980, 7.85 percent;

8.28 (4) On all over \$214,980, 9.85 percent.

8.29 (d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax
8.30 of any individual taxpayer whose taxable net income for the taxable year is less than an

9.1 amount determined by the commissioner must be computed in accordance with tables
9.2 prepared and issued by the commissioner of revenue based on income brackets of not more
9.3 than \$100. The amount of tax for each bracket shall be computed at the rates set forth in
9.4 this subdivision, provided that the commissioner may disregard a fractional part of a dollar
9.5 unless it amounts to 50 cents or more, in which case it may be increased to \$1.

9.6 (e) An individual who is not a Minnesota resident for the entire year must compute the
9.7 individual's Minnesota income tax as provided in this subdivision. After the application of
9.8 the nonrefundable credits provided in this chapter, the tax liability must then be multiplied
9.9 by a fraction in which:

9.10 (1) the numerator is the individual's Minnesota source federal adjusted gross income as
9.11 defined in section 62 of the Internal Revenue Code and increased by:

9.12 (i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, ~~and~~
9.13 17, 19, and 20, and 290.0137, paragraph (a); and reduced by

9.14 (ii) the Minnesota assignable portion of the subtraction for United States government
9.15 interest under section 290.0132, subdivision 2, the subtractions under sections 290.0132,
9.16 subdivisions 9, 10, 14, 15, 17, 18, ~~and 27, 31, and 32~~, and 290.0137, paragraph (c), after
9.17 applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17;
9.18 and

9.19 (2) the denominator is the individual's federal adjusted gross income as defined in section
9.20 62 of the Internal Revenue Code, increased by:

9.21 (i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, ~~and~~
9.22 17, 19, and 20, and 290.0137, paragraph (a); and reduced by

9.23 (ii) the subtractions under sections 290.0132, subdivisions 2, 9, 10, 14, 15, 17, 18, ~~and~~
9.24 27, 31, and 32, and 290.0137, paragraph (c).

9.25 (f) If an individual who is not a Minnesota resident for the entire year is a qualifying
9.26 owner of a qualifying entity that elects to pay tax as provided in section 289A.08, subdivision
9.27 7a, paragraph (b), the individual must compute the individual's Minnesota income tax as
9.28 provided in paragraph (e), and also must include, to the extent attributed to the electing
9.29 qualifying entity:

9.30 (1) in paragraph (e), clause (1), item (i), and paragraph (e), clause (2), item (i), the
9.31 addition under section 290.0131, subdivision 5; and

9.32 (2) in paragraph (e), clause (1), item (ii), and paragraph (e), clause (2), item (ii), the
9.33 subtraction under section 290.0132, subdivision 3.

10.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 10.2 31, 2021.

10.3 Sec. 16. Minnesota Statutes 2020, section 290.0671, subdivision 1a, is amended to read:

10.4 Subd. 1a. **Definitions.** For purposes of this section, the following terms "qualifying
 10.5 child," and "earned income," have the meanings given in section 32(e) of the Internal
 10.6 Revenue Code, and the term "adjusted gross income" has the meaning given in section 62
 10.7 of the Internal Revenue Code.:

10.8 "Earned income of the lesser earning spouse" has the meaning given in section 290.0675,
 10.9 subdivision 1, paragraph (d).

10.10 (1) "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue
 10.11 Code;

10.12 (2) "earned income" has the meaning given in section 32(c)(2) of the Internal Revenue
 10.13 Code, except that a taxpayer must use earned income from the current taxable year;

10.14 (3) "adjusted gross income" has the meaning given in section 62 of the Internal Revenue
 10.15 Code; and

10.16 (4) "earned income of the lesser earning spouse" has the meaning given in section
 10.17 290.0675, subdivision 1, paragraph (d).

10.18 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 10.19 after December 31, 2017.

10.20 Sec. 17. Minnesota Statutes 2020, section 290.0675, subdivision 1, is amended to read:

10.21 Subdivision 1. **Definitions.** (a) For purposes of this section the following terms have
 10.22 the meanings given.

10.23 (b) "Earned income" means the sum of the following, to the extent included in Minnesota
 10.24 taxable income:

10.25 (1) earned income as defined in section 32(c)(2) of the Internal Revenue Code, except
 10.26 that a taxpayer must use earned income from the current taxable year;

10.27 (2) income received from a retirement pension, profit-sharing, stock bonus, or annuity
 10.28 plan; and

10.29 (3) Social Security benefits as defined in section 86(d)(1) of the Internal Revenue Code.

10.30 (c) "Taxable income" means net income as defined in section 290.01, subdivision 19.

11.1 (d) "Earned income of lesser-earning spouse" means the earned income of the spouse
11.2 with the lesser amount of earned income as defined in paragraph (b) for the taxable year
11.3 minus one-half the amount of the standard deduction under section 290.0123, subdivision
11.4 1, clause (1).

11.5 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
11.6 after December 31, 2017.

11.7 Sec. 18. Minnesota Statutes 2020, section 290.091, subdivision 2, is amended to read:

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

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

11.12 (1) the taxpayer's federal alternative minimum taxable income as defined in section
11.13 55(b)(2) of the Internal Revenue Code;

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

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

11.17 (ii) the medical expense deduction;

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

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

11.20 (3) for depletion allowances computed under section 613A(c) of the Internal Revenue
11.21 Code, with respect to each property (as defined in section 614 of the Internal Revenue Code),
11.22 to the extent not included in federal alternative minimum taxable income, the excess of the
11.23 deduction for depletion allowable under section 611 of the Internal Revenue Code for the
11.24 taxable year over the adjusted basis of the property at the end of the taxable year (determined
11.25 without regard to the depletion deduction for the taxable year);

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

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

12.1 (6) the amount of addition required by section 290.0131, subdivisions 9, 10, ~~and 16~~, and
 12.2 20;

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

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

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

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

12.10 (ii) an overpayment of state income tax as provided by section 290.0132, subdivision
 12.11 3, to the extent included in federal alternative minimum taxable income;

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

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

12.18 (v) the amount of the net operating loss allowed under section 290.095, subdivision 11,
 12.19 ~~paragraph~~ paragraphs (c) and (d); and

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

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

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

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

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

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

13.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
13.4 31, 2021.

13.5 Sec. 19. Minnesota Statutes 2020, section 290.095, subdivision 11, is amended to read:

13.6 **Subd. 11. Carryback or carryover adjustments.** (a) Except as provided in paragraph
13.7 (c), for individuals, estates, and trusts the amount of a net operating loss that may be carried
13.8 back or carried over shall be the same dollar amount allowable in the determination of
13.9 federal taxable income, provided that, notwithstanding any other provision, estates and
13.10 trusts must apply the following adjustments to the amount of the net operating loss that may
13.11 be carried back or carried over:

13.12 (1) Nonassignable income or losses as required by section 290.17.

13.13 (2) Deductions not allocable to Minnesota under section 290.17.

13.14 (b) The net operating loss carryback or carryover applied as a deduction in the taxable
13.15 year to which the net operating loss is carried back or carried over shall be equal to the net
13.16 operating loss carryback or carryover applied in the taxable year in arriving at federal taxable
13.17 income provided that trusts and estates must apply the following modifications:

13.18 (1) Increase the amount of carryback or carryover applied in the taxable year by the
13.19 amount of losses and interest, taxes and other expenses not assignable or allowable to
13.20 Minnesota incurred in the taxable year.

13.21 (2) Decrease the amount of carryback or carryover applied in the taxable year by the
13.22 amount of income not assignable to Minnesota earned in the taxable year. For estates and
13.23 trusts, the net operating loss carryback or carryover to the next consecutive taxable year
13.24 shall be the net operating loss carryback or carryover as calculated in clause (b) less the
13.25 amount applied in the earlier taxable year(s). No additional net operating loss carryback or
13.26 carryover shall be allowed to estates and trusts if the entire amount has been used to offset
13.27 Minnesota income in a year earlier than was possible on the federal return. However, if a
13.28 net operating loss carryback or carryover was allowed to offset federal income in a year
13.29 earlier than was possible on the Minnesota return, an estate or trust shall still be allowed to
13.30 offset Minnesota income but only if the loss was assignable to Minnesota in the year the
13.31 loss occurred.

14.1 (c) This paragraph does not apply to eligible small businesses that make a valid election
14.2 to carry back their losses for federal purposes under section 172(b)(1)(H) of the Internal
14.3 Revenue Code as amended through March 31, 2009.

14.4 (1) A net operating loss of an individual, estate, or trust that is allowed under this
14.5 subdivision and for which the taxpayer elects to carry back for more than two years under
14.6 section 172(b)(1)(H) of the Internal Revenue Code is a net operating loss carryback to each
14.7 of the two taxable years preceding the loss, and unused portions may be carried forward for
14.8 20 taxable years after the loss.

14.9 (2) The entire amount of the net operating loss for any taxable year must be carried to
14.10 the earliest of the taxable years to which the loss may be carried. The portion of the loss
14.11 which may be carried to each of the other taxable years is the excess, if any, of the amount
14.12 of the loss over the greater of the taxable net income or alternative minimum taxable income
14.13 for each of the taxable years to which the loss may be carried.

14.14 (d) For net operating loss carryovers or carrybacks arising in taxable years beginning
14.15 after December 31, 2017, and before December 31, 2020, a net operating loss carryover or
14.16 carryback is allowed as provided in the Internal Revenue Code as amended through December
14.17 31, 2018, as follows:

14.18 (1) the entire amount of the net operating loss, to the extent not already deducted, must
14.19 be carried to the earliest taxable year and any unused portion may be carried forward for
14.20 20 taxable years after the loss; and

14.21 (2) the portion of the loss which may be carried to each of the other taxable years is the
14.22 excess, if any, of the amount of the loss over the greater of the taxable net income or
14.23 alternative minimum taxable income for each of the taxable years to which the loss may be
14.24 carried.

14.25 **EFFECTIVE DATE.** This section is effective retroactively for losses arising in taxable
14.26 years beginning after December 31, 2017, and before December 31, 2020.

14.27 Sec. 20. Minnesota Statutes 2021 Supplement, section 290.993, is amended to read:

14.28 **290.993 SPECIAL LIMITED ADJUSTMENT.**

14.29 **Subdivision 1. Tax year 2018.** (a) For an individual, estate, or trust, or a partnership
14.30 that elects to file a composite return under section 289A.08, subdivision 7, for taxable years
14.31 beginning after December 31, 2017, and before January 1, 2019, the following special rules
14.32 apply:

15.1 (1) an individual income taxpayer may: (i) take the standard deduction; or (ii) make an
 15.2 election under section 63(e) of the Internal Revenue Code to itemize, for Minnesota individual
 15.3 income tax purposes, regardless of the choice made on their federal return; and

15.4 (2) there is an adjustment to tax equal to the difference between the tax calculated under
 15.5 this chapter using the Internal Revenue Code as amended through December 16, 2016, and
 15.6 the tax calculated under this chapter using the Internal Revenue Code amended through
 15.7 December 31, 2018, before the application of credits. The end result must be zero additional
 15.8 tax due or refund.

15.9 (b) The adjustment in ~~paragraph (a), clause (2)~~ this subdivision, does not apply to any
 15.10 changes due to sections 11012, 13101, 13201, 13202, 13203, 13204, 13205, 13207, 13301,
 15.11 13302, 13303, 13313, 13502, 13503, 13801, 14101, 14102, 14211 through 14215, and
 15.12 14501 of Public Law 115-97; and section 40411 of Public Law 115-123.

15.13 Subd. 2. Tax years 2017 to 2021. (a) For all taxpayers, including an entity that elects
 15.14 to file a composite return under section 289A.08, subdivision 7, and an entity that elects to
 15.15 pay the pass-through entity tax under section 289A.08, subdivision 7a; for taxable years
 15.16 beginning after December 31, 2016, and before January 1, 2022, the following rules apply.

15.17 (b) There is an adjustment to net income equal to the difference between the amount
 15.18 calculated and reported under this chapter incorporating the Internal Revenue Code as
 15.19 amended through Minnesota Laws 2021, First Special Session chapter 14, and the amount
 15.20 calculated under this chapter incorporating the Internal Revenue Code as amended through
 15.21 November 15, 2021. This adjustment is only allowed as provided in paragraph (c) and to
 15.22 the extent the taxpayer reported a related nonconformity adjustment on their return for
 15.23 taxable years beginning after December 31, 2016, and before January 1, 2022. This
 15.24 adjustment does not include the changes due to the:

15.25 (1) Taxpayer Certainty and Disaster Relief Act of 2020, Public Law 116-260, section
 15.26 114, exclusion of gross income of discharge of qualified principal residence indebtedness;

15.27 (2) Taxpayer Certainty and Disaster Relief Act of 2020, Public Law 116-260, section
 15.28 304(b), special rules for disaster-related personal casualty losses; and

15.29 (3) American Rescue Plan Act, Public Law 117-2, section 9675, modification of treatment
 15.30 of student loan forgiveness.

15.31 (c) For purposes of this subdivision, the term "nonconformity adjustment" means the
 15.32 difference between adjusted gross income as defined under section 62 of the Internal Revenue
 15.33 Code for individuals, and federal taxable income as defined under section 63 of the Internal

16.1 Revenue Code for all other taxpayers incorporating the Internal Revenue Code as amended
16.2 through Minnesota Laws 2021, First Special Session chapter 14, and the amount calculated
16.3 under this chapter incorporating the Internal Revenue Code as amended through November
16.4 15, 2021, but does not include impacts to state tax credits. The nonconformity adjustment
16.5 is an addition or subtraction to net income but does not include the following federal law
16.6 changes:

16.7 (1) Taxpayer Certainty and Disaster Relief Act of 2019, Public Law 116-94, section
16.8 104, deduction of qualified tuition and related expenses;

16.9 (2) Taxpayer Certainty and Disaster Relief Act of 2019, Public Law 116-94, section
16.10 203, employee retention credit for employers affected by qualified disasters;

16.11 (3) Families First Coronavirus Response Act, Public Law 116-127, section 7001, payroll
16.12 credit for required paid sick leave;

16.13 (4) Families First Coronavirus Response Act, Public Law 116-127, section 7003, payroll
16.14 credit for required paid family leave;

16.15 (5) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
16.16 2204, allowance of partial above the line deduction for charitable contributions;

16.17 (6) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
16.18 2205, excluding subsection (a), paragraph (B), temporary modification of limitations on
16.19 charitable contributions as it applies to individual taxpayers only and including carryovers;

16.20 (7) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
16.21 2206, exclusion of certain employer payment of student loans;

16.22 (8) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
16.23 2301, employee retention credit for employers subject to closure due to COVID-19;

16.24 (9) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
16.25 2303, modifications for net operating losses;

16.26 (10) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
16.27 2304, modification of limitation on losses for taxpayers other than corporations;

16.28 (11) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
16.29 2306, limitation on business interest;

16.30 (12) Taxpayer Certainty and Disaster Relief Act of 2020, Public Law 116-260, section
16.31 207, extension and modification of employee retention and rehiring credit;

17.1 (13) Taxpayer Certainty and Disaster Relief Act of 2020, Public Law 116-260, section
 17.2 210, temporary allowance of full deduction for business meals;

17.3 (14) Taxpayer Certainty and Disaster Relief Act of 2020, Public Law 116-260, section
 17.4 303, employee retention credit for employers affected by qualified disasters;

17.5 (15) American Rescue Plan Act, Public Law 117-2, section 9501(b), preserving health
 17.6 benefits for workers;

17.7 (16) American Rescue Plan Act, Public Law 117-2, section 9631, refundability and
 17.8 enhancement of child and dependent care tax credit;

17.9 (17) American Rescue Plan Act, Public Law 117-2, section 9641, payroll sick and family
 17.10 leave credits; and

17.11 (18) American Rescue Plan Act, Public Law, 117-2, section 9651, extension of employee
 17.12 retention credit.

17.13 The addition or subtraction required must only be made in taxable years beginning after
 17.14 December 31, 2021, and before January 1, 2023. Except partners, shareholders, or
 17.15 beneficiaries who file their returns on a calendar year basis, and who received an addition
 17.16 or subtraction from a pass-through entity filing their return on a fiscal year basis, must make
 17.17 the addition or subtraction in the taxable year it is received as required for federal income
 17.18 tax purposes. For purposes of this subdivision, a pass-through entity is defined as an entity
 17.19 that is not subject to the tax imposed under section 290.02, including but not limited to S
 17.20 corporations, partnerships, estates, and trusts other than grantor trusts.

17.21 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 17.22 after December 31, 2016, and before January 1, 2024.

17.23 Sec. 21. Minnesota Statutes 2020, section 290A.03, subdivision 15, is amended to read:

17.24 Subd. 15. **Internal Revenue Code.** "Internal Revenue Code" means the Internal Revenue
 17.25 Code of 1986, as amended through ~~December 31, 2018~~ November 15, 2021.

17.26 **EFFECTIVE DATE.** This section is effective for property tax refunds based on property
 17.27 taxes payable in 2022 and rent paid in 2021 and thereafter.

17.28 Sec. 22. Minnesota Statutes 2020, section 291.005, subdivision 1, is amended to read:

17.29 Subdivision 1. **Scope.** Unless the context otherwise clearly requires, the following terms
 17.30 used in this chapter shall have the following meanings:

18.1 (1) "Commissioner" means the commissioner of revenue or any person to whom the
18.2 commissioner has delegated functions under this chapter.

18.3 (2) "Federal gross estate" means the gross estate of a decedent as required to be valued
18.4 and otherwise determined for federal estate tax purposes under the Internal Revenue Code,
18.5 increased by the value of any property in which the decedent had a qualifying income interest
18.6 for life and for which an election was made under section 291.03, subdivision 1d, for
18.7 Minnesota estate tax purposes, but was not made for federal estate tax purposes.

18.8 (3) "Internal Revenue Code" means the United States Internal Revenue Code of 1986,
18.9 as amended through ~~December 31, 2018~~ November 15, 2021.

18.10 (4) "Minnesota gross estate" means the federal gross estate of a decedent after (a)
18.11 excluding therefrom any property included in the estate which has its situs outside Minnesota,
18.12 and (b) including any property omitted from the federal gross estate which is includable in
18.13 the estate, has its situs in Minnesota, and was not disclosed to federal taxing authorities.

18.14 (5) "Nonresident decedent" means an individual whose domicile at the time of death
18.15 was not in Minnesota.

18.16 (6) "Personal representative" means the executor, administrator or other person appointed
18.17 by the court to administer and dispose of the property of the decedent. If there is no executor,
18.18 administrator or other person appointed, qualified, and acting within this state, then any
18.19 person in actual or constructive possession of any property having a situs in this state which
18.20 is included in the federal gross estate of the decedent shall be deemed to be a personal
18.21 representative to the extent of the property and the Minnesota estate tax due with respect
18.22 to the property.

18.23 (7) "Resident decedent" means an individual whose domicile at the time of death was
18.24 in Minnesota. The provisions of section 290.01, subdivision 7, paragraphs (c) and (d), apply
18.25 to determinations of domicile under this chapter.

18.26 (8) "Situs of property" means, with respect to:

18.27 (i) real property, the state or country in which it is located;

18.28 (ii) tangible personal property, the state or country in which it was normally kept or
18.29 located at the time of the decedent's death or for a gift of tangible personal property within
18.30 three years of death, the state or country in which it was normally kept or located when the
18.31 gift was executed;

18.32 (iii) a qualified work of art, as defined in section 2503(g)(2) of the Internal Revenue
18.33 Code, owned by a nonresident decedent and that is normally kept or located in this state

19.1 because it is on loan to an organization, qualifying as exempt from taxation under section
19.2 501(c)(3) of the Internal Revenue Code, that is located in Minnesota, the situs of the art is
19.3 deemed to be outside of Minnesota, notwithstanding the provisions of item (ii); and

19.4 (iv) intangible personal property, the state or country in which the decedent was domiciled
19.5 at death or for a gift of intangible personal property within three years of death, the state or
19.6 country in which the decedent was domiciled when the gift was executed.

19.7 For a nonresident decedent with an ownership interest in a pass-through entity with
19.8 assets that include real or tangible personal property, situs of the real or tangible personal
19.9 property, including qualified works of art, is determined as if the pass-through entity does
19.10 not exist and the real or tangible personal property is personally owned by the decedent. If
19.11 the pass-through entity is owned by a person or persons in addition to the decedent, ownership
19.12 of the property is attributed to the decedent in proportion to the decedent's capital ownership
19.13 share of the pass-through entity.

19.14 (9) "Pass-through entity" includes the following:

19.15 (i) an entity electing S corporation status under section 1362 of the Internal Revenue
19.16 Code;

19.17 (ii) an entity taxed as a partnership under subchapter K of the Internal Revenue Code;

19.18 (iii) a single-member limited liability company or similar entity, regardless of whether
19.19 it is taxed as an association or is disregarded for federal income tax purposes under Code
19.20 of Federal Regulations, title 26, section 301.7701-3; or

19.21 (iv) a trust to the extent the property is includable in the decedent's federal gross estate;
19.22 but excludes

19.23 (v) an entity whose ownership interest securities are traded on an exchange regulated
19.24 by the Securities and Exchange Commission as a national securities exchange under section
19.25 6 of the Securities Exchange Act, United States Code, title 15, section 78f.

19.26 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
19.27 the changes incorporated by federal changes are effective retroactively at the same time the
19.28 changes were effective for federal purposes.

20.1 **ARTICLE 2**

20.2 **INCOME, CORPORATE FRANCHISE, AND ESTATE TAXES**

20.3 Section 1. Minnesota Statutes 2021 Supplement, section 116J.8737, subdivision 5, is
20.4 amended to read:

20.5 Subd. 5. **Credit allowed.** (a) A qualified investor or qualified fund is eligible for a credit
20.6 equal to 25 percent of the qualified investment in a qualified small business. Investments
20.7 made by a pass-through entity qualify for a credit only if the entity is a qualified fund. The
20.8 commissioner must not allocate to qualified investors or qualified funds more than the dollar
20.9 amount in credits allowed for the taxable years listed in paragraph (i). For each taxable year,
20.10 50 percent must be allocated to credits for qualified investments in qualified greater
20.11 Minnesota businesses and minority-owned, women-owned, or veteran-owned qualified
20.12 small businesses in Minnesota. Any portion of a taxable year's credits that is reserved for
20.13 qualified investments in greater Minnesota businesses and minority-owned, women-owned,
20.14 or veteran-owned qualified small businesses in Minnesota that is not allocated by September
20.15 30 of the taxable year is available for allocation to other credit applications beginning on
20.16 October 1. Any portion of a taxable year's credits that is not allocated by the commissioner
20.17 does not cancel and may be carried forward to subsequent taxable years until all credits
20.18 have been allocated.

20.19 (b) The commissioner may not allocate more than a total maximum amount in credits
20.20 for a taxable year to a qualified investor for the investor's cumulative qualified investments
20.21 as an individual qualified investor and as an investor in a qualified fund; for married couples
20.22 filing joint returns the maximum is \$250,000, and for all other filers the maximum is
20.23 \$125,000. The commissioner may not allocate more than a total of \$1,000,000 in credits
20.24 over all taxable years for qualified investments in any one qualified small business.

20.25 (c) The commissioner may not allocate a credit to a qualified investor either as an
20.26 individual qualified investor or as an investor in a qualified fund if, at the time the investment
20.27 is proposed:

20.28 (1) the investor is an officer or principal of the qualified small business; or

20.29 (2) the investor, either individually or in combination with one or more members of the
20.30 investor's family, owns, controls, or holds the power to vote 20 percent or more of the
20.31 outstanding securities of the qualified small business.

20.32 A member of the family of an individual disqualified by this paragraph is not eligible for a
20.33 credit under this section. For a married couple filing a joint return, the limitations in this
20.34 paragraph apply collectively to the investor and spouse. For purposes of determining the

21.1 ownership interest of an investor under this paragraph, the rules under section 267(c) and
21.2 267(e) of the Internal Revenue Code apply.

21.3 (d) Applications for tax credits must be made available on the department's website by
21.4 November 1 of the preceding year.

21.5 (e) Qualified investors and qualified funds must apply to the commissioner for tax credits.
21.6 Tax credits must be allocated to qualified investors or qualified funds in the order that the
21.7 tax credit request applications are filed with the department. The commissioner must approve
21.8 or reject tax credit request applications within 15 days of receiving the application. The
21.9 investment specified in the application must be made within 60 days of the allocation of
21.10 the credits. If the investment is not made within 60 days, the credit allocation is canceled
21.11 and available for reallocation. A qualified investor or qualified fund that fails to invest as
21.12 specified in the application, within 60 days of allocation of the credits, must notify the
21.13 commissioner of the failure to invest within five business days of the expiration of the
21.14 60-day investment period.

21.15 (f) All tax credit request applications filed with the department on the same day must
21.16 be treated as having been filed contemporaneously. If two or more qualified investors or
21.17 qualified funds file tax credit request applications on the same day, and the aggregate amount
21.18 of credit allocation claims exceeds the aggregate limit of credits under this section or the
21.19 lesser amount of credits that remain unallocated on that day, then the credits must be allocated
21.20 among the qualified investors or qualified funds who filed on that day on a pro rata basis
21.21 with respect to the amounts claimed. The pro rata allocation for any one qualified investor
21.22 or qualified fund is the product obtained by multiplying a fraction, the numerator of which
21.23 is the amount of the credit allocation claim filed on behalf of a qualified investor and the
21.24 denominator of which is the total of all credit allocation claims filed on behalf of all
21.25 applicants on that day, by the amount of credits that remain unallocated on that day for the
21.26 taxable year.

21.27 (g) A qualified investor or qualified fund, or a qualified small business acting on their
21.28 behalf, must notify the commissioner when an investment for which credits were allocated
21.29 has been made, and the taxable year in which the investment was made. A qualified fund
21.30 must also provide the commissioner with a statement indicating the amount invested by
21.31 each investor in the qualified fund based on each investor's share of the assets of the qualified
21.32 fund at the time of the qualified investment. After receiving notification that the investment
21.33 was made, the commissioner must issue credit certificates for the taxable year in which the
21.34 investment was made to the qualified investor or, for an investment made by a qualified
21.35 fund, to each qualified investor who is an investor in the fund. The certificate must state

22.1 that the credit is subject to revocation if the qualified investor or qualified fund does not
 22.2 hold the investment in the qualified small business for at least three years, consisting of the
 22.3 calendar year in which the investment was made and the two following years. The three-year
 22.4 holding period does not apply if:

22.5 (1) the investment by the qualified investor or qualified fund becomes worthless before
 22.6 the end of the three-year period;

22.7 (2) 80 percent or more of the assets of the qualified small business is sold before the end
 22.8 of the three-year period;

22.9 (3) the qualified small business is sold before the end of the three-year period;

22.10 (4) the qualified small business's common stock begins trading on a public exchange
 22.11 before the end of the three-year period; or

22.12 (5) the qualified investor dies before the end of the three-year period.

22.13 (h) The commissioner must notify the commissioner of revenue of credit certificates
 22.14 issued under this section.

22.15 (i) The credit allowed under this subdivision is effective as follows:

22.16 (1) \$10,000,000 for taxable years beginning after December 31, 2020, and before January
 22.17 1, 2022; and

22.18 (2) ~~\$5,000,000~~ \$12,000,000 for taxable years beginning after December 31, 2021, and
 22.19 before January 1, 2023.

22.20 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 22.21 after December 31, 2021.

22.22 **Sec. 2. [116X.01] NEW MARKETS TAX CREDIT.**

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

22.25 (b) "Applicable percentage" means zero percent for each of the first two credit allowance
 22.26 dates and ten percent for each of the final five credit allowance dates.

22.27 (c) "CDFI fund" means the Community Development Financial Institutions fund of the
 22.28 United States Department of the Treasury.

22.29 (d) "Commissioner" means the commissioner of employment and economic development.

22.30 (e) "Credit allowance date" means:

- 23.1 (1) the date on which a qualified equity investment is initially made; and
- 23.2 (2) each of the six anniversary dates thereafter.
- 23.3 (f) "Greater Minnesota aggregate credit amount" means \$50,000,000 of credits allowed
- 23.4 to all certified qualified equity investments in greater Minnesota counties.
- 23.5 (g) "Greater Minnesota allocation" means \$100,000,000 in qualified equity investment
- 23.6 authority to be awarded for investment in qualified active low-income community businesses
- 23.7 with principal business operations in a greater Minnesota county.
- 23.8 (h) "Greater Minnesota county" means any county that is not a metropolitan county.
- 23.9 (i) "Metropolitan aggregate credit amount" means \$50,000,000 of credits allowed to all
- 23.10 certified qualified equity investments in metropolitan counties.
- 23.11 (j) "Metropolitan allocation" means \$100,000,000 in qualified equity investment authority
- 23.12 to be awarded for investment in qualified active low-income community businesses with
- 23.13 principal business operations in a metropolitan county.
- 23.14 (k) "Metropolitan county" has the meaning given in section 473.121, subdivision 4.
- 23.15 (l) "Minnesota qualified community development entity" means a qualified community
- 23.16 development entity that is or whose controlling entity is headquartered in this state.
- 23.17 (m) "Internal Revenue Code" has the meaning given in section 290.01, subdivision 31.
- 23.18 (n) "Principal business operations" means the physical location of a business where at
- 23.19 least 60 percent of a qualified active low-income community business' employees work or
- 23.20 where employees that are paid at least 60 percent of the business' payroll work. An
- 23.21 out-of-state business that has agreed to relocate employees or a Minnesota business that has
- 23.22 agreed to hire employees using the proceeds of a qualified low-income community investment
- 23.23 to establish principal business operations in Minnesota is deemed to have principal business
- 23.24 operations in Minnesota if the business satisfies the requirements of this paragraph within
- 23.25 180 days of receiving the qualified low-income community investment or another date as
- 23.26 agreed by the business and the commissioner.
- 23.27 (o) "Purchase price" means the amount paid to the qualified community development
- 23.28 entity for a qualified equity investment.
- 23.29 (p) "Qualified active low-income community business" has the meaning given in section
- 23.30 45D of the Internal Revenue Code, except that any business that derives or projects to derive
- 23.31 15 percent or more of its annual revenue from the rental or sale of real estate is not considered
- 23.32 to be a qualified active low-income community business. This exception does not apply to

24.1 a business that is controlled by or under common control with another business if the second
 24.2 business:

24.3 (1) does not derive or project to derive 15 percent or more of its annual revenue from
 24.4 the rental or sale of real estate; and

24.5 (2) is the primary tenant of the real estate leased from the initial business.

24.6 A business is deemed a qualified active low-income community business for the duration
 24.7 of a qualified low-income community investment if the qualified community development
 24.8 entity reasonably expects, at the time it makes the qualified low-income community
 24.9 investment, that the business will continue to satisfy the requirements for being a qualified
 24.10 active low-income community business throughout the entire period of the qualified
 24.11 low-income community investment.

24.12 (q) "Qualified community development entity" has the meaning given in section 45D
 24.13 of the Internal Revenue Code, provided that the entity:

24.14 (1) has previously entered into an allocation agreement with the CDFI fund with respect
 24.15 to credits authorized by section 45D of the Internal Revenue Code; and

24.16 (2) includes the state within the service area set forth in the allocation agreement.

24.17 (r) "Qualified equity investment" means an equity investment in a qualified community
 24.18 development entity, if the equity investment:

24.19 (1) is acquired after the effective date of this section at its original issuance solely in
 24.20 exchange for cash;

24.21 (2) has at least 100 percent of its cash purchase price used by the qualified community
 24.22 development entity to make qualified low-income community investments in qualified
 24.23 active low-income community businesses that have their principal business operations in
 24.24 the state of Minnesota; and

24.25 (3) is:

24.26 (i) designated by the qualified community development entity as a qualified equity
 24.27 investment under this section; and

24.28 (ii) except for a Minnesota qualified community development entity, is at least 50 percent
 24.29 designated by the qualified community development entity as a qualified equity investment
 24.30 under section 45D of the Internal Revenue Code.

24.31 An investment that does not qualify under clause (1) is a qualified equity investment if the
 24.32 investment met the requirements of this paragraph while under possession of a prior holder.

25.1 (s) "Qualified low-income community investment" means any capital or equity investment
 25.2 in, or loan to, any qualified active low-income community business.

25.3 (t) "Tax credit" or "credit" means a credit against the tax imposed by chapter 290 or
 25.4 297I.

25.5 (u) "Taxpayer" means a taxpayer as defined in section 290.01, subdivision 6, or a taxpayer
 25.6 as defined in section 297I.01, subdivision 16.

25.7 Subd. 2. Credit allowed; qualification; limitation. (a) An entity earns a vested right
 25.8 to a credit against the tax imposed under chapter 290 or 297I, subject to the requirements
 25.9 of this subdivision. The credit may be claimed against the tax imposed by chapter 290 or
 25.10 297I, but not both.

25.11 (b) The credit equals the applicable percentage for each credit allowance date multiplied
 25.12 by the purchase price paid to the qualified community development entity for the qualified
 25.13 equity investment.

25.14 Subd. 3. Application. (a) A qualified community development entity that seeks to have
 25.15 an equity investment designated as a qualified equity investment and eligible for the credit
 25.16 under this section shall apply to the commissioner on a form provided by the commissioner
 25.17 that includes:

25.18 (1) the name, address, and tax identification number of the applicant, and evidence of
 25.19 the applicant's certification as a qualified community development entity by the CDFI fund;

25.20 (2) a copy of the allocation agreement executed by the applicant or its controlling entity,
 25.21 and the CDFI fund;

25.22 (3) a certificate executed by an executive officer of the applicant attesting that the
 25.23 allocation agreement remains in effect and has not been revoked or canceled by the CDFI
 25.24 fund;

25.25 (4) a description of the proposed amount, structure, and purchaser of the equity
 25.26 investment;

25.27 (5) the amount of qualified equity investment authority sought under the greater
 25.28 Minnesota allocation or the metropolitan allocation, as applicable, which collectively may
 25.29 not exceed the applicant or its controlling entity's available qualified equity investment
 25.30 authority under section 45D of the Internal Revenue Code multiplied by two, provided this
 25.31 limitation does not apply to a Minnesota qualified community development entity;

26.1 (6) if required by clause (5), evidence of the applicant or its controlling entity's available
26.2 qualified equity investment authority under section 45D of the Internal Revenue Code; and

26.3 (7) a nonrefundable application fee of \$5,000 paid to the commissioner to offset costs
26.4 associated with personnel and administrative expenses related to administering the credit.

26.5 (b) The commissioner shall set a date to accept applications not less than 30 days but
26.6 not more than 45 days after the CDFI fund announces allocation awards under a notice of
26.7 funding availability that was published in the Federal Register in November 2021.

26.8 (c) A qualified community development entity may apply for both a greater Minnesota
26.9 allocation and a metropolitan allocation.

26.10 Subd. 4. Certification of qualified equity investments. (a) Within 30 days after receipt
26.11 of an application, the commissioner shall grant or deny the application in full or in part. If
26.12 the commissioner denies any part of the application, the commissioner shall inform the
26.13 applicant of the grounds for the denial. If the applicant provides the information required
26.14 by the commissioner or otherwise completes its application within 15 days of the notice of
26.15 denial, the application is deemed complete as of the original date of submission. If the
26.16 applicant fails to provide the requested information or complete its application within the
26.17 15-day period, the applicant must submit a new application.

26.18 (b) If the application is deemed complete, the commissioner shall certify the proposed
26.19 equity investment as a qualified equity investment eligible for a credit under this section.
26.20 The commissioner shall provide written notice of the certification to the qualified community
26.21 development entity. Once the qualified community development entity identifies the
26.22 taxpayers who are allocated credits and their respective credit amounts, the qualified
26.23 community development entity shall provide a notice of allocation to the commissioner,
26.24 and the commissioner shall provide a certification to the qualified community development
26.25 entity and each taxpayer containing the credit amount and utilization schedule for which
26.26 the taxpayer is eligible. If the taxpayer is eligible to utilize the credits change due to a transfer
26.27 of a qualified equity investment or a change in allocation pursuant to paragraph (c), the
26.28 qualified community development entity shall notify the commissioner of the change.

26.29 (c) The commissioner shall certify applications for the greater Minnesota allocation and
26.30 the metropolitan allocation in proportionate percentages based upon the ratio of the amount
26.31 of qualified equity investments requested in applications for each allocation to the total
26.32 amount of qualified equity investments requested in all applications for each allocation
26.33 received on the same day.

27.1 (d) If a pending request cannot be fully certified, the commissioner shall certify the
27.2 portion that may be certified unless the qualified community development entity elects to
27.3 withdraw its request rather than receive a partial award of qualified equity investment
27.4 authority.

27.5 (e) An approved applicant may transfer all or a portion of its certified qualified equity
27.6 investment authority to its controlling entity or any affiliate or partner of the controlling
27.7 entity that is also a qualified community development entity if the applicant provides the
27.8 information required in the application with respect to the transferee and the applicant
27.9 notifies the commissioner in the notice required by paragraph (f). Within 30 days after
27.10 receiving notice of certification under paragraph (b), the applicant or transferee shall:

27.11 (1) issue qualified equity investments in an amount equal to the total amount of certified
27.12 qualified equity investment authority;

27.13 (2) receive cash in the amount of the certified qualified equity investment; and

27.14 (3) if the applicant or transferee is not a Minnesota qualified community development
27.15 entity, designate 50 percent of the qualified equity investment authority as a qualified equity
27.16 investment under section 45D of the Internal Revenue Code.

27.17 (f) The qualified community development entity must provide the commissioner with
27.18 evidence of the receipt of the cash investment and, if the qualified community development
27.19 entity is not a Minnesota qualified community development entity, the designation of 50
27.20 percent of the qualified equity investment as a qualified equity investment under section
27.21 45D of the Internal Revenue Code within 35 days after receiving notice of certification. If
27.22 the qualified community development entity does not receive the cash investment, issue the
27.23 qualified equity investment within 30 days following receipt of the certification notice, and
27.24 comply with paragraph (e), clause (3), if applicable, the certification is void. A voided
27.25 certification must be returned to the commissioner and must first be awarded pro rata to
27.26 applicants that received awards of qualified equity investment authority and complied with
27.27 paragraph (e).

27.28 (g) The commissioner shall notify the commissioner of revenue of credits approved
27.29 under this subdivision within 15 days of granting an application.

27.30 Subd. 5. **Credit recapture.** (a) The commissioner shall recapture credits allowed under
27.31 this act and future credits are forfeited if:

27.32 (1) any amount of the federal tax credit available with respect to a qualified equity
27.33 investment that is eligible for a credit under this section is recaptured under section 45D of

28.1 the Internal Revenue Code. In that case, the commissioner's recapture shall be proportionate
28.2 to the federal recapture with respect to that qualified equity investment;

28.3 (2) the qualified community development entity redeems or makes principal repayment
28.4 with respect to a qualified equity investment prior to seven years after the date of issuance
28.5 of the qualified equity investment. In that case, the commissioner's recapture shall be
28.6 proportionate to the amount of the redemption or repayment with respect to the qualified
28.7 equity investment; or

28.8 (3) the qualified community development entity fails to invest at least 100 percent of
28.9 the cash purchase price of the qualified equity investment in qualified low-income community
28.10 investments in greater Minnesota counties or metropolitan counties, as applicable, within
28.11 12 months of the issuance of the qualified equity investment and maintains the investment
28.12 in qualified low-income community investments in greater Minnesota counties or
28.13 metropolitan counties, as applicable, until the last credit allowance date for the qualified
28.14 equity investment. A qualified community development entity must use the proceeds of
28.15 qualified equity investments awarded under the greater Minnesota allocation to make
28.16 qualified low-income community investments in qualified active low-income community
28.17 businesses with principal business operations in greater Minnesota counties.

28.18 (b) For purposes of paragraph (a), clause (3), an investment is considered maintained
28.19 by a qualified community development entity even if the investment has been sold or repaid,
28.20 provided that the qualified community development entity reinvests an amount equal to the
28.21 capital returned to or recovered by the qualified community development entity from the
28.22 original investment, exclusive of any profits realized, in another qualified low-income
28.23 community investment in this state as required under the greater Minnesota allocation or
28.24 metropolitan allocation within 12 months after the receipt of that capital. Periodic loan
28.25 repayments received by a qualified community development entity from a qualified active
28.26 low-income community business within a calendar year must be treated as maintained in
28.27 qualified low-income community investments if a qualified community development entity
28.28 reinvests the repayments in qualified low-income community investments by the end of the
28.29 following calendar year.

28.30 (c) A qualified community development entity is not required to reinvest capital returned
28.31 from qualified low-income community investments after the sixth anniversary of the issuance
28.32 of the qualified equity investment, the proceeds of which were used to make the qualified
28.33 low-income community investment, and the qualified low-income community investment
28.34 is considered held by the qualified community development entity through the seventh
28.35 anniversary of the qualified equity investment's issuance.

29.1 (d) With respect to any one qualified active low-income community business, the
 29.2 maximum amount of qualified low-income community investments made in that business
 29.3 in aggregate with all of its affiliates that may be counted toward the satisfaction of paragraph
 29.4 (a), clause (3), is \$10,000,000, whether made by one or several qualified community
 29.5 development entities but exclusive of redeemed or repaid qualified low-income community
 29.6 investment by the qualified active low-income community business.

29.7 (e) The commissioner shall provide notice to the qualified community development
 29.8 entity of any proposed recapture of credits pursuant to this subdivision. The notice must
 29.9 specify the conditions under which the deficiency resulting in the proposed recapture occurred
 29.10 and state that the credits will be recaptured within 90 days unless the qualified community
 29.11 development entity complies with the conditions identified in the notice. If the entity fails
 29.12 or is unable to cure the deficiency within the 90-day period, the commissioner shall provide
 29.13 the entity and the taxpayer from whom the credit is to be recaptured with a final order of
 29.14 recapture. Any credit for which a final recapture order has been issued must be recaptured
 29.15 by the commissioner from the taxpayer who claimed the credit on a tax return. The qualified
 29.16 equity investment authority of the recaptured credits must be returned to the commissioner
 29.17 and must first be awarded pro rata to applicants that have received awards of qualified equity
 29.18 investment authority and complied with this subdivision.

29.19 Subd. 6. **Examination and rulemaking.** (a) The commissioner may conduct examinations
 29.20 to verify that the credits under this section have been received and applied according to the
 29.21 requirements of this section and to verify that no event has occurred that would result in a
 29.22 recapture of credits under subdivision 5.

29.23 (b) The commissioner may issue advisory letters to individual qualified community
 29.24 development entities and their investors that are limited to the specific facts outlined in an
 29.25 advisory letter request from a qualified community development entity. The rulings cannot
 29.26 be relied upon by any person or entity other than the qualified community development
 29.27 entity that requested the letter and the taxpayers that are entitled to any tax credits generated
 29.28 from investments in the entity.

29.29 (c) In rendering advisory letters and making other determinations under this section, to
 29.30 the extent applicable, the commissioner shall rely upon guidance to section 45D of the
 29.31 Internal Revenue Code and the rules and regulations issued thereunder.

29.32 Subd. 7. **Annual reporting by community development entities.** (a) Each qualified
 29.33 community development entity shall submit an annual report to the commissioner within
 29.34 120 days after the beginning of each calendar year during the compliance period. No annual

30.1 report is due prior to the first anniversary of the initial credit allowance date. The report
30.2 must include but is not limited to information with respect to all qualified low-income
30.3 community investments made by the qualified community development entity, including:

30.4 (1) the date and amount of, and bank statements or wire transfer reports documenting,
30.5 qualified low-income community investments;

30.6 (2) the name and address of each qualified active low-income community business
30.7 funded by the qualified community development entity, the number of persons employed
30.8 by the business at the time of the initial qualified low-income community investment, and
30.9 a brief description of the business and its financing;

30.10 (3) the number of employment positions maintained by each qualified active low-income
30.11 community business as of the date of the report or the end of the preceding calendar year
30.12 and the average annual salaries of those positions;

30.13 (4) the total number of employment positions created and retained as a result of qualified
30.14 low-income community investments and the average annual salaries of those positions;

30.15 (5) a certification by its chief executive officer or similar officer that no credits have
30.16 been subject to recapture under subdivision 5; and

30.17 (6) any changes with respect to the taxpayers entitled to claim credits with respect to
30.18 qualified equity investments issued by the qualified community development entity since
30.19 its last report pursuant to this section.

30.20 (b) The qualified community development entity is not required to provide the annual
30.21 report set forth in this section for qualified low-income community investments that have
30.22 been redeemed or repaid.

30.23 Subd. 8. **Program report.** If the credit under this section has not been reviewed under
30.24 the provisions of section 3.8855 by December 15, 2031, the commissioner shall report to
30.25 the legislature no later than December 31, 2031, regarding the implementation of the credit
30.26 under this section, including an evaluation of the credit using the components listed in
30.27 section 3.885, subdivision 5.

30.28 Subd. 9. **Expiration.** This section expires for taxable years beginning after December
30.29 31, 2030, except that the commissioner's authority to allow the credit under subdivision 2
30.30 based on certificates that were issued under subdivision 4 before expiration remains in effect
30.31 through the year following the year in which all certificates have either been canceled or
30.32 resulted in issuance of credit certificates, or 2033, whichever is earlier.

31.1 Subd. 10. Account created; appropriation. The Minnesota new markets tax credit
 31.2 account is created in the special revenue fund in the state treasury. The account is
 31.3 administered by the commissioner. Application fees required under subdivision 3, paragraph
 31.4 (a), clause (7), are appropriated to the commissioner for costs associated with certifying
 31.5 applications and for personnel and administrative expenses related to administering the
 31.6 credit under this section.

31.7 EFFECTIVE DATE. This section is effective for taxable years beginning after December
 31.8 31, 2022, and before January 1, 2031.

31.9 Sec. 3. Minnesota Statutes 2021 Supplement, section 289A.08, subdivision 7a, is amended
 31.10 to read:

31.11 Subd. 7a. **Pass-through entity tax.** (a) For the purposes of this subdivision, the following
 31.12 terms have the meanings given:

31.13 (1) "income" has the meaning given in subdivision 7, paragraph (j), modified by the
 31.14 addition provided in section 290.0131, subdivision 5, and the subtraction provided in section
 31.15 290.0132, subdivision 3, except that the provisions that apply to a partnership apply to a
 31.16 qualifying entity and the provisions that apply to a partner apply to a qualifying owner. The
 31.17 income of ~~both~~ a resident ~~and~~ qualifying owner of an entity taxed as a partnership under
 31.18 the Internal Revenue Code is not subject to allocation outside this state as provided for
 31.19 resident individuals under section 290.17, subdivision 1, paragraph (a). The income of a
 31.20 nonresident qualifying owner or the income of a qualifying owner of an entity taxed as an
 31.21 S corporation including a qualified subchapter S subsidiary organized under section
 31.22 1361(b)(3)(B) of the Internal Revenue Code is allocated and assigned to this state as provided
 31.23 for nonresident partners and shareholders under sections 290.17, 290.191, and 290.20;

31.24 (2) "qualifying entity" means a partnership, limited liability company taxed as a
 31.25 partnership or S corporation, or S corporation including a qualified subchapter S subsidiary
 31.26 organized under section 1361(b)(3)(B) of the Internal Revenue Code. Qualifying entity ~~does~~
 31.27 ~~not~~ may include a partnership, limited liability company, or corporation that has a ~~partnership,~~
 31.28 ~~limited liability company other than a disregarded entity,~~ or corporation as a partner, member,
 31.29 or shareholder, provided those entities are excluded from the qualifying entity's tax return;
 31.30 the entity is taxed as a partnership, limited liability company, or S corporation; and is not
 31.31 a publicly traded partnership, as defined in section 7704 of the Internal Revenue Code, as
 31.32 amended through January 1, 2021; and

31.33 (3) "qualifying owner" means:

32.1 (i) a resident or nonresident individual trust or estate that is a partner, member, or
32.2 shareholder of a qualifying entity; ~~or~~

32.3 (ii) ~~a resident or nonresident trust that is a shareholder of a qualifying entity that is an~~
32.4 ~~S-corporation~~ an entity taxed as a partnership under the Internal Revenue Code; or

32.5 (iii) a disregarded entity that has a qualifying owner as its single owner.

32.6 (b) For taxable years beginning after December 31, 2020, in which the taxes of a
32.7 qualifying owner are limited under section 164(b)(6)(B) of the Internal Revenue Code, a
32.8 qualifying entity may elect to file a return and pay the pass-through entity tax imposed under
32.9 paragraph (c). The election:

32.10 (1) must be made on or before the due date or extended due date of the qualifying entity's
32.11 pass-through entity tax return;

32.12 (2) may only be made by qualifying owners who collectively hold more than a 50 percent
32.13 ownership interest in the qualifying entity;

32.14 (3) is binding on all qualifying owners who have an ownership interest in the qualifying
32.15 entity; and

32.16 (4) once made is irrevocable for the taxable year.

32.17 (c) Subject to the election in paragraph (b), a pass-through entity tax is imposed on a
32.18 qualifying entity in an amount equal to the sum of the tax liability of each qualifying owner.

32.19 (d) The amount of a qualifying owner's tax liability under paragraph (c) is the amount
32.20 of the qualifying owner's income multiplied by the highest tax rate for individuals under
32.21 section 290.06, subdivision 2c. When making this determination:

32.22 (1) nonbusiness deductions, standard deductions, or personal exemptions are not allowed;
32.23 and

32.24 (2) a credit or deduction is allowed only to the extent allowed to the qualifying owner.

32.25 (e) The amount of each credit and deduction used to determine a qualifying owner's tax
32.26 liability under paragraph (d) must also be used to determine that qualifying owner's income
32.27 tax liability under chapter 290.

32.28 (f) This subdivision does not negate the requirement that a qualifying owner pay estimated
32.29 tax if the qualifying owner's tax liability would exceed the requirements set forth in section
32.30 289A.25. The qualifying owner's liability to pay estimated tax on the qualifying owner's
32.31 tax liability as determined under paragraph (d) is, however, satisfied when the qualifying

33.1 entity pays estimated tax in the manner prescribed in section 289A.25 for composite estimated
33.2 tax.

33.3 (g) A qualifying owner's adjusted basis in the interest in the qualifying entity, and the
33.4 treatment of distributions, is determined as if the election to pay the pass-through entity tax
33.5 under paragraph (b) is not made.

33.6 (h) To the extent not inconsistent with this subdivision, for purposes of this chapter, a
33.7 pass-through entity tax return must be treated as a composite return and a qualifying entity
33.8 filing a pass-through entity tax return must be treated as a partnership filing a composite
33.9 return.

33.10 (i) The provisions of subdivision 17 apply to the election to pay the pass-through entity
33.11 tax under this subdivision.

33.12 (j) If a nonresident qualifying owner of a qualifying entity making the election to file
33.13 and pay the tax under this subdivision has no other Minnesota source income, filing of the
33.14 pass-through entity tax return is a return for purposes of subdivision 1, provided that the
33.15 nonresident qualifying owner must not have any Minnesota source income other than the
33.16 income from the qualifying entity, other electing qualifying entities, and other partnerships
33.17 electing to file a composite return under subdivision 7. If it is determined that the nonresident
33.18 qualifying owner has other Minnesota source income, the inclusion of the income and tax
33.19 liability for that owner under this provision will not constitute a return to satisfy the
33.20 requirements of subdivision 1. The tax paid for the qualifying owner as part of the
33.21 pass-through entity tax return is allowed as a payment of the tax by the qualifying owner
33.22 on the date on which the pass-through entity tax return payment was made.

33.23 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
33.24 after December 31, 2020.

33.25 Sec. 4. Minnesota Statutes 2020, section 289A.10, subdivision 1, is amended to read:

33.26 Subdivision 1. **Return required.** (a) In the case of a decedent who has an interest in
33.27 property with a situs in Minnesota, the personal representative must submit a Minnesota
33.28 estate tax return to the commissioner, on a form prescribed by the commissioner, if:

33.29 (1) a federal estate tax return is required to be filed; or

33.30 (2) the sum of the federal gross estate and federal adjusted taxable gifts, as defined in
33.31 section 2001(b) of the Internal Revenue Code, made within three years of the date of the
33.32 decedent's death exceeds ~~\$1,200,000 for estates of decedents dying in 2014; \$1,400,000 for~~
33.33 ~~estates of decedents dying in 2015; \$1,600,000 for estates of decedents dying in 2016;~~

34.1 ~~\$2,100,000 for estates of decedents dying in 2017; \$2,400,000 for estates of decedents dying~~
 34.2 ~~in 2018; \$2,700,000 for estates of decedents dying in 2019; and \$3,000,000 for estates of~~
 34.3 ~~decedents dying in 2020 and thereafter.~~

34.4 (b) The return must contain a computation of the Minnesota estate tax due. The return
 34.5 must be signed by the personal representative.

34.6 (c) The return may include an election, as provided in section 290.03, subdivision 1e,
 34.7 to allow a decedent's surviving spouse to take into account the decedent's deceased spousal
 34.8 unused exclusion amount.

34.9 **EFFECTIVE DATE.** This section is effective for estates of decedents dying after June
 34.10 30, 2022.

34.11 Sec. 5. Minnesota Statutes 2021 Supplement, section 289A.382, subdivision 2, is amended
 34.12 to read:

34.13 **Subd. 2. Reporting and payment requirements for partnerships and tiered**
 34.14 **partners.** (a) Except for when an audited partnership makes the election in subdivision 3,
 34.15 and except for negative federal adjustments required under federal law taken into account
 34.16 by the partnership in the partnership return for the adjustment or other year, all final federal
 34.17 adjustments of an audited partnership must comply with paragraph (b) and each direct
 34.18 partner of the audited partnership, other than a tiered partner, must comply with paragraph
 34.19 (c).

34.20 (b) No later than 90 days after the final determination date, the audited partnership must:

34.21 (1) file a completed federal adjustments report, including all partner-level information
 34.22 required under section 289A.12, subdivision 3, with the commissioner;

34.23 (2) notify each of its direct partners of their distributive share of the final federal
 34.24 adjustments;

34.25 (3) file an amended composite report for all direct partners who were included in a
 34.26 composite return under section 289A.08, subdivision 7, in the reviewed year, and pay the
 34.27 additional amount that would have been due had the federal adjustments been reported
 34.28 properly as required; ~~and~~

34.29 (4) file amended withholding reports for all direct partners who were or should have
 34.30 been subject to nonresident withholding under section 290.92, subdivision 4b, in the reviewed
 34.31 year, and pay the additional amount that would have been due had the federal adjustments
 34.32 been reported properly as required; and

35.1 (5) file an amended pass-through entity tax report for all direct partners who were
 35.2 included in a pass-through entity tax return under section 289A.08, subdivision 7a, in the
 35.3 reviewed year, and pay the additional amount that would have been due had the federal
 35.4 adjustments been reported properly as required.

35.5 (c) No later than 180 days after the final determination date, each direct partner, other
 35.6 than a tiered partner, that is subject to a tax administered under this chapter, other than the
 35.7 sales tax, must:

35.8 (1) file a federal adjustments report reporting their distributive share of the adjustments
 35.9 reported to them under paragraph (b), clause (2); and

35.10 (2) pay any additional amount of tax due as if the final federal adjustment had been
 35.11 properly reported, plus any penalty and interest due under this chapter, and less any credit
 35.12 for related amounts paid or withheld and remitted on behalf of the direct partner under
 35.13 paragraph (b), clauses (3) and (4).

35.14 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 35.15 after December 31, 2020.

35.16 Sec. 6. Minnesota Statutes 2020, section 290.0132, subdivision 4, is amended to read:

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

35.19 (1) education-related expenses; plus

35.20 (2) tuition and fees paid to attend a school described in section 290.0674, subdivision
 35.21 1, clause (4), that are not included in education-related expenses; less

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

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

35.24 (1) ~~\$1,625~~ \$3,250 for each qualifying child in kindergarten through grade 6; and

35.25 (2) ~~\$2,500~~ \$5,000 for each qualifying child in grades 7 through 12.

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

35.27 (d) The commissioner shall annually adjust the subtraction amounts in paragraph (b) as
 35.28 provided in section 270C.22. The statutory year is 2022.

35.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 35.30 31, 2021.

36.1 Sec. 7. Minnesota Statutes 2020, section 290.0132, subdivision 26, is amended to read:

36.2 Subd. 26. **Social Security benefits.** ~~(a) A portion~~ The amount of taxable Social Security
 36.3 benefits received by a taxpayer in the taxable year is allowed as a subtraction. ~~The subtraction~~
 36.4 ~~equals the lesser of taxable Social Security benefits or a maximum subtraction subject to~~
 36.5 ~~the limits under paragraphs (b), (c), and (d).~~

36.6 ~~(b) For married taxpayers filing a joint return and surviving spouses, the maximum~~
 36.7 ~~subtraction equals \$5,150. The maximum subtraction is reduced by 20 percent of provisional~~
 36.8 ~~income over \$78,180. In no case is the subtraction less than zero.~~

36.9 ~~(c) For single or head-of-household taxpayers, the maximum subtraction equals \$4,020.~~
 36.10 ~~The maximum subtraction is reduced by 20 percent of provisional income over \$61,080.~~
 36.11 ~~In no case is the subtraction less than zero.~~

36.12 ~~(d) For married taxpayers filing separate returns, the maximum subtraction equals~~
 36.13 ~~one-half the maximum subtraction for joint returns under paragraph (b). The maximum~~
 36.14 ~~subtraction is reduced by 20 percent of provisional income over one-half the threshold~~
 36.15 ~~amount specified in paragraph (b). In no case is the subtraction less than zero.~~

36.16 ~~(e) For purposes of this subdivision, "provisional income" means modified adjusted~~
 36.17 ~~gross income as defined in section 86(b)(2) of the Internal Revenue Code, plus one-half of~~
 36.18 ~~the taxable Social Security benefits received during the taxable year, and "Social Security~~
 36.19 ~~benefits" has the meaning given in section 86(d)(1) of the Internal Revenue Code.~~

36.20 ~~(f) The commissioner shall adjust the maximum subtraction and threshold amounts in~~
 36.21 ~~paragraphs (b) to (d) as provided in section 270C.22. The statutory year is taxable year~~
 36.22 ~~2019. The maximum subtraction and threshold amounts as adjusted must be rounded to the~~
 36.23 ~~nearest \$10 amount. If the amount ends in \$5, the amount is rounded up to the nearest \$10~~
 36.24 ~~amount.~~

36.25 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 36.26 31, 2021.

36.27 Sec. 8. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision
 36.28 to read:

36.29 **Subd. 31. Pension income; public safety officers and firefighters.** (a) Income received
 36.30 from the following pension plans, excluding disability income, is a subtraction:

36.31 (1) the police and fire plan governed by sections 353.63 to 353.68;

36.32 (2) the local government correctional service retirement plan under chapter 353E;

37.1 (3) the state patrol retirement plan under chapter 352B;
 37.2 (4) the state correctional employees retirement plan under sections 352.90 to 352.955;
 37.3 or
 37.4 (5) any similar annuity or benefit from a retirement system administered by the federal
 37.5 government.

37.6 (b) The subtraction applies to individuals who have attained at least 20 years of service
 37.7 as a public official or employee and a member of a plan listed under paragraph (a), and have
 37.8 not attained age 55 before December 31, 2022, and their surviving spouses.

37.9 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 37.10 31, 2022.

37.11 Sec. 9. Minnesota Statutes 2020, section 290.05, subdivision 1, is amended to read:

37.12 Subdivision 1. **Exempt entities.** The following corporations, individuals, estates, trusts,
 37.13 and organizations shall be exempted from taxation under this chapter, provided that every
 37.14 such person or corporation claiming exemption under this chapter, in whole or in part, must
 37.15 establish to the satisfaction of the commissioner the taxable status of any income or activity:

37.16 (a) corporations, individuals, estates, and trusts engaged in the business of mining or
 37.17 producing iron ore and mining, producing, or refining other ores, metals, and minerals, the
 37.18 mining, production, or refining of which is subject to the occupation tax imposed by section
 37.19 298.01; but if any such corporation, individual, estate, or trust engages in any other business
 37.20 or activity or has income from any property not used in such business it shall be subject to
 37.21 this tax computed on the net income from such property or such other business or activity.
 37.22 Royalty shall not be considered as income from the business of mining or producing iron
 37.23 ore within the meaning of this section;

37.24 (b) the United States of America, the state of Minnesota or any political subdivision of
 37.25 either agencies or instrumentalities, whether engaged in the discharge of governmental or
 37.26 proprietary functions; ~~and~~

37.27 (c) any insurance company, other than a disqualified captive insurance company; and

37.28 (d) a Nuclear Decommissioning Reserve Fund, as defined in section 468A of the Internal
 37.29 Revenue Code.

37.30 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 37.31 31, 2024.

38.1 Sec. 10. Minnesota Statutes 2021 Supplement, section 290.06, subdivision 2c, is amended
38.2 to read:

38.3 Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes
38.4 imposed by this chapter upon married individuals filing joint returns and surviving spouses
38.5 as defined in section 2(a) of the Internal Revenue Code must be computed by applying to
38.6 their taxable net income the following schedule of rates:

38.7 (1) On the first ~~\$38,770~~ \$41,050, ~~5.35~~ 2.8 percent;

38.8 (2) On all over ~~\$38,770~~ \$41,050, but not over ~~\$154,020~~ \$163,060, 6.8 percent;

38.9 (3) On all over ~~\$154,020~~ \$163,060, but not over ~~\$269,010~~ \$284,810, 7.85 percent;

38.10 (4) On all over ~~\$269,010~~ \$284,810, 9.85 percent.

38.11 Married individuals filing separate returns, estates, and trusts must compute their income
38.12 tax by applying the above rates to their taxable income, except that the income brackets
38.13 will be one-half of the above amounts after the adjustment required in subdivision 2d.

38.14 (b) The income taxes imposed by this chapter upon unmarried individuals must be
38.15 computed by applying to taxable net income the following schedule of rates:

38.16 (1) On the first ~~\$26,520~~ \$28,080, ~~5.35~~ 2.8 percent;

38.17 (2) On all over ~~\$26,520~~ \$28,080, but not over ~~\$87,110~~ \$92,230, 6.8 percent;

38.18 (3) On all over ~~\$87,110~~ \$92,230, but not over ~~\$161,720~~ \$171,220, 7.85 percent;

38.19 (4) On all over ~~\$161,720~~ \$171,220, 9.85 percent.

38.20 (c) The income taxes imposed by this chapter upon unmarried individuals qualifying as
38.21 a head of household as defined in section 2(b) of the Internal Revenue Code must be
38.22 computed by applying to taxable net income the following schedule of rates:

38.23 (1) On the first ~~\$32,650~~ \$34,570, ~~5.35~~ 2.8 percent;

38.24 (2) On all over ~~\$32,650~~ \$34,570, but not over ~~\$131,190~~ \$138,890, 6.8 percent;

38.25 (3) On all over ~~\$131,190~~ \$138,890, but not over ~~\$214,980~~ \$227,600, 7.85 percent;

38.26 (4) On all over ~~\$214,980~~ \$227,600, 9.85 percent.

38.27 (d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax
38.28 of any individual taxpayer whose taxable net income for the taxable year is less than an
38.29 amount determined by the commissioner must be computed in accordance with tables
38.30 prepared and issued by the commissioner of revenue based on income brackets of not more

39.1 than \$100. The amount of tax for each bracket shall be computed at the rates set forth in
39.2 this subdivision, provided that the commissioner may disregard a fractional part of a dollar
39.3 unless it amounts to 50 cents or more, in which case it may be increased to \$1.

39.4 (e) An individual who is not a Minnesota resident for the entire year must compute the
39.5 individual's Minnesota income tax as provided in this subdivision. After the application of
39.6 the nonrefundable credits provided in this chapter, the tax liability must then be multiplied
39.7 by a fraction in which:

39.8 (1) the numerator is the individual's Minnesota source federal adjusted gross income as
39.9 defined in section 62 of the Internal Revenue Code and increased by:

39.10 (i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, and
39.11 17, and 290.0137, paragraph (a); and reduced by

39.12 (ii) the Minnesota assignable portion of the subtraction for United States government
39.13 interest under section 290.0132, subdivision 2, the subtractions under sections 290.0132,
39.14 subdivisions 9, 10, 14, 15, 17, 18, and 27, and 290.0137, paragraph (c), after applying the
39.15 allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

39.16 (2) the denominator is the individual's federal adjusted gross income as defined in section
39.17 62 of the Internal Revenue Code, increased by:

39.18 (i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, and
39.19 17, and 290.0137, paragraph (a); and reduced by

39.20 (ii) the subtractions under sections 290.0132, subdivisions 2, 9, 10, 14, 15, 17, 18, and
39.21 27, and 290.0137, paragraph (c).

39.22 (f) If an individual who is not a Minnesota resident for the entire year is a qualifying
39.23 owner of a qualifying entity that elects to pay tax as provided in section 289A.08, subdivision
39.24 7a, paragraph (b), the individual must compute the individual's Minnesota income tax as
39.25 provided in paragraph (e), and also must include, to the extent attributed to the electing
39.26 qualifying entity:

39.27 (1) in paragraph (e), clause (1), item (i), and paragraph (e), clause (2), item (i), the
39.28 addition under section 290.0131, subdivision 5; and

39.29 (2) in paragraph (e), clause (1), item (ii), and paragraph (e), clause (2), item (ii), the
39.30 subtraction under section 290.0132, subdivision 3.

39.31 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
39.32 31, 2021.

40.1 Sec. 11. Minnesota Statutes 2020, section 290.06, subdivision 2d, is amended to read:

40.2 Subd. 2d. **Inflation adjustment of brackets.** The commissioner shall annually adjust
40.3 the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed
40.4 in subdivision 2c as provided in section 270C.22. The statutory year is taxable year ~~2019~~
40.5 2022. The rate applicable to any rate bracket must not be changed. The dollar amounts
40.6 setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate
40.7 brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in
40.8 \$5, it must be rounded up to the nearest \$10 amount. The commissioner shall determine the
40.9 rate bracket for married filing separate returns after this adjustment is done. The rate bracket
40.10 for married filing separate must be one-half of the rate bracket for married filing joint.

40.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
40.12 31, 2021.

40.13 Sec. 12. Minnesota Statutes 2020, section 290.067, subdivision 1, is amended to read:

40.14 Subdivision 1. **Amount of credit.** (a) A taxpayer may take as a credit against the tax
40.15 due from the taxpayer and a spouse, if any, under this chapter an amount equal to the
40.16 dependent care credit for which the taxpayer is eligible pursuant to the provisions of section
40.17 21 of the Internal Revenue Code except that in determining whether the child qualified as
40.18 a dependent, income received as a Minnesota family investment program grant or allowance
40.19 to or on behalf of the child must not be taken into account in determining whether the child
40.20 received more than half of the child's support from the taxpayer.

40.21 (b) If a child who has not attained the age of six years at the close of the taxable year is
40.22 cared for at a licensed family day care home operated by the child's parent, the taxpayer is
40.23 deemed to have paid employment-related expenses. If the child is 16 months old or younger
40.24 at the close of the taxable year, the amount of expenses deemed to have been paid equals
40.25 the maximum limit for one qualified individual under section 21(c) and (d) of the Internal
40.26 Revenue Code. If the child is older than 16 months of age but has not attained the age of
40.27 six years at the close of the taxable year, the amount of expenses deemed to have been paid
40.28 equals the amount the licensee would charge for the care of a child of the same age for the
40.29 same number of hours of care.

40.30 (c) If a married couple:

40.31 (1) has a child who has not attained the age of one year at the close of the taxable year;

40.32 (2) files a joint tax return for the taxable year; and

41.1 (3) does not participate in a dependent care assistance program as defined in section 129
41.2 of the Internal Revenue Code, in lieu of the actual employment related expenses paid for
41.3 that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of (i)
41.4 the combined earned income of the couple or (ii) the amount of the maximum limit for one
41.5 qualified individual under section 21(c) and (d) of the Internal Revenue Code will be deemed
41.6 to be the employment related expense paid for that child. The earned income limitation of
41.7 section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These
41.8 deemed amounts apply regardless of whether any employment-related expenses have been
41.9 paid.

41.10 (d) If the taxpayer is not required and does not file a federal individual income tax return
41.11 for the tax year, no credit is allowed for any amount paid to any person unless:

41.12 (1) the name, address, and taxpayer identification number of the person are included on
41.13 the return claiming the credit; or

41.14 (2) if the person is an organization described in section 501(c)(3) of the Internal Revenue
41.15 Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name
41.16 and address of the person are included on the return claiming the credit.

41.17 In the case of a failure to provide the information required under the preceding sentence,
41.18 the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence
41.19 in attempting to provide the information required.

41.20 (e) In the case of a nonresident, part-year resident, or a person who has earned income
41.21 not subject to tax under this chapter including earned income excluded pursuant to section
41.22 290.0132, subdivision 10, the credit determined under section 21 of the Internal Revenue
41.23 Code must be allocated based on the ratio by which the earned income of the claimant and
41.24 the claimant's spouse from Minnesota sources bears to the total earned income of the claimant
41.25 and the claimant's spouse.

41.26 (f) For residents of Minnesota, the subtractions for military pay under section 290.0132,
41.27 subdivisions 11 and 12, are not considered "earned income not subject to tax under this
41.28 chapter."

41.29 (g) For residents of Minnesota, the exclusion of combat pay under section 112 of the
41.30 Internal Revenue Code is not considered "earned income not subject to tax under this
41.31 chapter."

41.32 (h) For taxpayers with federal adjusted gross income in excess of ~~\$52,230~~ \$70,000, the
41.33 credit is equal to the lesser of the credit otherwise calculated under this subdivision, or the

42.1 amount equal to \$600 minus five percent of federal adjusted gross income in excess of
 42.2 ~~\$52,230~~ \$70,000 for taxpayers with one qualified individual, or \$1,200 minus five percent
 42.3 of federal adjusted gross income in excess of ~~\$52,230~~ \$70,000 for taxpayers with two or
 42.4 more qualified individuals, but in no case is the credit less than zero.

42.5 (i) The commissioner shall annually adjust the income amount in paragraph (h) as
 42.6 provided in section 270C.22. The statutory year is 2022.

42.7 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 42.8 31, 2021.

42.9 Sec. 13. Minnesota Statutes 2020, section 290.0674, subdivision 2, is amended to read:

42.10 Subd. 2. **Limitations.** (a) For claimants with adjusted gross income not greater than
 42.11 \$33,500, the maximum credit allowed for a family is \$1,000 multiplied by the number of
 42.12 qualifying children in kindergarten through grade 12 in the family. The maximum credit
 42.13 for families with one qualifying child in kindergarten through grade 12 is reduced by \$1
 42.14 for each \$4 of ~~household~~ adjusted gross income over ~~\$33,500~~ \$50,000, and the maximum
 42.15 credit for families with two or more qualifying children in kindergarten through grade 12
 42.16 is reduced by \$2 for each \$4 of ~~household~~ adjusted gross income over ~~\$33,500~~ \$50,000,
 42.17 but in no case is the credit less than zero. In the case of an individual who files an income
 42.18 tax return on a fiscal year basis, the term "federal adjusted gross income" means federal
 42.19 adjusted gross income reflected in the fiscal year ending in the next calendar year. Federal
 42.20 adjusted gross income may not be reduced by the amount of a net operating loss carryback
 42.21 or carryforward or a capital loss carryback or carryforward allowed for the year.

42.22 (b) In the case of a married claimant, a credit is not allowed unless a joint income tax
 42.23 return is filed.

42.24 (c) For a nonresident or part-year resident, the credit determined under subdivision 1
 42.25 and the maximum credit amount in paragraph (a) must be allocated using the percentage
 42.26 calculated in section 290.06, subdivision 2c, paragraph (e).

42.27 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 42.28 31, 2021.

42.29 Sec. 14. Minnesota Statutes 2020, section 290.068, subdivision 1, is amended to read:

42.30 Subdivision 1. **Credit allowed.** A corporation, partners in a partnership, or shareholders
 42.31 in a corporation treated as an "S" corporation under section 290.9725 are allowed a credit
 42.32 against the tax computed under this chapter for the taxable year equal to:

- 43.1 (a) ten percent of the first \$2,000,000 of the excess (if any) of
- 43.2 (1) the qualified research expenses for the taxable year, over
- 43.3 (2) the base amount; and
- 43.4 (b) ~~four~~ 4.25 percent on all of such excess expenses over \$2,000,000.

43.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December

43.6 31, 2021.

43.7 Sec. 15. Minnesota Statutes 2020, section 290.0681, subdivision 4, is amended to read:

43.8 Subd. 4. **Credit certificates; grants.** (a)(1) The developer of a project for which the

43.9 office has issued an allocation certificate must notify the office when the project is placed

43.10 in service. Upon verifying that the project has been placed in service, and was allowed a

43.11 federal credit, the office must issue a credit certificate to the taxpayer designated in the

43.12 application or must issue a grant to the recipient designated in the application. The credit

43.13 certificate must state the amount of the credit.

43.14 (2) The credit amount equals the federal credit allowed for the project.

43.15 (3) The grant amount equals 90 percent of the federal credit allowed for the project.

43.16 (b) The recipient of a credit certificate may assign the certificate to another taxpayer

43.17 before the first one-fifth payment is claimed, which is then allowed the credit under this

43.18 section or section 297I.20, subdivision 3. The first assignee may subsequently assign the

43.19 certificate in whole, but not in part, to a second assignee. An assignment is not valid unless

43.20 the assignee notifies the commissioner within 30 days of the date that the assignment is

43.21 made. The commissioner shall prescribe the forms necessary for notifying the commissioner

43.22 of the assignment of a credit certificate and for claiming a credit by assignment.

43.23 (c) Credits passed through to partners, members, shareholders, or owners pursuant to

43.24 subdivision 5 are not an assignment of a credit certificate under this subdivision.

43.25 (d) A grant agreement between the office and the recipient of a grant may allow the

43.26 grant to be issued to another individual or entity.

43.27 **EFFECTIVE DATE.** This section is effective for property placed in service after June

43.28 30, 2022.

44.1 Sec. 16. [290.0687] SMALL BUSINESS TAX CREDITS FOR PAID FAMILY LEAVE44.2 BENEFITS.

44.3 Subdivision 1. Employer tax credit. (a) A qualified employer is allowed a credit against
44.4 the taxes imposed under this chapter equal to the amount paid:

44.5 (1) directly by the qualified employer for paid family leave benefits on behalf of a
44.6 qualified employee; or

44.7 (2) to an insurance company to provide paid family leave insurance benefits to a qualified
44.8 employee.

44.9 (b) The credit allowed to an employer under this subdivision for a qualified employee
44.10 for a taxable year is limited to the lesser of the amounts listed in clauses (1) and (2), to the
44.11 extent not deducted in determining federal taxable income for corporate filers or federal
44.12 adjusted gross income for individual filers:

44.13 (1) \$3,000; or

44.14 (2) the total amount paid:

44.15 (i) directly by the qualified employer for paid family leave benefits on behalf of a
44.16 qualified employee; or

44.17 (ii) to an insurance company to provide paid family leave insurance benefits to a qualified
44.18 employee.

44.19 Subd. 2. Definitions. (a) For purposes of this section, the terms in this subdivision have
44.20 the meanings given.

44.21 (b) "Armed forces" means members of the National Guard and Reserves;

44.22 (c) "Child" means a person who is:

44.23 (1) under 18 years of age, or 18 years of age or older and incapable of self-care because
44.24 of a mental or physical disability; and

44.25 (2) a biological, adopted, or foster son or daughter; a stepson or stepdaughter; a legal
44.26 ward; a son or daughter of a domestic partner; or a son or daughter of a person to whom the
44.27 employee stands in loco parentis.

44.28 (d) "Employee" has the meaning given in section 290.92, subdivision 1, clause (3).

44.29 (e) "Family leave" means leave for any of the following purposes:

44.30 (1) participating in providing care, including physical or psychological care, for a family
44.31 member of the employee made necessary by the family member's serious health condition;

45.1 (2) bonding with the employee's child during the first 12 months after the child's birth,
 45.2 or the first 12 months after the placement of the child for adoption or foster care with the
 45.3 employee; or

45.4 (3) addressing a qualifying exigency, as interpreted under the Family and Medical Leave
 45.5 Act, United States Code, title 29, section 2612(a)(1)(e), and Code of Federal Regulations,
 45.6 title 29, sections 825.126(a)(1) to (8), arising from the fact that the spouse, child, or parent
 45.7 of the employee is on active duty or has been notified of an impending call or order to active
 45.8 duty in the armed forces of the United States.

45.9 (f) "Family member" means a child, spouse, parent, or grandparent as defined in this
 45.10 chapter.

45.11 (g) "Parent" means a biological, foster, or adoptive parent; a stepparent; a legal guardian;
 45.12 or other person who stood in loco parentis to the employee when the employee was a child.

45.13 (h) "Qualified employee" means an employee who has been employed by the qualified
 45.14 employer for one year or more.

45.15 (i) "Qualified employer" means an employer subject to the withholding requirements
 45.16 under section 290.92, including a taxpaying employer referenced in section 268.046, who:

45.17 (1) employs 50 or fewer employees in Minnesota; and

45.18 (2) pays family leave benefits for one or more qualified employees.

45.19 (j) "Serious health condition" means an illness, injury, impairment, or physical or mental
 45.20 condition, including organ or tissue transplant or donation, that involves inpatient care in a
 45.21 hospital, hospice, or residential health care facility, continuing treatment, or continuing
 45.22 supervision by a health care provider as defined in an insurance policy. Continuing
 45.23 supervision by a health care provider includes a period of incapacity that is permanent or
 45.24 long term due to a condition for which treatment may not be effective and where the family
 45.25 member is not receiving active treatment by a health care provider.

45.26 (k) "Tax imposed under this chapter" means the taxes imposed under sections 290.06,
 45.27 290.091, and 290.0921, but excludes the fee under section 290.0922.

45.28 Subd. 3. **Nonresidents and part-year residents.** For a nonresident or part-year resident,
 45.29 the credit must be allocated using the percentage calculated in section 290.06, subdivision
 45.30 2c, paragraph (e).

45.31 Subd. 4. **Partnerships; multiple owners.** Credits granted to a partnership, a limited
 45.32 liability company taxed as a partnership, an S corporation, or multiple owners of property

46.1 are passed through to the partners, members, shareholders, or owners, respectively, pro rata
46.2 to each partner, member, shareholder, or owner based on their share of the entity's assets
46.3 or as specially allocated in their organizational documents or any other executed document,
46.4 as of the last day of the taxable year.

46.5 Subd. 5. **Carryover.** If the credit allowed under subdivision 1 exceeds the tax imposed
46.6 under this chapter, the excess is a credit carryover to each of the five succeeding taxable
46.7 years. The entire amount of the excess unused credit must be carried first to the earliest
46.8 taxable year to which the amount may be carried. The unused portion of the credit must be
46.9 carried to the following taxable year. No credit may be carried to a taxable year more than
46.10 five years after the taxable year in which the credit was earned.

46.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
46.12 31, 2023, and before January 1, 2027.

46.13 Sec. 17. **[290.0693] NEW MARKETS TAX CREDIT.**

46.14 Subdivision 1. **Definitions.** For purposes of this section, terms defined in section 116X.01
46.15 have the meanings given in that section.

46.16 Subd. 2. **Credit allowed.** (a) An entity that makes a qualified equity investment is
46.17 allowed a credit against the tax imposed under this chapter equal to the amount calculated
46.18 under section 116X.01, subdivision 2.

46.19 (b) Tax credits earned by or allocated to a partnership, a limited liability company taxed
46.20 as a partnership, or an S-corporation are passed through to the partners, members,
46.21 shareholders, or owners, respectively, in accordance with the provisions of any agreement
46.22 among such partners, members, shareholders, or owners, or, in the absence of such agreement,
46.23 pro rata to each partner, member, shareholder, or owner based on their share of the entity's
46.24 assets as of the last day of the taxable year. A pass-through of a credit is not considered a
46.25 sale for the purposes of section 116X.01.

46.26 (c) If the amount of the credit under this section exceeds the taxpayer's liability for tax
46.27 under this chapter, the excess is a credit carryover to each of the five succeeding taxable
46.28 years. The entire amount of the excess unused credit for the taxable year must be carried
46.29 first to the earliest of the taxable years to which the credit may be carried and then to each
46.30 successive year to which the credit may be carried. The amount of the unused credit that
46.31 may be added under this paragraph may not exceed the taxpayer's liability for tax, less any
46.32 credit for the current taxable year.

47.1 Subd. 3. **Audit powers.** Notwithstanding the certification eligibility issued by the
47.2 commissioner of employment and economic development under section 116X.01, subdivision
47.3 4, the commissioner may utilize any audit and examination powers under chapter 270C or
47.4 289A to the extent necessary to verify that the taxpayer is eligible for the credit and to assess
47.5 for the amount of any improperly claimed credit.

47.6 Subd. 4. **Sunset.** This section expires at the same time and on the same terms as section
47.7 116X.01, except that the expiration of this section does not affect the commissioner of
47.8 revenue's authority to audit or power of examination and assessment for credits claimed
47.9 under this section.

47.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
47.11 31, 2022, and before January 1, 2031.

47.12 Sec. 18. Minnesota Statutes 2020, section 290.091, subdivision 2, is amended to read:

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

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

47.17 (1) the taxpayer's federal alternative minimum taxable income as defined in section
47.18 55(b)(2) of the Internal Revenue Code;

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

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

47.22 (ii) the medical expense deduction;

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

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

47.25 (3) for depletion allowances computed under section 613A(c) of the Internal Revenue
47.26 Code, with respect to each property (as defined in section 614 of the Internal Revenue Code),
47.27 to the extent not included in federal alternative minimum taxable income, the excess of the
47.28 deduction for depletion allowable under section 611 of the Internal Revenue Code for the
47.29 taxable year over the adjusted basis of the property at the end of the taxable year (determined
47.30 without regard to the depletion deduction for the taxable year);

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

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

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

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

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

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

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

48.14 (ii) an overpayment of state income tax as provided by section 290.0132, subdivision
48.15 3, to the extent included in federal alternative minimum taxable income;

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

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

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

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

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

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

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

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

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

49.6 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 49.7 31, 2022.

49.8 Sec. 19. Minnesota Statutes 2020, section 291.016, subdivision 3, is amended to read:

49.9 Subd. 3. **Subtraction.** (a) ~~For estates of decedents dying after December 31, 2016,~~ A
 49.10 subtraction is allowed in computing the Minnesota taxable estate, equal to the sum of:

49.11 (1) ~~the an~~ exclusion amount for the year of death under paragraph (b) of \$3,000,000;
 49.12 and

49.13 ~~(2) the lesser of:~~

49.14 ~~(i) (2)~~ (2) the value of qualified small business property under section 291.03, subdivision
 49.15 9, and the value of qualified farm property under section 291.03, subdivision 10; or, up to
 49.16 \$2,000,000.

49.17 ~~(ii) \$5,000,000 minus the exclusion amount for the year of death under paragraph (b).~~

49.18 ~~(b) The following exclusion amounts apply for the year of death:~~

49.19 ~~(1) \$2,100,000 for decedents dying in 2017;~~

49.20 ~~(2) \$2,400,000 for decedents dying in 2018;~~

49.21 ~~(3) \$2,700,000 for decedents dying in 2019; and~~

49.22 ~~(4) \$3,000,000 for decedents dying in 2020 and thereafter.~~

49.23 (b) In the case of a decedent that is a surviving spouse there is an additional subtraction
 49.24 allowed in computing the Minnesota taxable estate, a deceased spousal unused exclusion
 49.25 amount, which is equal to the lesser of:

49.26 (1) \$3,000,000; or

49.27 (2) the excess of \$3,000,000 over the amount of the Minnesota taxable estate of the last
 49.28 deceased spouse of the decedent, as defined in Code of Federal Regulations Title 26, section
 49.29 20.2010-1(e)(5), but not including in the taxable estate property described in section 291.03,
 49.30 subdivisions 9 and 10, but in no case less than zero.

50.1 (c) The subtraction under this subdivision must not reduce the Minnesota taxable estate
50.2 to less than zero.

50.3 **EFFECTIVE DATE.** This section is effective for estates of decedents dying after June
50.4 30, 2022.

50.5 Sec. 20. Minnesota Statutes 2020, section 291.03, subdivision 1, is amended to read:

50.6 Subdivision 1. **Tax amount.** The tax imposed must be computed by applying to the
50.7 Minnesota taxable estate the following schedule of rates and then multiplying the resulting
50.8 amount ~~multiplied~~ by a fraction, not greater than one, the numerator of which is the value
50.9 of the Minnesota gross estate plus the value of gifts under section 291.016, subdivision 2,
50.10 clause (3), with a Minnesota situs, and the denominator of which is the federal gross estate
50.11 plus the value of gifts under section 291.016, subdivision 2, clause (3):

50.12 ~~(a) For estates of decedents dying in 2017:~~

50.13	Amount of Minnesota Taxable Estate	Rate of Tax
50.14	Not over \$5,100,000	12 percent
50.15	Over \$5,100,000 but not over \$7,100,000	\$612,000 plus 12.8 percent of the excess over
50.16		\$5,100,000
50.17	Over \$7,100,000 but not over \$8,100,000	\$868,000 plus 13.6 percent of the excess over
50.18		\$7,100,000
50.19	Over \$8,100,000 but not over \$9,100,000	\$1,004,000 plus 14.4 percent of the excess
50.20		over \$8,100,000
50.21	Over \$9,100,000 but not over \$10,100,000	\$1,148,000 plus 15.2 percent of the excess
50.22		over \$9,100,000
50.23	Over \$10,100,000	\$1,300,000 plus 16 percent of the excess over
50.24		\$10,100,000

50.25 ~~(b) For estates of decedents dying in 2018 and thereafter:~~

50.26	Amount of Minnesota Taxable Estate	Rate of Tax
50.27	Not over \$7,100,000	13 percent
50.28	Over \$7,100,000 but not over \$8,100,000	\$923,000 plus 13.6 percent of the excess over
50.29		\$7,100,000
50.30	Over \$8,100,000 but not over \$9,100,000	\$1,059,000 plus 14.4 percent of the excess
50.31		over \$8,100,000
50.32	Over \$9,100,000 but not over \$10,100,000	\$1,203,000 plus 15.2 percent of the excess
50.33		over \$9,100,000
50.34	Over \$10,100,000	\$1,355,000 plus 16 percent of the excess over
50.35		\$10,100,000

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

51.1 Sec. 21. Minnesota Statutes 2020, section 291.03, is amended by adding a subdivision to
51.2 read:

51.3 Subd. 1e. **Election of portability of deceased spousal unused exclusion amounts;**
51.4 **election irrevocable; deemed elections.** (a) A personal representative of a decedent's estate
51.5 may elect, on a return required under section 289A.10, subdivision 1, to allow a decedent's
51.6 surviving spouse to take into account the decedent's deceased spousal unused exclusion
51.7 amount, as provided in section 291.016, subdivision 3, paragraph (b).

51.8 (b) A personal representative of a decedent's estate that is not required to file a return
51.9 under section 289A.10, subdivision 1, may file a return to allow a decedent's surviving
51.10 spouse to take into account the decedent's deceased spousal unused exclusion amount, as
51.11 provided in section 291.016, subdivision 3, paragraph (b). The return is subject to the same
51.12 provisions as a return required under section 289A.10, subdivision 1.

51.13 (c) An election under paragraph (a) or (b) is irrevocable. By filing a return under section
51.14 289A.10, subdivision 1, the personal representative is deemed to have elected portability
51.15 unless the personal representative states affirmatively on the return that the decedent's estate
51.16 is not electing portability. The commissioner may prescribe the form of the election on the
51.17 return.

51.18 **EFFECTIVE DATE.** This section is effective for estates of decedents dying after June
51.19 30, 2022.

51.20 Sec. 22. Minnesota Statutes 2020, section 297I.20, is amended by adding a subdivision
51.21 to read:

51.22 Subd. 6. **New markets tax credit.** A taxpayer may claim a credit against the premiums
51.23 tax imposed under this chapter equal to the amount calculated under section 116X.01,
51.24 subdivision 2. If the amount of the credit exceeds the liability for tax under this chapter, the
51.25 excess is a credit carryover to each of the five succeeding taxable years. The entire amount
51.26 of the excess unused credit for the taxable year must be carried first to the earliest of the
51.27 taxable years to which the credit may be carried and then to each successive year to which
51.28 the credit may be carried. This credit does not affect the calculation of fire state aid under
51.29 section 477B.03 and police state aid under section 477C.03.

51.30 **EFFECTIVE DATE.** This section is effective for premiums received after December
51.31 31, 2022, and before January 1, 2030.

52.1 Sec. 23. **PRECEPTOR CREDIT.**

52.2 **Subdivision 1. Credit allowed.** (a) An individual who qualifies as a preceptor under
52.3 this section is allowed a credit against the tax imposed by Minnesota Statutes, chapter 290.

52.4 The credit equals:

52.5 (1) \$2,500 for an individual who served as a preceptor for at least four weeks or 160
52.6 hours but not more than seven weeks or 280 hours during the taxable year;

52.7 (2) \$3,750 for an individual who served as a preceptor for at least eight weeks or 320
52.8 hours but not more than 11 weeks or 440 hours during the taxable year; and

52.9 (3) \$5,000 for an individual who served as a preceptor for at least 12 weeks or 480 hours
52.10 during the taxable year.

52.11 (b) For purposes of this section, a "preceptor" means an advanced practice registered
52.12 nurse, physician assistant, or mental health professional who:

52.13 (1) served as a health professions student preceptor or medical resident preceptor for at
52.14 least four weeks or 160 hours during the taxable year; and

52.15 (2) received no additional compensation for serving as a preceptor to an advanced practice
52.16 registered nurse, physician assistant, or mental health professional student.

52.17 (c) If the amount of the credit that an individual is eligible to receive under this section
52.18 exceeds the individual's tax liability under Minnesota Statutes, chapter 290, the commissioner
52.19 of revenue shall refund the excess to the taxpayer.

52.20 (d) For a nonresident or part-year resident taxpayer, the credit must be allocated based
52.21 on the percentage calculated under Minnesota Statutes, section 290.06, subdivision 2c,
52.22 paragraph (e).

52.23 (e) The commissioner of revenue, in consultation with the commissioner of health, shall
52.24 prescribe the form and manner in which the credit must be claimed.

52.25 **Subd. 2. Appropriation.** An amount sufficient to pay the refunds required by this section
52.26 is appropriated to the commissioner of revenue from the general fund.

52.27 **Subd. 3. Report.** (a) By March 1, 2026, the commissioner of revenue, in consultation
52.28 with the commissioner of health, shall issue a report to the chairs and ranking minority
52.29 members of the committees of the house of representatives and senate with jurisdiction over
52.30 taxes, higher education, and health and human services detailing:

52.31 (1) the number of preceptors claiming the credit;

- 53.1 (2) the average amount of credits claimed;
- 53.2 (3) the geographical distribution by county of the location of the preceptor's services;
- 53.3 (4) the professions of the preceptor and the students served by the preceptor; and
- 53.4 (5) the impact of the tax credit on the availability of preceptors in Minnesota.

53.5 (b) The report required under this subdivision must comply with Minnesota Statutes,
 53.6 sections 3.195 and 3.197.

53.7 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 53.8 31, 2022, and before January 1, 2026.

53.9 Sec. 24. **REPEALER.**

53.10 (a) Minnesota Statutes 2020, sections 290.0131, subdivision 15; and 290.0674,
 53.11 subdivision 2a, are repealed.

53.12 (b) Minnesota Statutes 2021 Supplement, section 290.0681, subdivision 10, is repealed.

53.13 **EFFECTIVE DATE.** Paragraph (a) is effective for taxable years beginning after
 53.14 December 31, 2021. Paragraph (b) is effective the day following final enactment.

53.15 **ARTICLE 3**

53.16 **SALES AND USE TAXES**

53.17 Section 1. Minnesota Statutes 2020, section 297A.67, subdivision 35, is amended to read:

53.18 Subd. 35. **Suite licenses.** The sale of the privilege of admission under section 297A.61,
 53.19 subdivision 3, paragraph (g), clause (1), to a place of amusement or athletic event does not
 53.20 include consideration paid for a license to use a private suite, private skybox, or private box
 53.21 seat, and the sale of the license is exempt provided that: (1) the lessee may use the private
 53.22 suite, private skybox, or private box seat by mutual arrangement with the lessor on days
 53.23 when there is no amusement or athletic event; and (2) the sales price for the privilege of
 53.24 admission is separately stated and is equal to or greater than the highest priced general
 53.25 admission ticket for the closest seat not in the private suite, private skybox, or private box
 53.26 seat. The sale of food and beverages for consumption in a private suite, private skybox, or
 53.27 private box seat must be taxable to the extent provided under this chapter, but these taxable
 53.28 sales do not invalidate the exemption in this subdivision.

53.29 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
 53.30 30, 2023.

54.1 Sec. 2. Minnesota Statutes 2021 Supplement, section 297A.67, subdivision 38, is amended
54.2 to read:

54.3 Subd. 38. **Season ticket purchasing rights to collegiate events.** (a) The sale of a right
54.4 to purchase the privilege of admission to a college or university athletic event in a preferred
54.5 viewing location for a season of a particular athletic event is exempt provided that:

54.6 (1) the consideration paid for the right to purchase is used entirely to support student
54.7 scholarships, wellness, and academic costs;

54.8 (2) the consideration paid for the right to purchase is separately stated from the admission
54.9 price; and

54.10 (3) the admission price is equal to or greater than the highest priced general admission
54.11 ticket for the closest seat not in the preferred viewing location.

54.12 (b) The sale of food and beverages for consumption in a preferred seating location must
54.13 be taxable to the extent provided under this chapter, but these taxable sales do not invalidate
54.14 the exemption in this subdivision.

54.15 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
54.16 30, 2023.

54.17 Sec. 3. Minnesota Statutes 2020, section 297A.68, is amended by adding a subdivision to
54.18 read:

54.19 Subd. 46. **Certain amenities included with privilege of admission.** Amenities included
54.20 in the sales price of the privilege of admission under section 297A.61, subdivision 3,
54.21 paragraph (m), are exempt when purchased by a taxpayer selling the privilege of admission.

54.22 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
54.23 30, 2023.

54.24 Sec. 4. Minnesota Statutes 2020, section 297A.69, subdivision 4, is amended to read:

54.25 Subd. 4. **Machinery, equipment, and fencing.** The following machinery, equipment,
54.26 and fencing is exempt:

54.27 (1) farm machinery;

54.28 (2) logging equipment, including chain saws used for commercial logging;

54.29 (3) fencing;

55.1 (i) used for the containment of farmed Cervidae, as defined in section 35.153, subdivision
55.2 3; or

55.3 (ii) on property classified as class 2a under section 273.13, subdivision 23;

55.4 (4) primary and backup generator units used to generate electricity for the purpose of
55.5 operating farm machinery, aquacultural production equipment, or logging equipment, or
55.6 providing light or space heating necessary for the production of livestock, dairy animals,
55.7 dairy products, or poultry and poultry products; and

55.8 (5) aquaculture production equipment.

55.9 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
55.10 made after June 30, 2021.

55.11 Sec. 5. Minnesota Statutes 2020, section 297A.70, is amended by adding a subdivision to
55.12 read:

55.13 Subd. 22. **Animal shelters.** (a) For purposes of this subdivision, the term "animal shelter"
55.14 means a nonprofit organization engaged in the business of rescuing, sheltering, and finding
55.15 homes for unwanted animals.

55.16 (b) Purchases made by an animal shelter are exempt if the purchases are used directly
55.17 in the activities of rescuing, sheltering, and finding homes for unwanted animals. The
55.18 exemption under this paragraph does not apply to the following purchases:

55.19 (1) building, construction, or reconstruction materials purchased by a contractor or a
55.20 subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed
55.21 maximum price covering both labor and materials for use in the construction, alteration, or
55.22 repair of a building or facility;

55.23 (2) construction materials purchased by an animal shelter or their contractors to be used
55.24 in constructing buildings or facilities that will not be used principally by the tax-exempt
55.25 entities;

55.26 (3) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2),
55.27 and prepared food, candy, soft drinks, and alcoholic beverages as defined in section 297A.67,
55.28 subdivision 2; and

55.29 (4) leasing of a motor vehicle as defined in section 297B.01, subdivision 11.

55.30 (c) The sale or adoption of unwanted animals by an animal shelter and the sale of
55.31 associated animal supplies and equipment by an animal shelter are exempt.

56.1 (d) Sales made by and events run by an animal shelter for fund-raising purposes are
 56.2 exempt. Exempt sales include the sale of prepared food, candy, and soft drinks at a
 56.3 fund-raising event. The exemption under this paragraph is subject to the following limits:

56.4 (1) gross receipts from all fund-raising sales are taxable if the total fund-raising by the
 56.5 animal shelter exceeds 24 days per year;

56.6 (2) it does not apply to fund-raising events conducted on premises leased for more than
 56.7 five days but less than 30 days; and

56.8 (3) it does not apply to admission charges for events involving bingo or other gambling
 56.9 activities or to charges for use of amusement devices involving bingo or other gambling
 56.10 activities.

56.11 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
 56.12 30, 2022.

56.13 Sec. 6. Minnesota Statutes 2020, section 297A.71, is amended by adding a subdivision to
 56.14 read:

56.15 Subd. 55. **Building, repair, or replacement materials; farm fencing material.** Materials
 56.16 and supplies used or consumed in, and equipment incorporated into, the construction,
 56.17 improvement, repair, or replacement of farm fencing material that is not exempt under
 56.18 section 297A.69, subdivision 4, are exempt.

56.19 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
 56.20 made after June 30, 2021.

56.21 Sec. 7. **SALES AND USE TAX EXEMPTION; CERTAIN NATURAL GAS FEES.**

56.22 Subdivision 1. **Exemption.** Notwithstanding Minnesota Statutes, section 297A.67,
 56.23 subdivision 15, clause (2), fees related to natural gas sold for residential use to customers
 56.24 who were metered and billed as residential users and who used natural gas for their primary
 56.25 source of residential heat are exempt for purposes of the billing periods May to October,
 56.26 provided that:

56.27 (1) the fee for the natural gas is subject to a cost recovery plan for the price increase in
 56.28 natural gas during the period February 13, 2021, to February 17, 2021, identified in docket
 56.29 G-199/CI-21-135 before the Minnesota Public Utilities Commission; and

56.30 (2) the fee is separately stated and labeled as a fee pursuant to a cost recovery plan under
 56.31 clause (1).

57.1 Subd. 2. **Application; refund.** (a) By October 1, 2022, each utility must apply to the
 57.2 commissioner of revenue for a refund of sales taxes collected and remitted pursuant to
 57.3 Minnesota Statutes, section 297A.77, on fees for sales and purchases of natural gas subject
 57.4 to a cost recovery plan under subdivision 1, clause (1), that were added to residential
 57.5 customers' bills for the period beginning September 1, 2021, and ending June 30, 2022.

57.6 (b) The provisions of Minnesota Statutes, section 289A.50, subdivision 2, except for
 57.7 paragraph (c), apply to refunds issued under this subdivision. For purposes of this subdivision,
 57.8 "utility" means a utility subject to the cost recovery plan under subdivision 1, clause (1).
 57.9 Within 90 days after the date the commissioner issues the refund under Minnesota Statutes,
 57.10 section 289A.50, subdivision 2, paragraph (a), to the utility:

57.11 (1) the utility must provide a plan to the Minnesota Public Utilities Commission for
 57.12 crediting taxes exempt under subdivision 1 to residential customers; and

57.13 (2) any amount not refunded or credited to a residential customer by a utility must be
 57.14 returned to the commissioner by the utility.

57.15 **EFFECTIVE DATE.** This section is effective retroactively for fees applied to sales
 57.16 and purchases of natural gas made after February 12, 2021, and before February 18, 2021,
 57.17 that are billed from September 1, 2021, to December 31, 2026.

57.18 **ARTICLE 4**

57.19 **PROPERTY TAXES**

57.20 Section 1. Minnesota Statutes 2020, section 272.01, subdivision 2, is amended to read:

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

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

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

58.1 (2) except as provided in paragraph (c), property of an airport owned by a city, town,
58.2 county, or group thereof which is:

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

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

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

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

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

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

58.14 (4) except as provided in paragraph (d), property constituting or used as a passenger
58.15 check-in area or ticket sale counter, boarding area, or luggage claim area in connection with
58.16 a public airport ~~but not the airports owned or operated by the Metropolitan Airports
58.17 Commission or cities of over 50,000 population or an airport authority therein. Real estate
58.18 owned by a municipality in connection with the operation of a public airport and leased or
58.19 used for agricultural purposes is not exempt;~~

58.20 (5) property leased, loaned, or otherwise made available to a private individual,
58.21 corporation, or association under a cooperative farming agreement made pursuant to section
58.22 97A.135; or

58.23 (6) property leased, loaned, or otherwise made available to a private individual,
58.24 corporation, or association under section 272.68, subdivision 4.

58.25 (c) The exception from taxation provided in paragraph (b), clause (2), does not apply
58.26 to:

58.27 (1) property located at an airport owned or operated by:

58.28 (i) the Metropolitan Airports Commission; or

58.29 (ii) a city of over 50,000 population according to the most recent federal census or such
58.30 a city's airport authority, except that, when calculating the tax imposed by this subdivision
58.31 for property taxes payable in 2023 through 2034, the net tax capacity of such property is
58.32 reduced by 50 percent if it is owned or operated by a city over 50,000 but under 150,000

- 59.1 in population according to the most recent federal census or such a city's airport authority;
 59.2 or
- 59.3 (2) hangars leased by a private individual, association, or corporation in connection with
 59.4 a business conducted for profit other than an aviation-related business.
- 59.5 (d) The exception from taxation provided in paragraph (b), clause (4), does not apply
 59.6 to:
- 59.7 (1) the property described in paragraph (b), clause (4), at airports that are owned or
 59.8 operated by:
- 59.9 (i) the Metropolitan Airports Commission; or
- 59.10 (ii) a city of over 50,000 population or an airport authority therein, except that, when
 59.11 calculating the tax imposed by this subdivision for property taxes payable in 2023 through
 59.12 2034, the net tax capacity of such property is reduced by 50 percent if it is owned or operated
 59.13 by a city over 50,000 but under 150,000 in population according to the most recent federal
 59.14 census or such a city's airport authority; or
- 59.15 (2) real estate owned by a municipality in connection with the operation of a public
 59.16 airport and leased or used for agricultural purposes.
- 59.17 ~~(e)~~ (e) Taxes imposed by this subdivision are payable as in the case of personal property
 59.18 taxes and shall be assessed to the lessees or users of real or personal property in the same
 59.19 manner as taxes assessed to owners of real or personal property, except that such taxes shall
 59.20 not become a lien against the property. When due, the taxes shall constitute a debt due from
 59.21 the lessee or user to the state, township, city, county, and school district for which the taxes
 59.22 were assessed and shall be collected in the same manner as personal property taxes. If
 59.23 property subject to the tax imposed by this subdivision is leased or used jointly by two or
 59.24 more persons, each lessee or user shall be jointly and severally liable for payment of the
 59.25 tax.
- 59.26 ~~(d)~~ (f) The tax on real property of the federal government, the state or any of its political
 59.27 subdivisions that is leased, loaned, or otherwise made available to a private individual,
 59.28 association, or corporation and becomes taxable under this subdivision or other provision
 59.29 of law must be assessed and collected as a personal property assessment. The taxes do not
 59.30 become a lien against the real property.
- 59.31 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2023.

60.1 Sec. 2. Minnesota Statutes 2020, section 272.02, subdivision 98, is amended to read:

60.2 Subd. 98. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

60.3 (1) was classified as 3a under section 273.13, subdivision 24, for taxes payable in 2013;

60.4 (2) is located in a city of the first class with a population greater than 300,000 as of the
60.5 2010 federal census;

60.6 (3) was on January 2, 2012, and is for the current assessment owned by a federally
60.7 recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota;
60.8 and

60.9 (4) is used exclusively for tribal purposes or institutions of purely public charity as
60.10 defined in subdivision 7.

60.11 (b) For purposes of this subdivision, a "tribal purpose" means a public purpose as defined
60.12 in subdivision 8 and includes noncommercial tribal government activities. Property that
60.13 qualifies for the exemption under this subdivision is limited to no more than two contiguous
60.14 parcels and structures that do not exceed in the aggregate 20,000 square feet. Property
60.15 acquired for single-family housing, market-rate apartments, agriculture, or forestry does
60.16 not qualify for this exemption. The exemption created by this subdivision expires with taxes
60.17 payable in ~~2024~~ 2034.

60.18 (c) Property exempt under this section is exempt from the requirements of section
60.19 272.025.

60.20 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2022.

60.21 Sec. 3. Minnesota Statutes 2020, section 272.02, is amended by adding a subdivision to
60.22 read:

60.23 Subd. 105. **Energy storage systems.** (a) Personal property consisting of an energy
60.24 storage system is exempt. For the purposes of this subdivision, "energy storage system" has
60.25 the meaning given in section 216B.2422, subdivision 1, paragraph (f).

60.26 (b) A taxpayer requesting an exemption under this subdivision must file an application
60.27 with the commissioner of revenue. The commissioner shall prescribe the content, format,
60.28 and manner of the application pursuant to section 270C.30, except that a "law administered
60.29 by the commissioner" includes the property tax laws. In determining eligibility for the
60.30 exemption under this section, the commissioner of revenue may request information and
60.31 advice from the commissioner of commerce. On determining that property qualifies for
60.32 exemption, the commissioner of revenue shall issue an order exempting the property from

61.1 taxation. The commissioner of revenue shall develop an electronic means to notify interested
61.2 parties when the commissioner has issued an order exempting property from taxation under
61.3 this section. The energy storage system shall continue to be exempt from taxation as long
61.4 as the order issued by the commissioner of revenue remains in effect.

61.5 (c) The exemption under this section expires with taxes payable in 2033.

61.6 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

61.7 Sec. 4. Minnesota Statutes 2020, section 272.025, subdivision 1, is amended to read:

61.8 Subdivision 1. **Statement of exemption.** (a) Except in the case of property owned by
61.9 the state of Minnesota or any political subdivision thereof, a taxpayer claiming an exemption
61.10 from taxation on property described in section 272.02 must file a statement of exemption
61.11 with the assessor of the assessment district in which the property is located. By January 2,
61.12 2018, and each third year thereafter, the commissioner of revenue shall publish on its website
61.13 a list of the exemptions for which a taxpayer claiming an exemption must file a statement
61.14 of exemption. The commissioner's requirement that a taxpayer file a statement of exemption
61.15 pursuant to this subdivision shall not be considered a rule and is not subject to the
61.16 Administrative Procedure Act, chapter 14.

61.17 (b) A taxpayer claiming an exemption from taxation on property described in section
61.18 272.02, subdivision 10 and 105, must file a statement of exemption with the commissioner
61.19 of revenue, on or before February 15 of each year for which the taxpayer claims an
61.20 exemption.

61.21 (c) In case of sickness, absence or other disability or for good cause, the assessor or the
61.22 commissioner may extend the time for filing the statement of exemption for a period not to
61.23 exceed 60 days.

61.24 (d) The commissioner of revenue shall prescribe the content, format, and manner of the
61.25 statement of exemption pursuant to section 270C.30, except that a "law administered by
61.26 the commissioner" includes the property tax laws.

61.27 (e) If a statement is made by electronic means, the taxpayer's signature is defined pursuant
61.28 to section 270C.304, except that a "law administered by the commissioner" includes the
61.29 property tax laws.

61.30 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023
61.31 and thereafter.

62.1 Sec. 5. Minnesota Statutes 2020, section 273.032, is amended to read:

62.2 **273.032 MARKET VALUE DEFINITION.**

62.3 (a) Unless otherwise provided, for the purpose of determining any property tax levy
62.4 limitation based on market value or any limit on net debt, the issuance of bonds, certificates
62.5 of indebtedness, or capital notes based on market value, any qualification to receive state
62.6 aid based on market value, or any state aid amount based on market value, the terms "market
62.7 value," "estimated market value," and "market valuation," whether equalized or unequalized,
62.8 mean the estimated market value of taxable property within the local unit of government
62.9 before any of the following or similar adjustments for:

62.10 (1) the market value exclusions under:

62.11 (i) section 273.11, subdivisions 14a and 14c (vacant platted land);

62.12 (ii) section 273.11, subdivision 16 (certain improvements to homestead property);

62.13 (iii) section 273.11, subdivisions 19 and 20 (certain improvements to business properties);

62.14 (iv) section 273.11, subdivision 21 (homestead property damaged by mold);

62.15 (v) section 273.13, subdivision 34 (homestead of a veteran with a disability or family
62.16 caregiver); ~~or~~

62.17 (vi) section 273.13, subdivision 35 (homestead market value exclusion); or

62.18 (vii) section 273.13, subdivision 36 (affordable housing market value exclusion); or

62.19 (2) the deferment of value under:

62.20 (i) the Minnesota Agricultural Property Tax Law, section 273.111;

62.21 (ii) the Aggregate Resource Preservation Law, section 273.1115;

62.22 (iii) the Minnesota Open Space Property Tax Law, section 273.112;

62.23 (iv) the rural preserves property tax program, section 273.114; or

62.24 (v) the Metropolitan Agricultural Preserves Act, section 473H.10; or

62.25 (3) the adjustments to tax capacity for:

62.26 (i) tax increment financing under sections 469.174 to 469.1794;

62.27 (ii) fiscal disparities under chapter 276A or 473F; or

62.28 (iii) powerline credit under section 273.425.

63.1 (b) Estimated market value under paragraph (a) also includes the market value of
 63.2 tax-exempt property if the applicable law specifically provides that the limitation,
 63.3 qualification, or aid calculation includes tax-exempt property.

63.4 (c) Unless otherwise provided, "market value," "estimated market value," and "market
 63.5 valuation" for purposes of property tax levy limitations and calculation of state aid, refer
 63.6 to the estimated market value for the previous assessment year and for purposes of limits
 63.7 on net debt, the issuance of bonds, certificates of indebtedness, or capital notes refer to the
 63.8 estimated market value as last finally equalized.

63.9 (d) For purposes of a provision of a home rule charter or of any special law that is not
 63.10 codified in the statutes and that imposes a levy limitation based on market value or any limit
 63.11 on debt, the issuance of bonds, certificates of indebtedness, or capital notes based on market
 63.12 value, the terms "market value," "taxable market value," and "market valuation," whether
 63.13 equalized or unequalized, mean "estimated market value" as defined in paragraph (a).

63.14 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

63.15 Sec. 6. Minnesota Statutes 2020, section 273.11, subdivision 23, is amended to read:

63.16 Subd. 23. **First tier valuation limit; agricultural homestead property.** (a) The
 63.17 commissioner of revenue shall annually certify the first tier limit for agricultural homestead
 63.18 property. For assessment year ~~2010~~ 2023, the limit is ~~\$1,140,000~~ \$2,500,000. Beginning
 63.19 with assessment year ~~2011~~ 2024, the limit is the product of (i) the first tier limit for the
 63.20 preceding assessment year, and (ii) the ratio of the statewide average taxable market value
 63.21 of agricultural property per acre of deeded farm land in the preceding assessment year to
 63.22 the statewide average taxable market value of agricultural property per acre of deeded farm
 63.23 land for the second preceding assessment year. The limit shall be rounded to the nearest
 63.24 \$10,000.

63.25 (b) For the purposes of this subdivision, "agricultural property" means all class 2a
 63.26 property under section 273.13, subdivision 23, except for property consisting of the house,
 63.27 garage, and immediately surrounding one acre of land of an agricultural homestead.

63.28 (c) The commissioner shall certify the limit by January 2 of each assessment year.

63.29 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

64.1 Sec. 7. Minnesota Statutes 2020, section 273.128, is amended by adding a subdivision to
64.2 read:

64.3 Subd. 1a. **Approval.** A property owner must receive approval by resolution of the
64.4 governing body of the city or town where the property is located before submitting an initial
64.5 application to the Housing Finance Agency, as required under subdivision 2, for property
64.6 that has not, in whole or in part, been classified as class 4d under section 273.13, subdivision
64.7 25, prior to assessment year 2023. A property owner that receives approval as required
64.8 under this subdivision, and the certification made under subdivision 3, shall not be required
64.9 to seek approval under this subdivision prior to submitting an application under subdivision
64.10 2 in each subsequent year.

64.11 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

64.12 Sec. 8. Minnesota Statutes 2020, section 273.128, subdivision 2, is amended to read:

64.13 **Subd. 2. Application.** (a) Application for certification under this section must be filed
64.14 by March 31 of the levy year, or at a later date if the Housing Finance Agency deems
64.15 practicable. The application must be filed with the Housing Finance Agency, on a form
64.16 prescribed by the agency, and must contain the information required by the Housing Finance
64.17 Agency.

64.18 (b) Each application must include:

64.19 (1) the property tax identification number; and

64.20 (2) evidence that the property meets the requirements of ~~subdivision~~ subdivisions 1 and
64.21 1a.

64.22 (c) The Housing Finance Agency may charge an application fee approximately equal
64.23 to the costs of processing and reviewing the applications but not to exceed \$10 per unit. If
64.24 imposed, the applicant must pay the application fee to the Housing Finance Agency. The
64.25 fee must be deposited in the housing development fund.

64.26 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

64.27 Sec. 9. **[273.129] AFFORDABLE HOUSING MARKET VALUE EXCLUSION**
64.28 **PROGRAM; ESTABLISHMENT.**

64.29 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
64.30 the meanings given, unless otherwise indicated.

65.1 (b) "Governing body" means, with respect to a city, a city council, with respect to a
65.2 town, a town board, and with respect to an unorganized territory, the county board acting
65.3 on behalf of the unorganized territory.

65.4 (c) "Market value" has the meaning given in section 272.03, subdivision 8.

65.5 (d) "Municipality" means a statutory or home rule charter city, a township, or unorganized
65.6 territory.

65.7 (e) "Property" means a residential rental housing property classified as class 4a under
65.8 section 273.13, subdivision 25, a portion of which is occupied by residents meeting the
65.9 income requirement under subdivision 4.

65.10 Subd. 2. **Establishment.** An affordable housing market value exclusion program is
65.11 established to promote the development of affordable rental properties in the state. Eligible
65.12 properties located in participating municipalities are eligible to receive a market value
65.13 exclusion of 50 percent.

65.14 Subd. 3. **Approval.** (a) A governing body may, upon approval by a majority vote of its
65.15 members, adopt a resolution agreeing to participate in the affordable housing market value
65.16 exclusion program. Prior to approval, the governing body must publish notice of its intent
65.17 to discuss the resolution at a regularly scheduled meeting, in a newspaper with general
65.18 circulation in the city or on the municipality's website, not less than 30 days prior to the
65.19 meeting. The notice must include the date, time, and location of the meeting at which the
65.20 program will be discussed and public input allowed.

65.21 (b) After a governing body has adopted a resolution agreeing to participate in the program,
65.22 the governing body must adopt a separate resolution, subject to the same voting, notice, and
65.23 public hearing requirements under paragraph (a), for each property the governing body
65.24 approves to receive the affordable housing market value exclusion. The resolution must
65.25 state the property qualifies for a valuation exclusion of 50 percent, and that shall remain
65.26 the same each year, subject to the duration limit under subdivision 5.

65.27 (c) After a governing body has adopted the property-specific resolution as required under
65.28 paragraph (b), the governing body, other than the county board acting on behalf of an
65.29 unorganized territory, must provide the county board with a copy of the resolution for each
65.30 property the local government approved to receive the affordable housing market value
65.31 exclusion, along with information relating to the fiscal implications resulting from the
65.32 approved exclusion. The county board may request additional information from the local
65.33 government that the board deems necessary. The county board must approve, by a majority
65.34 vote of its members, the affordable housing market value exclusion for each property within

66.1 60 days of receipt. If a county board fails to approve the exclusion within 60 days of receipt,
66.2 or if the county board affirmatively denies approval of the exclusion, the property shall not
66.3 receive the affordable housing market value exclusion.

66.4 Subd. 4. Eligibility. (a) A property located in a participating municipality is eligible for
66.5 the affordable housing market value exclusion applied under section 273.13, subdivision
66.6 36, if:

66.7 (1) the property is not classified in whole or in part as class 4d under section 273.13,
66.8 subdivision 25;

66.9 (2) construction of the property began on or after January 1, 2023; and

66.10 (3) the Minnesota Housing Finance Agency certifies to the county or local assessor that:

66.11 (i) at least 20 percent of the units in the property are available for residents whose
66.12 household income at the time of initial occupancy does not exceed 60 percent of area median
66.13 income, adjusted for family size, as determined by the United States Department of Housing
66.14 and Urban Development;

66.15 (ii) at least 80 percent of the available units in the property are occupied by residents
66.16 meeting the income requirement; and

66.17 (iii) any unoccupied available units are being actively marketed toward persons meeting
66.18 the income requirements, as attested by the property owner.

66.19 (b) By February 1 each assessment year, an application for certification under this
66.20 subdivision must be filed by the property owner to the Minnesota Housing Finance Agency.
66.21 The property owner must provide a copy of the application to the county or city assessor.
66.22 The application must be filed on a form prescribed by the agency and must contain the
66.23 property tax identification number, evidence that the property meets the requirements of
66.24 paragraph (a), a copy of the property-specific approval by the county board if required, and
66.25 any other information necessary for the Minnesota Housing Finance Agency to determine
66.26 eligibility. The Minnesota Housing Finance Agency may charge an application fee
66.27 approximately equal to the costs of processing and reviewing the applications. If imposed,
66.28 the applicant must pay the application fee to the Minnesota Housing Finance Agency and
66.29 the fee must be deposited in the housing development fund.

66.30 (c) By April 1 each assessment year, the Minnesota Housing Finance Agency must
66.31 certify to the appropriate county or city assessor:

66.32 (1) the specific properties, identified by parcel identification numbers, that are eligible
66.33 under this section to receive the exclusion for the current assessment year; and

67.1 (2) the specific properties, identified by parcel identification numbers, that received the
 67.2 exclusion in the previous assessment year but no longer meet the requirements under this
 67.3 section.

67.4 In making the certification, the Minnesota Housing Finance Agency must rely on the property
 67.5 owner's application and any other supporting information that the agency deems necessary.

67.6 Subd. 5. **Duration.** The governing body of a participating municipality shall determine
 67.7 the duration of the affordable housing market value exclusion for each eligible property,
 67.8 provided that the exclusion applies for at least ten but not more than 20 assessment years,
 67.9 except that when a property no longer meets the requirements of subdivision 4, the exclusion
 67.10 shall be removed for the current assessment year.

67.11 Subd. 6. **Expiration.** The affordable housing market value exclusion program expires
 67.12 on December 31, 2030. A property that has not received the required approval under
 67.13 subdivision 3 by December 31, 2030, shall not receive the exclusion.

67.14 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

67.15 Sec. 10. Minnesota Statutes 2020, section 273.13, subdivision 22, is amended to read:

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

67.21 The first \$500,000 of market value of class 1a property has a net classification rate of
 67.22 one percent of its market value; and the market value of class 1a property that exceeds
 67.23 \$500,000 has a classification rate of 1.25 percent of its market value.

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

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

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

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

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

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

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

68.14 (c) Class 1c property is commercial use real and personal property that abuts public
68.15 water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by
68.16 the Department of Natural Resources, and is devoted to temporary and seasonal residential
68.17 occupancy for recreational purposes but not devoted to commercial purposes for more than
68.18 250 days in the year preceding the year of assessment, and that includes a portion used as
68.19 a homestead by the owner, which includes a dwelling occupied as a homestead by a
68.20 shareholder of a corporation that owns the resort, a partner in a partnership that owns the
68.21 resort, or a member of a limited liability company that owns the resort even if the title to
68.22 the homestead is held by the corporation, partnership, or limited liability company. For
68.23 purposes of this paragraph, property is devoted to a commercial purpose on a specific day
68.24 if any portion of the property, excluding the portion used exclusively as a homestead, is
68.25 used for residential occupancy and a fee is charged for residential occupancy. Class 1c
68.26 property must contain three or more rental units. A "rental unit" is defined as a cabin,
68.27 condominium, townhouse, sleeping room, or individual camping site equipped with water
68.28 and electrical hookups for recreational vehicles. Class 1c property must provide recreational
68.29 activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill
68.30 or cross-country ski equipment; provide marina services, launch services, or guide services;
68.31 or sell bait and fishing tackle. Any unit in which the right to use the property is transferred
68.32 to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies
68.33 for class 1c even though it may remain available for rent. A camping pad offered for rent
68.34 by a property that otherwise qualifies for class 1c is also class 1c, regardless of the term of
68.35 the rental agreement, as long as the use of the camping pad does not exceed 250 days. If

69.1 the same owner owns two separate parcels that are located in the same township, and one
69.2 of those properties is classified as a class 1c property and the other would be eligible to be
69.3 classified as a class 1c property if it was used as the homestead of the owner, both properties
69.4 will be assessed as a single class 1c property; for purposes of this sentence, properties are
69.5 deemed to be owned by the same owner if each of them is owned by a limited liability
69.6 company, and both limited liability companies have the same membership. The portion of
69.7 the property used as a homestead is class 1a property under paragraph (a). The remainder
69.8 of the property is classified as follows: the first ~~\$600,000~~ \$850,000 of market value is tier
69.9 I, the next ~~\$1,700,000~~ \$2,250,000 of market value is tier II, and any remaining market value
69.10 is tier III. The classification rates for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent;
69.11 and tier III, 1.25 percent. Owners of real and personal property devoted to temporary and
69.12 seasonal residential occupancy for recreation purposes in which all or a portion of the
69.13 property was devoted to commercial purposes for not more than 250 days in the year
69.14 preceding the year of assessment desiring classification as class 1c, must submit a declaration
69.15 to the assessor designating the cabins or units occupied for 250 days or less in the year
69.16 preceding the year of assessment by January 15 of the assessment year. Those cabins or
69.17 units and a proportionate share of the land on which they are located must be designated as
69.18 class 1c as otherwise provided. The remainder of the cabins or units and a proportionate
69.19 share of the land on which they are located must be designated as class 3a commercial. The
69.20 owner of property desiring designation as class 1c property must provide guest registers or
69.21 other records demonstrating that the units for which class 1c designation is sought were not
69.22 occupied for more than 250 days in the year preceding the assessment if so requested. The
69.23 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center
69.24 or meeting room, and (5) other nonresidential facility operated on a commercial basis not
69.25 directly related to temporary and seasonal residential occupancy for recreation purposes
69.26 does not qualify for class 1c.

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

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

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

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

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

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

70.5 **EFFECTIVE DATE.** This section is effective for taxes payable in 2023 and thereafter.

70.6 Sec. 11. Minnesota Statutes 2021 Supplement, section 273.13, subdivision 25, is amended
70.7 to read:

70.8 Subd. 25. **Class 4.** (a) Class 4a is residential real estate containing four or more units
70.9 and used or held for use by the owner or by the tenants or lessees of the owner as a residence
70.10 for rental periods of 30 days or more, excluding property qualifying for class 4d. Class 4a
70.11 also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt
70.12 under section 272.02, and contiguous property used for hospital purposes, without regard
70.13 to whether the property has been platted or subdivided. The market value of class 4a property
70.14 has a classification rate of 1.25 percent.

70.15 (b) Class 4b includes:

70.16 (1) residential real estate containing less than four units, including property rented as a
70.17 short-term rental property for more than 14 days in the preceding year, that does not qualify
70.18 as class 4bb, other than seasonal residential recreational property;

70.19 (2) manufactured homes not classified under any other provision;

70.20 (3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm
70.21 classified under subdivision 23, paragraph (b) containing two or three units; and

70.22 (4) unimproved property that is classified residential as determined under subdivision
70.23 33.

70.24 For the purposes of this paragraph, "short-term rental property" means nonhomestead
70.25 residential real estate rented for periods of less than 30 consecutive days.

70.26 The market value of class 4b property has a classification rate of 1.25 percent.

70.27 (c) Class 4bb includes:

70.28 (1) nonhomestead residential real estate containing one unit, other than seasonal
70.29 residential recreational property;

70.30 (2) a single family dwelling, garage, and surrounding one acre of property on a
70.31 nonhomestead farm classified under subdivision 23, paragraph (b); and

71.1 (3) a condominium-type storage unit having an individual property identification number
71.2 that is not used for a commercial purpose.

71.3 Class 4bb property has the same classification rates as class 1a property under subdivision
71.4 22.

71.5 Property that has been classified as seasonal residential recreational property at any time
71.6 during which it has been owned by the current owner or spouse of the current owner does
71.7 not qualify for class 4bb.

71.8 (d) Class 4c property includes:

71.9 (1) except as provided in subdivision 22, paragraph (c), real and personal property
71.10 devoted to commercial temporary and seasonal residential occupancy for recreation purposes,
71.11 for not more than 250 days in the year preceding the year of assessment. For purposes of
71.12 this clause, property is devoted to a commercial purpose on a specific day if any portion of
71.13 the property is used for residential occupancy, and a fee is charged for residential occupancy.
71.14 Class 4c property under this clause must contain three or more rental units. A "rental unit"
71.15 is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site
71.16 equipped with water and electrical hookups for recreational vehicles. A camping pad offered
71.17 for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c
71.18 under this clause regardless of the term of the rental agreement, as long as the use of the
71.19 camping pad does not exceed 250 days. In order for a property to be classified under this
71.20 clause, either (i) the business located on the property must provide recreational activities,
71.21 at least 40 percent of the annual gross lodging receipts related to the property must be from
71.22 business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid
71.23 bookings by lodging guests during the year must be for periods of at least two consecutive
71.24 nights; or (B) at least 20 percent of the annual gross receipts must be from charges for
71.25 providing recreational activities, or (ii) the business must contain 20 or fewer rental units,
71.26 and must be located in a township or a city with a population of 2,500 or less located outside
71.27 the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion
71.28 of a state trail administered by the Department of Natural Resources. For purposes of item
71.29 (i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4c
71.30 property also includes commercial use real property used exclusively for recreational
71.31 purposes in conjunction with other class 4c property classified under this clause and devoted
71.32 to temporary and seasonal residential occupancy for recreational purposes, up to a total of
71.33 two acres, provided the property is not devoted to commercial recreational use for more
71.34 than 250 days in the year preceding the year of assessment and is located within two miles
71.35 of the class 4c property with which it is used. In order for a property to qualify for

72.1 classification under this clause, the owner must submit a declaration to the assessor
72.2 designating the cabins or units occupied for 250 days or less in the year preceding the year
72.3 of assessment by January 15 of the assessment year. Those cabins or units and a proportionate
72.4 share of the land on which they are located must be designated class 4c under this clause
72.5 as otherwise provided. The remainder of the cabins or units and a proportionate share of
72.6 the land on which they are located will be designated as class 3a. The owner of property
72.7 desiring designation as class 4c property under this clause must provide guest registers or
72.8 other records demonstrating that the units for which class 4c designation is sought were not
72.9 occupied for more than 250 days in the year preceding the assessment if so requested. The
72.10 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center
72.11 or meeting room, and (5) other nonresidential facility operated on a commercial basis not
72.12 directly related to temporary and seasonal residential occupancy for recreation purposes
72.13 does not qualify for class 4c. For the purposes of this paragraph, "recreational activities"
72.14 means renting ice fishing houses, boats and motors, snowmobiles, downhill or cross-country
72.15 ski equipment; providing marina services, launch services, or guide services; or selling bait
72.16 and fishing tackle;

72.17 (2) qualified property used as a golf course if:

72.18 (i) it is open to the public on a daily fee basis. It may charge membership fees or dues,
72.19 but a membership fee may not be required in order to use the property for golfing, and its
72.20 green fees for golfing must be comparable to green fees typically charged by municipal
72.21 courses; and

72.22 (ii) it meets the requirements of section 273.112, subdivision 3, paragraph (d).

72.23 A structure used as a clubhouse, restaurant, or place of refreshment in conjunction with
72.24 the golf course is classified as class 3a property;

72.25 (3) real property up to a maximum of three acres of land owned and used by a nonprofit
72.26 community service oriented organization and not used for residential purposes on either a
72.27 temporary or permanent basis, provided that:

72.28 (i) the property is not used for a revenue-producing activity for more than six days in
72.29 the calendar year preceding the year of assessment; or

72.30 (ii) the organization makes annual charitable contributions and donations at least equal
72.31 to the property's previous year's property taxes and the property is allowed to be used for
72.32 public and community meetings or events for no charge, as appropriate to the size of the
72.33 facility.

73.1 For purposes of this clause:

73.2 (A) "charitable contributions and donations" has the same meaning as lawful gambling
73.3 purposes under section 349.12, subdivision 25, excluding those purposes relating to the
73.4 payment of taxes, assessments, fees, auditing costs, and utility payments;

73.5 (B) "property taxes" excludes the state general tax;

73.6 (C) a "nonprofit community service oriented organization" means any corporation,
73.7 society, association, foundation, or institution organized and operated exclusively for
73.8 charitable, religious, fraternal, civic, or educational purposes, and which is exempt from
73.9 federal income taxation pursuant to section 501(c)(3), (8), (10), or (19) of the Internal
73.10 Revenue Code; and

73.11 (D) "revenue-producing activities" shall include but not be limited to property or that
73.12 portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt
73.13 liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling
73.14 alley, a retail store, gambling conducted by organizations licensed under chapter 349, an
73.15 insurance business, or office or other space leased or rented to a lessee who conducts a
73.16 for-profit enterprise on the premises.

73.17 Any portion of the property not qualifying under either item (i) or (ii) is class 3a. The
73.18 use of the property for social events open exclusively to members and their guests for periods
73.19 of less than 24 hours, when an admission is not charged nor any revenues are received by
73.20 the organization shall not be considered a revenue-producing activity.

73.21 The organization shall maintain records of its charitable contributions and donations
73.22 and of public meetings and events held on the property and make them available upon
73.23 request any time to the assessor to ensure eligibility. An organization meeting the requirement
73.24 under item (ii) must file an application by May 1 with the assessor for eligibility for the
73.25 current year's assessment. The commissioner shall prescribe a uniform application form
73.26 and instructions;

73.27 (4) postsecondary student housing of not more than one acre of land that is owned by a
73.28 nonprofit corporation organized under chapter 317A and is used exclusively by a student
73.29 cooperative, sorority, or fraternity for on-campus housing or housing located within two
73.30 miles of the border of a college campus;

73.31 (5)(i) manufactured home parks as defined in section 327.14, subdivision 3, excluding
73.32 manufactured home parks described in items (ii) and (iii), (ii) manufactured home parks as
73.33 defined in section 327.14, subdivision 3, that are described in section 273.124, subdivision

74.1 3a, and (iii) class I manufactured home parks as defined in section 327C.01, subdivision
74.2 13;

74.3 (6) real property that is actively and exclusively devoted to indoor fitness, health, social,
74.4 recreational, and related uses, is owned and operated by a not-for-profit corporation, and is
74.5 located within the metropolitan area as defined in section 473.121, subdivision 2;

74.6 (7) a leased or privately owned noncommercial aircraft storage hangar not exempt under
74.7 section 272.01, subdivision 2, and the land on which it is located, provided that:

74.8 (i) the land is on an airport owned or operated by a city, town, county, Metropolitan
74.9 Airports Commission, or group thereof; and

74.10 (ii) the land lease, or any ordinance or signed agreement restricting the use of the leased
74.11 premise, prohibits commercial activity performed at the hangar.

74.12 If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be
74.13 filed by the new owner with the assessor of the county where the property is located within
74.14 60 days of the sale;

74.15 (8) a privately owned noncommercial aircraft storage hangar not exempt under section
74.16 272.01, subdivision 2, and the land on which it is located, provided that:

74.17 (i) the land abuts a public airport; and

74.18 (ii) the owner of the aircraft storage hangar provides the assessor with a signed agreement
74.19 restricting the use of the premises, prohibiting commercial use or activity performed at the
74.20 hangar; and

74.21 (9) residential real estate, a portion of which is used by the owner for homestead purposes,
74.22 and that is also a place of lodging, if all of the following criteria are met:

74.23 (i) rooms are provided for rent to transient guests that generally stay for periods of 14
74.24 or fewer days;

74.25 (ii) meals are provided to persons who rent rooms, the cost of which is incorporated in
74.26 the basic room rate;

74.27 (iii) meals are not provided to the general public except for special events on fewer than
74.28 seven days in the calendar year preceding the year of the assessment; and

74.29 (iv) the owner is the operator of the property.

74.30 The market value subject to the 4c classification under this clause is limited to five rental
74.31 units. Any rental units on the property in excess of five, must be valued and assessed as

75.1 class 3a. The portion of the property used for purposes of a homestead by the owner must
75.2 be classified as class 1a property under subdivision 22;

75.3 (10) real property up to a maximum of three acres and operated as a restaurant as defined
75.4 under section 157.15, subdivision 12, provided it: (i) is located on a lake as defined under
75.5 section 103G.005, subdivision 15, paragraph (a), clause (3); and (ii) is either devoted to
75.6 commercial purposes for not more than 250 consecutive days, or receives at least 60 percent
75.7 of its annual gross receipts from business conducted during four consecutive months. Gross
75.8 receipts from the sale of alcoholic beverages must be included in determining the property's
75.9 qualification under item (ii). The property's primary business must be as a restaurant and
75.10 not as a bar. Gross receipts from gift shop sales located on the premises must be excluded.
75.11 Owners of real property desiring 4c classification under this clause must submit an annual
75.12 declaration to the assessor by February 1 of the current assessment year, based on the
75.13 property's relevant information for the preceding assessment year;

75.14 (11) lakeshore and riparian property and adjacent land, not to exceed six acres, used as
75.15 a marina, as defined in section 86A.20, subdivision 5, which is made accessible to the public
75.16 and devoted to recreational use for marina services. The marina owner must annually provide
75.17 evidence to the assessor that it provides services, including lake or river access to the public
75.18 by means of an access ramp or other facility that is either located on the property of the
75.19 marina or at a publicly owned site that abuts the property of the marina. No more than 800
75.20 feet of lakeshore may be included in this classification. Buildings used in conjunction with
75.21 a marina for marina services, including but not limited to buildings used to provide food
75.22 and beverage services, fuel, boat repairs, or the sale of bait or fishing tackle, are classified
75.23 as class 3a property; and

75.24 (12) real and personal property devoted to noncommercial temporary and seasonal
75.25 residential occupancy for recreation purposes.

75.26 Class 4c property has a classification rate of 1.5 percent of market value, except that (i)
75.27 each parcel of noncommercial seasonal residential recreational property under clause (12)
75.28 has the same classification rates as class 4bb property, (ii) manufactured home parks assessed
75.29 under clause (5), item (i), have the same classification rate as class 4b property, the market
75.30 value of manufactured home parks assessed under clause (5), item (ii), have a classification
75.31 rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by
75.32 shareholders in the cooperative corporation or association and a classification rate of one
75.33 percent if 50 percent or less of the lots are so occupied, and class I manufactured home
75.34 parks as defined in section 327C.01, subdivision 13, have a classification rate of 1.0 percent,
75.35 (iii) commercial-use seasonal residential recreational property and marina recreational land

76.1 as described in clause (11), has a classification rate of one percent for the first \$500,000 of
76.2 market value, and 1.25 percent for the remaining market value, (iv) the market value of
76.3 property described in clause (4) has a classification rate of one percent, (v) the market value
76.4 of property described in clauses (2), (6), and (10) has a classification rate of 1.25 percent,
76.5 (vi) that portion of the market value of property in clause (9) qualifying for class 4c property
76.6 has a classification rate of 1.25 percent, and (vii) property qualifying for classification under
76.7 clause (3) that is owned or operated by a congressionally chartered veterans organization
76.8 has a classification rate of one percent. The commissioner of veterans affairs must provide
76.9 a list of congressionally chartered veterans organizations to the commissioner of revenue
76.10 by June 30, 2017, and by January 1, 2018, and each year thereafter.

76.11 (e) Class 4d property is qualifying low-income rental housing certified to the assessor
76.12 by the Housing Finance Agency under section 273.128, subdivision 3. If only a portion of
76.13 the units in the building qualify as low-income rental housing units as certified under section
76.14 273.128, subdivision 3, only the proportion of qualifying units to the total number of units
76.15 in the building qualify for class 4d. The remaining portion of the building shall be classified
76.16 by the assessor based upon its use. Class 4d also includes the same proportion of land as
76.17 the qualifying low-income rental housing units are to the total units in the building. For all
76.18 properties qualifying as class 4d, the market value determined by the assessor must be based
76.19 on the normal approach to value using normal unrestricted rents. Class 4d property has a
76.20 classification rate of 0.25 percent.

76.21 ~~(f) The first tier of market value of class 4d property has a classification rate of 0.75~~
76.22 ~~percent. The remaining value of class 4d property has a classification rate of 0.25 percent.~~
76.23 ~~For the purposes of this paragraph, the "first tier of market value of class 4d property" means~~
76.24 ~~the market value of each housing unit up to the first tier limit. For the purposes of this~~
76.25 ~~paragraph, all class 4d property value must be assigned to individual housing units. The~~
76.26 ~~first tier limit is \$100,000 for assessment years 2022 and 2023. For subsequent assessment~~
76.27 ~~years, the limit is adjusted each year by the average statewide change in estimated market~~
76.28 ~~value of property classified as class 4a and 4d under this section for the previous assessment~~
76.29 ~~year, excluding valuation change due to new construction, rounded to the nearest \$1,000,~~
76.30 ~~provided, however, that the limit may never be less than \$100,000. Beginning with~~
76.31 ~~assessment year 2015, the commissioner of revenue must certify the limit for each assessment~~
76.32 ~~year by November 1 of the previous year.~~

76.33 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

77.1 Sec. 12. Minnesota Statutes 2021 Supplement, section 273.13, subdivision 34, is amended
77.2 to read:

77.3 Subd. 34. **Homestead of veteran with a disability or family caregiver.** (a) All or a
77.4 portion of the market value of property owned by a veteran and serving as the veteran's
77.5 homestead under this section is excluded in determining the property's taxable market value
77.6 if the veteran has a service-connected disability of 70 percent or more as certified by the
77.7 United States Department of Veterans Affairs. To qualify for exclusion under this subdivision,
77.8 the veteran must have been honorably discharged from the United States armed forces, as
77.9 indicated by United States Government Form DD214 or other official military discharge
77.10 papers.

77.11 (b)(1) For a disability rating of 70 percent or more, \$150,000 of market value is excluded,
77.12 except as provided in clause (2); and

77.13 (2) for a total (100 percent) and permanent disability, \$300,000 of market value is
77.14 excluded.

77.15 (c) If a veteran with a disability qualifying for a valuation exclusion under paragraph
77.16 (b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the
77.17 spouse holds the legal or beneficial title to the homestead and permanently resides there,
77.18 the exclusion shall carry over to the benefit of the veteran's spouse until such time as the
77.19 spouse remarries, or sells, transfers, or otherwise disposes of the property, except as otherwise
77.20 provided in paragraph (n). Qualification under this paragraph requires an application under
77.21 paragraph (h), and a spouse must notify the assessor if there is a change in the spouse's
77.22 marital status, ownership of the property, or use of the property as a permanent residence.
77.23 If a spouse previously received the exclusion under this paragraph, but the exclusion expired
77.24 prior to assessment year 2019 before the eligibility time period for surviving spouses was
77.25 changed to a lifetime benefit, the spouse may reapply under paragraph (h) for the exclusion
77.26 under this paragraph.

77.27 (d) If the spouse of a member of any branch or unit of the United States armed forces
77.28 who dies due to a service-connected cause while serving honorably in active service, as
77.29 indicated on United States Government Form DD1300 or DD2064, holds the legal or
77.30 beneficial title to a homestead and permanently resides there, the spouse is entitled to the
77.31 benefit described in paragraph (b), clause (2), until such time as the spouse remarries or
77.32 sells, transfers, or otherwise disposes of the property, except as otherwise provided in
77.33 paragraph (n). If a spouse previously received the exclusion under this paragraph, but the
77.34 exclusion expired prior to assessment year 2019 before the eligibility time period for

78.1 surviving spouses was changed to a lifetime benefit, the spouse may reapply under paragraph
78.2 (h) for the exclusion under this paragraph.

78.3 (e) If a veteran meets the disability criteria of paragraph (a) but does not own property
78.4 classified as homestead in the state of Minnesota, then the homestead of the veteran's primary
78.5 family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify
78.6 for under paragraph (b).

78.7 (f) In the case of an agricultural homestead, only the portion of the property consisting
78.8 of the house and garage and immediately surrounding one acre of land qualifies for the
78.9 valuation exclusion under this subdivision.

78.10 (g) A property qualifying for a valuation exclusion under this subdivision is not eligible
78.11 for the market value exclusion under subdivision 35, or classification under subdivision 22,
78.12 paragraph (b).

78.13 (h) To qualify for a valuation exclusion under this subdivision a property owner must
78.14 apply to the assessor by December 31 of the first assessment year for which the exclusion
78.15 is sought. Except as provided in paragraph (c), the owner of a property that has been accepted
78.16 for a valuation exclusion must notify the assessor if there is a change in ownership of the
78.17 property or in the use of the property as a homestead.

78.18 (i) A first-time application by a qualifying spouse for the market value exclusion under
78.19 paragraph (d) must be made any time within two years of the death of the service member,
78.20 within two years of the United States Department of Veterans Affairs Dependency and
78.21 Indemnity Compensation determination, or by December 31, 2023, whichever is later. A
78.22 qualifying spouse whose application was previously denied may reapply, pursuant to this
78.23 paragraph, by December 31, 2023.

78.24 (j) For purposes of this subdivision:

78.25 (1) "active service" has the meaning given in section 190.05;

78.26 (2) "own" means that the person's name is present as an owner on the property deed;

78.27 (3) "primary family caregiver" means a person who is approved by the secretary of the
78.28 United States Department of Veterans Affairs for assistance as the primary provider of
78.29 personal care services for an eligible veteran under the Program of Comprehensive Assistance
78.30 for Family Caregivers, codified as United States Code, title 38, section 1720G; and

78.31 (4) "veteran" has the meaning given the term in section 197.447.

79.1 (k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion
79.2 under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit
79.3 under paragraph (b), clause (2), until the spouse remarries or sells, transfers, or otherwise
79.4 disposes of the property, except as otherwise provided in paragraph (n), if:

79.5 (1) the spouse files a first-time application within two years of the death of the service
79.6 member, within two years of the United States Department of Veterans Affairs Dependency
79.7 and Indemnity Compensation determination, if applicable, or by ~~June 1, 2019~~ December
79.8 31, 2023, whichever is later. A spouse whose application was previously denied may reapply,
79.9 pursuant to this paragraph, by December 31, 2023;

79.10 (2) upon the death of the veteran, the spouse holds the legal or beneficial title to the
79.11 homestead and permanently resides there;

79.12 (3) the veteran met the honorable discharge requirements of paragraph (a); and

79.13 (4) the United States Department of Veterans Affairs certifies that:

79.14 (i) the veteran met the total (100 percent) and permanent disability requirement under
79.15 paragraph (b), clause (2); or

79.16 (ii) the spouse has been awarded dependency and indemnity compensation.

79.17 (l) The purpose of this provision of law providing a level of homestead property tax
79.18 relief for veterans with a disability, their primary family caregivers, and their surviving
79.19 spouses is to help ease the burdens of war for those among our state's citizens who bear
79.20 those burdens most heavily.

79.21 (m) By July 1, the county veterans service officer must certify the disability rating and
79.22 permanent address of each veteran receiving the benefit under paragraph (b) to the assessor.

79.23 (n) A spouse who received the benefit in paragraph (c), (d), or (k) but no longer holds
79.24 the legal or beneficial title to the property may continue to receive the exclusion for a
79.25 property other than the property for which the exclusion was initially granted until the spouse
79.26 remarries or sells, transfers, or otherwise disposes of the property, provided that:

79.27 (1) the spouse applies under paragraph (h) for the continuation of the exclusion allowed
79.28 under this paragraph;

79.29 (2) the spouse holds the legal or beneficial title to the property for which the continuation
79.30 of the exclusion is sought under this paragraph, and permanently resides there;

79.31 (3) the estimated market value of the property for which the exclusion is sought under
79.32 this paragraph is less than or equal to the estimated market value of the property that first

80.1 received the exclusion, based on the value of each property on the date of the sale of the
80.2 property that first received the exclusion; and

80.3 (4) the spouse has not previously received the benefit under this paragraph for a property
80.4 other than the property for which the exclusion is sought.

80.5 **EFFECTIVE DATE.** This section is effective for assessment year 2022 and thereafter.

80.6 Sec. 13. Minnesota Statutes 2020, section 273.13, subdivision 35, is amended to read:

80.7 Subd. 35. **Homestead market value exclusion.** (a) Prior to determining a property's
80.8 net tax capacity under this section, property classified as class 1a or 1b under subdivision
80.9 22, and the portion of property classified as class 2a under subdivision 23 consisting of the
80.10 house, garage, and surrounding one acre of land, shall be eligible for a market value exclusion
80.11 as determined under paragraph (b).

80.12 (b) For a homestead valued at ~~\$76,000~~ \$95,000 or less, the exclusion is 40 percent of
80.13 market value. For a homestead valued between ~~\$76,000~~ \$95,000 and ~~\$413,800~~ \$517,200,
80.14 the exclusion is ~~\$30,400~~ \$38,000 minus nine percent of the valuation over ~~\$76,000~~ \$95,000.
80.15 For a homestead valued at ~~\$413,800~~ \$517,200 or more, there is no valuation exclusion. The
80.16 valuation exclusion shall be rounded to the nearest whole dollar, and may not be less than
80.17 zero.

80.18 (c) Any valuation exclusions or adjustments under section 273.11 shall be applied prior
80.19 to determining the amount of the valuation exclusion under this subdivision.

80.20 (d) In the case of a property that is classified as part homestead and part nonhomestead,
80.21 (i) the exclusion shall apply only to the homestead portion of the property, but (ii) if a portion
80.22 of a property is classified as nonhomestead solely because not all the owners occupy the
80.23 property, not all the owners have qualifying relatives occupying the property, or solely
80.24 because not all the spouses of owners occupy the property, the exclusion amount shall be
80.25 initially computed as if that nonhomestead portion were also in the homestead class and
80.26 then prorated to the owner-occupant's percentage of ownership. For the purpose of this
80.27 section, when an owner-occupant's spouse does not occupy the property, the percentage of
80.28 ownership for the owner-occupant spouse is one-half of the couple's ownership percentage.

80.29 **EFFECTIVE DATE.** This section is effective for assessment year 2023 and thereafter.

81.1 Sec. 14. Minnesota Statutes 2020, section 273.13, is amended by adding a subdivision to
81.2 read:

81.3 Subd. 36. **Affordable housing market value exclusion.** (a) Prior to determining a
81.4 property's net tax capacity under this section, property classified as class 4a under subdivision
81.5 25, paragraph (a), shall be eligible for an affordable housing market value exclusion as
81.6 determined under paragraph (b).

81.7 (b) For a property that meets the requirements under section 273.129, the exclusion is
81.8 50 percent of the market value. The valuation shall be rounded to the nearest whole dollar,
81.9 and may not be less than zero.

81.10 (c) Any valuation exclusions or adjustments under section 273.11 shall be applied prior
81.11 to determining the amount of the valuation exclusion under this subdivision.

81.12 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

81.13 Sec. 15. Minnesota Statutes 2020, section 273.41, is amended to read:

81.14 **273.41 AMOUNT OF TAX; DISTRIBUTION.**

81.15 There is hereby imposed upon each such cooperative association on December 31 of
81.16 each year a tax of \$10 for each 100 members, or fraction thereof, of such association. The
81.17 tax, when paid, shall be in lieu of all personal property taxes, state, county, or local, upon
81.18 distribution lines and the attachments and appurtenances thereto of such associations located
81.19 in rural areas. For purposes of this section, "attachments and appurtenances" includes, but
81.20 are not limited to, all cooperative association-owned metering and streetlighting equipment
81.21 that is physically or electrically connected to the cooperative association's distribution
81.22 system. The tax shall be payable on or before March 1 of the next succeeding year, to the
81.23 commissioner of revenue. If the tax, or any portion thereof, is not paid within the time herein
81.24 specified for the payment thereof, there shall be added thereto a specific penalty equal to
81.25 ten percent of the amount so remaining unpaid. Such penalty shall be collected as part of
81.26 said tax, and the amount of said tax not timely paid, together with said penalty, shall bear
81.27 interest at the rate specified in section 270C.40 from the time such tax should have been
81.28 paid until paid. The commissioner shall deposit the amount so received in the general fund
81.29 of the state treasury.

81.30 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

82.1 Sec. 16. Minnesota Statutes 2021 Supplement, section 275.025, subdivision 1, is amended
82.2 to read:

82.3 Subdivision 1. **Levy amount.** The state general levy is levied against
82.4 commercial-industrial property and seasonal residential recreational property, as defined
82.5 in this section. The state general levy for commercial-industrial property is ~~\$716,990,000~~
82.6 \$708,188,000 for taxes payable in 2023 through 2025; ~~\$637,369,000~~ for taxes payable in
82.7 2026; ~~\$566,550,000~~ for taxes payable in 2027; ~~\$495,731,000~~ for taxes payable in 2028;
82.8 \$424,912,000 for taxes payable in 2029; \$354,093,000 for taxes payable in 2030;
82.9 \$283,274,000 for taxes payable in 2031; \$212,455,000 for taxes payable in 2032;
82.10 \$141,636,000 for taxes payable in 2033; \$70,817,000 for taxes payable in 2034; and \$0 for
82.11 taxes payable in 2035 and thereafter. The state general levy for seasonal-recreational property
82.12 is ~~\$41,690,000~~ \$41,178,000 for taxes payable in ~~2020~~ 2023 through 2025; \$37,060,000 for
82.13 taxes payable in 2026; \$32,942,000 for taxes payable in 2027; \$28,824,000 for taxes payable
82.14 in 2028; \$24,706,000 for taxes payable in 2029; \$20,588,000 for taxes payable in 2030;
82.15 \$16,470,000 for taxes payable in 2031; \$12,352,000 for taxes payable in 2032; \$8,234,000
82.16 for taxes payable in 2033; \$4,116,000 for taxes payable in 2034; and \$0 for taxes payable
82.17 in 2035 and thereafter. The tax under this section is not treated as a local tax rate under
82.18 section 469.177 and is not the levy of a governmental unit under chapters 276A and 473F.

82.19 The commissioner shall increase or decrease the preliminary or final rate for a year as
82.20 necessary to account for errors and tax base changes that affected a preliminary or final rate
82.21 for either of the two preceding years. Adjustments are allowed to the extent that the necessary
82.22 information is available to the commissioner at the time the rates for a year must be certified,
82.23 and for the following reasons:

82.24 (1) an erroneous report of taxable value by a local official;

82.25 (2) an erroneous calculation by the commissioner; and

82.26 (3) an increase or decrease in taxable value for commercial-industrial or seasonal
82.27 residential recreational property reported to the commissioner under section 270C.85,
82.28 subdivision 2, clause (4), for the same year.

82.29 The commissioner may, but need not, make adjustments if the total difference in the tax
82.30 levied for the year would be less than \$100,000.

82.31 **EFFECTIVE DATE.** This section is effective for taxes payable in 2023 and thereafter.

83.1 Sec. 17. Minnesota Statutes 2020, section 276.04, subdivision 2, is amended to read:

83.2 Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the printing of
83.3 the tax statements. The commissioner of revenue shall prescribe the form of the property
83.4 tax statement and its contents. The tax statement must not state or imply that property tax
83.5 credits are paid by the state of Minnesota. The statement must contain a tabulated statement
83.6 of the dollar amount due to each taxing authority and the amount of the state tax from the
83.7 parcel of real property for which a particular tax statement is prepared. The dollar amounts
83.8 attributable to the county, the state tax, the voter approved school tax, the other local school
83.9 tax, the township or municipality, and the total of the metropolitan special taxing districts
83.10 as defined in section 275.065, subdivision 3, paragraph (i), must be separately stated. The
83.11 amounts due all other special taxing districts, if any, may be aggregated except that any
83.12 levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin,
83.13 Ramsey, Scott, or Washington under chapter 398A shall be listed on a separate line directly
83.14 under the appropriate county's levy. If the county levy under this paragraph includes an
83.15 amount for a lake improvement district as defined under sections 103B.501 to 103B.581,
83.16 the amount attributable for that purpose must be separately stated from the remaining county
83.17 levy amount. In the case of Ramsey County, if the county levy under this paragraph includes
83.18 an amount for public library service under section 134.07, the amount attributable for that
83.19 purpose may be separated from the remaining county levy amount. The amount of the tax
83.20 on homesteads qualifying under the senior citizens' property tax deferral program under
83.21 chapter 290B is the total amount of property tax before subtraction of the deferred property
83.22 tax amount. The amount of the tax on contamination value imposed under sections 270.91
83.23 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar
83.24 amount of any special assessments, may be rounded to the nearest even whole dollar. For
83.25 purposes of this section whole odd-numbered dollars may be adjusted to the next higher
83.26 even-numbered dollar. The amount of market value excluded under section 273.11,
83.27 subdivision 16, if any, must also be listed on the tax statement.

83.28 (b) The property tax statements for manufactured homes and sectional structures taxed
83.29 as personal property shall contain the same information that is required on the tax statements
83.30 for real property.

83.31 (c) Real and personal property tax statements must contain the following information
83.32 in the order given in this paragraph. The information must contain the current year tax
83.33 information in the right column with the corresponding information for the previous year
83.34 in a column on the left:

83.35 (1) the property's estimated market value under section 273.11, subdivision 1;

84.1 (2) the property's homestead market value exclusion under section 273.13, subdivision
84.2 35, or the affordable housing market value exclusion under section 273.13, subdivision 36;

84.3 (3) the property's taxable market value under section 272.03, subdivision 15;

84.4 (4) the property's gross tax, before credits;

84.5 (5) for agricultural properties, the credits under sections 273.1384 ~~and~~, 273.1387, and
84.6 273.1388;

84.7 (6) any credits received under sections 273.119; 273.1234 or 273.1235; 273.135;
84.8 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit
84.9 received under section 273.135 must be separately stated and identified as "taconite tax
84.10 relief"; and

84.11 (7) the net tax payable in the manner required in paragraph (a).

84.12 (d) If the county uses envelopes for mailing property tax statements and if the county
84.13 agrees, a taxing district may include a notice with the property tax statement notifying
84.14 taxpayers when the taxing district will begin its budget deliberations for the current year,
84.15 and encouraging taxpayers to attend the hearings. If the county allows notices to be included
84.16 in the envelope containing the property tax statement, and if more than one taxing district
84.17 relative to a given property decides to include a notice with the tax statement, the county
84.18 treasurer or auditor must coordinate the process and may combine the information on a
84.19 single announcement.

84.20 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

84.21 Sec. 18. Minnesota Statutes 2020, section 279.03, subdivision 1a, is amended to read:

84.22 Subd. 1a. **Rate.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), interest on
84.23 delinquent property taxes, penalties, and costs unpaid on or after January 1 is payable at the
84.24 per annum rate determined in section 270C.40, subdivision 5. ~~If the rate so determined is~~
84.25 ~~less than ten percent, the rate of interest is ten percent.~~ The maximum per annum rate is 14
84.26 percent if the rate specified under section 270C.40, subdivision 5, exceeds 14 percent. The
84.27 rate is subject to change on January 1 of each year.

84.28 (b) If a person is the owner of one or more parcels of property on which taxes are
84.29 delinquent, and the delinquent taxes are more than 25 percent of the prior year's school
84.30 district levy, interest on the delinquent property taxes, penalties, and costs unpaid is payable
84.31 at twice the rate determined under paragraph (a) for the year.

85.1 (c) A county board, by resolution, may establish an interest rate lower than the interest
 85.2 rate determined under paragraph (a).

85.3 **EFFECTIVE DATE.** This section is effective for property taxes, penalties, and costs
 85.4 determined to be delinquent on or after January 1, 2023.

85.5 Sec. 19. Minnesota Statutes 2020, section 282.261, subdivision 2, is amended to read:

85.6 Subd. 2. **Interest rate.** (a) Except as provided under paragraph (b), the unpaid balance
 85.7 on any repurchase contract approved by the county board is subject to interest at the rate
 85.8 determined in section 279.03, subdivision 1a. The interest rate is subject to change each
 85.9 year on the unpaid balance in the manner provided for rate changes in section 279.03,
 85.10 subdivision 1a.

85.11 (b) A county board, by resolution, or a county auditor, if delegated the responsibility to
 85.12 administer tax-forfeited land assigned to the county board as provided under section 282.135,
 85.13 may establish an interest rate lower than the interest rate determined under paragraph (a).

85.14 **EFFECTIVE DATE.** This section is effective January 1, 2023.

85.15 Sec. 20. Minnesota Statutes 2020, section 290A.04, subdivision 2h, is amended to read:

85.16 Subd. 2h. **Additional refund.** (a) If the gross property taxes payable on a homestead
 85.17 increase more than ~~12~~ ten percent over the property taxes payable in the prior year on the
 85.18 same property that is owned and occupied by the same owner on January 2 of both years,
 85.19 and the amount of that increase is \$100 or more, a claimant who is a homeowner shall be
 85.20 allowed an additional refund equal to 60 percent of the amount of the increase over the
 85.21 greater of ~~12~~ ten percent of the prior year's property taxes payable or \$100. This subdivision
 85.22 shall not apply to any increase in the gross property taxes payable attributable to
 85.23 improvements made to the homestead after the assessment date for the prior year's taxes.
 85.24 This subdivision shall not apply to any increase in the gross property taxes payable
 85.25 attributable to the termination of valuation exclusions under section 273.11, subdivision
 85.26 16.

85.27 The maximum refund allowed under this subdivision is ~~\$1,000~~ \$2,000.

85.28 (b) For purposes of this subdivision "gross property taxes payable" means property taxes
 85.29 payable determined without regard to the refund allowed under this subdivision.

85.30 (c) In addition to the other proofs required by this chapter, each claimant under this
 85.31 subdivision shall file with the property tax refund return a copy of the property tax statement
 85.32 for taxes payable in the preceding year or other documents required by the commissioner.

86.1 (d) Upon request, the appropriate county official shall make available the names and
 86.2 addresses of the property taxpayers who may be eligible for the additional property tax
 86.3 refund under this section. The information shall be provided on a magnetic computer disk.
 86.4 The county may recover its costs by charging the person requesting the information the
 86.5 reasonable cost for preparing the data. The information may not be used for any purpose
 86.6 other than for notifying the homeowner of potential eligibility and assisting the homeowner,
 86.7 without charge, in preparing a refund claim.

86.8 **EFFECTIVE DATE.** This section is effective for refund claims based on taxes payable
 86.9 in 2023 and thereafter.

86.10 Sec. 21. Minnesota Statutes 2020, section 290B.03, subdivision 1, is amended to read:

86.11 Subdivision 1. **Program qualifications.** The qualifications for the senior citizens'
 86.12 property tax deferral program are as follows:

86.13 (1) the property must be owned and occupied as a homestead by a person 65 years of
 86.14 age or older. In the case of a married couple, at least one of the spouses must be at least 65
 86.15 years old at the time the first property tax deferral is granted, regardless of whether the
 86.16 property is titled in the name of one spouse or both spouses, or titled in another way that
 86.17 permits the property to have homestead status, and the other spouse must be at least 62 years
 86.18 of age;

86.19 (2) the total household income of the qualifying homeowners, as defined in section
 86.20 290A.03, subdivision 5, for the calendar year preceding the year of the initial application
 86.21 may not exceed ~~\$60,000~~ \$75,000;

86.22 (3) the homestead must have been owned and occupied as the homestead of at least one
 86.23 of the qualifying homeowners for at least ~~15~~ five years prior to the year the initial application
 86.24 is filed;

86.25 (4) there are no state or federal tax liens or judgment liens on the homesteaded property;

86.26 (5) there are no mortgages or other liens on the property that secure future advances,
 86.27 except for those subject to credit limits that result in compliance with clause (6); and

86.28 (6) the total unpaid balances of debts secured by mortgages and other liens on the
 86.29 property, including unpaid and delinquent special assessments and interest and any delinquent
 86.30 property taxes, penalties, and interest, but not including property taxes payable during the
 86.31 year or debts secured by a residential PACE lien, as defined in section 216C.435, subdivision
 86.32 10d, does not exceed 75 percent of the assessor's estimated market value for the year.

87.1 **EFFECTIVE DATE.** This section is effective for applications received for deferral of
87.2 taxes payable in 2023 and thereafter.

87.3 Sec. 22. Minnesota Statutes 2020, section 290B.04, subdivision 3, is amended to read:

87.4 Subd. 3. **Excess-income certification by taxpayer.** A taxpayer whose initial application
87.5 has been approved under subdivision 2 shall notify the commissioner of revenue in writing
87.6 by July 1 if the taxpayer's household income for the preceding calendar year exceeded
87.7 ~~\$60,000~~ \$75,000. The certification must state the homeowner's total household income for
87.8 the previous calendar year. No property taxes may be deferred under this chapter in any
87.9 year following the year in which a program participant filed or should have filed an
87.10 excess-income certification under this subdivision, unless the participant has filed a
87.11 resumption of eligibility certification as described in subdivision 4.

87.12 **EFFECTIVE DATE.** This section is effective for applications received for deferral of
87.13 taxes payable in 2023 and thereafter.

87.14 Sec. 23. Minnesota Statutes 2020, section 290B.04, subdivision 4, is amended to read:

87.15 Subd. 4. **Resumption of eligibility certification by taxpayer.** A taxpayer who has
87.16 previously filed an excess-income certification under subdivision 3 may resume program
87.17 participation if the taxpayer's household income for a subsequent year is ~~\$60,000~~ \$75,000
87.18 or less. If the taxpayer chooses to resume program participation, the taxpayer must notify
87.19 the commissioner of revenue in writing by July 1 of the year following a calendar year in
87.20 which the taxpayer's household income is ~~\$60,000~~ \$75,000 or less. The certification must
87.21 state the taxpayer's total household income for the previous calendar year. Once a taxpayer
87.22 resumes participation in the program under this subdivision, participation will continue until
87.23 the taxpayer files a subsequent excess-income certification under subdivision 3 or until
87.24 participation is terminated under section 290B.08, subdivision 1.

87.25 **EFFECTIVE DATE.** This section is effective for applications received for deferral of
87.26 taxes payable in 2023 and thereafter.

87.27 Sec. 24. Minnesota Statutes 2020, section 290B.05, subdivision 1, is amended to read:

87.28 Subdivision 1. **Determination by commissioner.** The commissioner shall determine
87.29 each qualifying homeowner's "annual maximum property tax amount" following approval
87.30 of the homeowner's initial application and following the receipt of a resumption of eligibility
87.31 certification. The "annual maximum property tax amount" equals three percent of the
87.32 homeowner's total household income for the year preceding either the initial application or

88.1 the resumption of eligibility certification, whichever is applicable. Following approval of
 88.2 the initial application, the commissioner shall determine the qualifying homeowner's
 88.3 "maximum allowable deferral." No tax may be deferred relative to the appropriate assessment
 88.4 year for any homeowner whose total household income for the previous year exceeds
 88.5 ~~\$60,000~~ \$75,000. No tax shall be deferred in any year in which the homeowner does not
 88.6 meet the program qualifications in section 290B.03. The maximum allowable total deferral
 88.7 is equal to 75 percent of the assessor's estimated market value for the year, less the balance
 88.8 of any mortgage loans and other amounts secured by liens against the property at the time
 88.9 of application, including any unpaid and delinquent special assessments and interest and
 88.10 any delinquent property taxes, penalties, and interest, but not including property taxes
 88.11 payable during the year.

88.12 **EFFECTIVE DATE.** This section is effective for applications received for deferral of
 88.13 taxes payable in 2023 and thereafter.

88.14 Sec. 25. **CITY OF VIRGINIA; NET DEBT LIMIT EXEMPTION.**

88.15 The city of Virginia may finance the construction of a public safety building in the city
 88.16 of Virginia by obtaining a loan from the United States Department of Agriculture secured
 88.17 by its general obligation pledge. Any bonds issued relating to this construction project or
 88.18 repayment of the loan must not be included in the computation of the city's limit on net debt
 88.19 under Minnesota Statutes, section 475.53, subdivision 1.

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

88.21 **ARTICLE 5**

88.22 **PROPERTY TAX AIDS AND CREDITS**

88.23 Section 1. **[273.1388] AGRICULTURAL RIPARIAN BUFFER CREDIT.**

88.24 Subdivision 1. **Eligibility.** Class 2a and 2b property under section 273.13, subdivision
 88.25 23, containing a riparian buffer as defined in section 103F.48, not including land enrolled
 88.26 in and generating payments under a state or federal conservation reserve or easement program
 88.27 under sections 103F.501 to 103F.531, is eligible to receive the credit under this section,
 88.28 provided that the landowner follows the requirements of section 103F.48. Eligible land must
 88.29 be certified by the local soil and water conservation district to the county assessor. This
 88.30 certification is effective until the local soil and water conservation district notifies the
 88.31 assessor that qualified land is no longer eligible for a credit under the requirements of this
 88.32 section. The local soil and water conservation districts must annually notify their county

89.1 assessor of any qualified land that is no longer eligible for a credit under the requirements
89.2 of this section.

89.3 Subd. 2. **Credit amount.** For each qualifying property, the agricultural riparian buffer
89.4 credit is equal to the amount of net tax capacity-based property tax attributable to the portion
89.5 of the property eligible under subdivision 1.

89.6 Subd. 3. **Credit reimbursement.** The county auditor must determine the tax reductions
89.7 allowed under this section within the county for each taxes payable year and must certify
89.8 that amount to the commissioner of revenue as part of the data required under section
89.9 270C.85, subdivision 2. Any prior year adjustments must also be certified as part of the
89.10 data required under section 270C.85, subdivision 2. The commissioner must review the
89.11 certifications for accuracy and may make such changes as are deemed necessary or return
89.12 the certification to the county auditor for correction. The credit under this section must be
89.13 used to proportionately reduce the net tax capacity-based property tax payable to each local
89.14 taxing jurisdiction as provided in section 273.1393.

89.15 Subd. 4. **Payment.** (a) The commissioner of revenue shall reimburse each local taxing
89.16 jurisdiction, other than school districts, for the tax reductions granted under this section in
89.17 two equal installments on October 31 and December 26 of the taxes payable year for which
89.18 the reductions are granted, including in each payment the prior year adjustments certified
89.19 under section 270C.85, subdivision 2, for that taxes payable year.

89.20 (b) The commissioner of revenue shall certify the total of the tax reductions granted
89.21 under this section for each taxes payable year within each school district to the commissioner
89.22 of the education and the commissioner of education must pay the reimbursement amounts
89.23 to each school district as provided in section 273.1392.

89.24 Subd. 5. **Appropriation.** An amount sufficient to make the payments required by this
89.25 section to taxing jurisdictions other than school districts is annually appropriated from the
89.26 general fund to the commissioner of revenue. An amount sufficient to make the payments
89.27 required by this section for school districts is annually appropriated from the general fund
89.28 to the commissioner of education.

89.29 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2024.

89.30 Sec. 2. Minnesota Statutes 2020, section 273.1392, is amended to read:

89.31 **273.1392 PAYMENT; SCHOOL DISTRICTS.**

89.32 The amounts of bovine tuberculosis credit reimbursements under section 273.113;
89.33 conservation tax credits under section 273.119; disaster or emergency reimbursement under

90.1 sections 273.1231 to 273.1235; agricultural credits under sections 273.1384 ~~and~~, 273.1387,
 90.2 and 273.1388; aids and credits under section 273.1398; enterprise zone property credit
 90.3 payments under section 469.171; ~~and~~ metropolitan agricultural preserve reduction under
 90.4 section 473H.10; and electric generation transition aid under section 477A.23 for school
 90.5 districts, shall be certified to the Department of Education by the Department of Revenue.
 90.6 The amounts so certified shall be paid according to section 127A.45, subdivisions 9, 10,
 90.7 and 13.

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

90.9 Sec. 3. Minnesota Statutes 2020, section 273.1393, is amended to read:

90.10 **273.1393 COMPUTATION OF NET PROPERTY TAXES.**

90.11 Notwithstanding any other provisions to the contrary, "net" property taxes are determined
 90.12 by subtracting the credits in the order listed from the gross tax:

90.13 (1) disaster credit as provided in sections 273.1231 to 273.1235;

90.14 (2) powerline credit as provided in section 273.42;

90.15 (3) agricultural preserves credit as provided in section 473H.10;

90.16 (4) enterprise zone credit as provided in section 469.171;

90.17 (5) disparity reduction credit;

90.18 (6) conservation tax credit as provided in section 273.119;

90.19 (7) ~~the~~ school bond credit as provided in section 273.1387;

90.20 (8) agricultural riparian buffer credit as provided in section 273.1388;

90.21 ~~(8)~~ (9) agricultural credit as provided in section 273.1384;

90.22 ~~(9)~~ (10) taconite homestead credit as provided in section 273.135;

90.23 ~~(10)~~ (11) supplemental homestead credit as provided in section 273.1391; and

90.24 ~~(11)~~ (12) the bovine tuberculosis zone credit, as provided in section 273.113.

90.25 The combination of all property tax credits must not exceed the gross tax amount.

90.26 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2024.

91.1 Sec. 4. Minnesota Statutes 2021 Supplement, section 275.065, subdivision 3, is amended
91.2 to read:

91.3 Subd. 3. **Notice of proposed property taxes.** (a) The county auditor shall prepare and
91.4 the county treasurer shall deliver after November 10 and on or before November 24 each
91.5 year, by first class mail to each taxpayer at the address listed on the county's current year's
91.6 assessment roll, a notice of proposed property taxes. Upon written request by the taxpayer,
91.7 the treasurer may send the notice in electronic form or by electronic mail instead of on paper
91.8 or by ordinary mail.

91.9 (b) The commissioner of revenue shall prescribe the form of the notice.

91.10 (c) The notice must inform taxpayers that it contains the amount of property taxes each
91.11 taxing authority proposes to collect for taxes payable the following year. In the case of a
91.12 town, or in the case of the state general tax, the final tax amount will be its proposed tax.
91.13 The notice must clearly state for each city that has a population over 500, county, school
91.14 district, regional library authority established under section 134.201, metropolitan taxing
91.15 districts as defined in paragraph (i), and fire protection and emergency medical services
91.16 special taxing districts established under section 144F.01, the time and place of a meeting
91.17 for each taxing authority in which the budget and levy will be discussed and public input
91.18 allowed, prior to the final budget and levy determination. The taxing authorities must provide
91.19 the county auditor with the information to be included in the notice on or before the time it
91.20 certifies its proposed levy under subdivision 1. The public must be allowed to speak at that
91.21 meeting, which must occur after November 24 and must not be held before 6:00 p.m. It
91.22 must provide a telephone number for the taxing authority that taxpayers may call if they
91.23 have questions related to the notice and an address where comments will be received by
91.24 mail, except that no notice required under this section shall be interpreted as requiring the
91.25 printing of a personal telephone number or address as the contact information for a taxing
91.26 authority. If a taxing authority does not maintain public offices where telephone calls can
91.27 be received by the authority, the authority may inform the county of the lack of a public
91.28 telephone number and the county shall not list a telephone number for that taxing authority.

91.29 (d) The notice must state for each parcel:

91.30 (1) the market value of the property as determined under section 273.11, and used for
91.31 computing property taxes payable in the following year and for taxes payable in the current
91.32 year as each appears in the records of the county assessor on November 1 of the current
91.33 year; and, in the case of residential property, whether the property is classified as homestead

92.1 or nonhomestead. The notice must clearly inform taxpayers of the years to which the market
92.2 values apply and that the values are final values;

92.3 (2) the items listed below, shown separately by county, city or town, and state general
92.4 tax, agricultural homestead credit under section 273.1384, school building bond agricultural
92.5 credit under section 273.1387, agricultural riparian buffer credit under section 273.1388,
92.6 voter approved school levy, other local school levy, and the sum of the special taxing
92.7 districts, and as a total of all taxing authorities:

92.8 (i) the actual tax for taxes payable in the current year; and

92.9 (ii) the proposed tax amount.

92.10 If the county levy under clause (2) includes an amount for a lake improvement district
92.11 as defined under sections 103B.501 to 103B.581, the amount attributable for that purpose
92.12 must be separately stated from the remaining county levy amount.

92.13 In the case of a town or the state general tax, the final tax shall also be its proposed tax
92.14 unless the town changes its levy at a special town meeting under section 365.52. If a school
92.15 district has certified under section 126C.17, subdivision 9, that a referendum will be held
92.16 in the school district at the November general election, the county auditor must note next
92.17 to the school district's proposed amount that a referendum is pending and that, if approved
92.18 by the voters, the tax amount may be higher than shown on the notice. In the case of the
92.19 city of Minneapolis, the levy for Minneapolis Park and Recreation shall be listed separately
92.20 from the remaining amount of the city's levy. In the case of the city of St. Paul, the levy for
92.21 the St. Paul Library Agency must be listed separately from the remaining amount of the
92.22 city's levy. In the case of Ramsey County, any amount levied under section 134.07 may be
92.23 listed separately from the remaining amount of the county's levy. In the case of a parcel
92.24 where tax increment or the fiscal disparities areawide tax under chapter 276A or 473F
92.25 applies, the proposed tax levy on the captured value or the proposed tax levy on the tax
92.26 capacity subject to the areawide tax must each be stated separately and not included in the
92.27 sum of the special taxing districts; and

92.28 (3) the increase or decrease between the total taxes payable in the current year and the
92.29 total proposed taxes, expressed as a percentage.

92.30 For purposes of this section, the amount of the tax on homesteads qualifying under the
92.31 senior citizens' property tax deferral program under chapter 290B is the total amount of
92.32 property tax before subtraction of the deferred property tax amount.

93.1 (e) The notice must clearly state that the proposed or final taxes do not include the
93.2 following:

93.3 (1) special assessments;

93.4 (2) levies approved by the voters after the date the proposed taxes are certified, including
93.5 bond referenda and school district levy referenda;

93.6 (3) a levy limit increase approved by the voters by the first Tuesday after the first Monday
93.7 in November of the levy year as provided under section 275.73;

93.8 (4) amounts necessary to pay cleanup or other costs due to a natural disaster occurring
93.9 after the date the proposed taxes are certified;

93.10 (5) amounts necessary to pay tort judgments against the taxing authority that become
93.11 final after the date the proposed taxes are certified; and

93.12 (6) the contamination tax imposed on properties which received market value reductions
93.13 for contamination.

93.14 (f) Except as provided in subdivision 7, failure of the county auditor to prepare or the
93.15 county treasurer to deliver the notice as required in this section does not invalidate the
93.16 proposed or final tax levy or the taxes payable pursuant to the tax levy.

93.17 (g) If the notice the taxpayer receives under this section lists the property as
93.18 nonhomestead, and satisfactory documentation is provided to the county assessor by the
93.19 applicable deadline, and the property qualifies for the homestead classification in that
93.20 assessment year, the assessor shall reclassify the property to homestead for taxes payable
93.21 in the following year.

93.22 (h) In the case of class 4 residential property used as a residence for lease or rental
93.23 periods of 30 days or more, the taxpayer must either:

93.24 (1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter,
93.25 or lessee; or

93.26 (2) post a copy of the notice in a conspicuous place on the premises of the property.

93.27 The notice must be mailed or posted by the taxpayer by November 27 or within three
93.28 days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer
93.29 of the address of the taxpayer, agent, caretaker, or manager of the premises to which the
93.30 notice must be mailed in order to fulfill the requirements of this paragraph.

94.1 (i) For purposes of this subdivision and subdivision 6, "metropolitan special taxing
 94.2 districts" means the following taxing districts in the seven-county metropolitan area that
 94.3 levy a property tax for any of the specified purposes listed below:

94.4 (1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325, 473.446,
 94.5 473.521, 473.547, or 473.834;

94.6 (2) Metropolitan Airports Commission under section 473.667, 473.671, or 473.672; and

94.7 (3) Metropolitan Mosquito Control Commission under section 473.711.

94.8 For purposes of this section, any levies made by the regional rail authorities in the county
 94.9 of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A
 94.10 shall be included with the appropriate county's levy.

94.11 (j) The governing body of a county, city, or school district may, with the consent of the
 94.12 county board, include supplemental information with the statement of proposed property
 94.13 taxes about the impact of state aid increases or decreases on property tax increases or
 94.14 decreases and on the level of services provided in the affected jurisdiction. This supplemental
 94.15 information may include information for the following year, the current year, and for as
 94.16 many consecutive preceding years as deemed appropriate by the governing body of the
 94.17 county, city, or school district. It may include only information regarding:

94.18 (1) the impact of inflation as measured by the implicit price deflator for state and local
 94.19 government purchases;

94.20 (2) population growth and decline;

94.21 (3) state or federal government action; and

94.22 (4) other financial factors that affect the level of property taxation and local services
 94.23 that the governing body of the county, city, or school district may deem appropriate to
 94.24 include.

94.25 The information may be presented using tables, written narrative, and graphic
 94.26 representations and may contain instruction toward further sources of information or
 94.27 opportunity for comment.

94.28 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2024.

94.29 Sec. 5. **[477A.23] ELECTRIC GENERATION TRANSITION AID.**

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

95.1 (b) "Electric generating unit" means a single generating unit at an electric generating
95.2 plant powered by coal, nuclear, or natural gas.

95.3 (c) "Electric generation property" means taxable property of an electric generating plant
95.4 owned by a public utility, as defined in section 216B.02, subdivision 4, that is powered by
95.5 coal, nuclear, or natural gas and located in an eligible taxing jurisdiction.

95.6 (d) "Eligible taxing jurisdiction" means a county, home rule charter or statutory city,
95.7 town, or school district.

95.8 (e) "Unit base year" means the assessment year in which the assessed value of electric
95.9 generation property is reduced due to the retirement of the electric generating unit.

95.10 (f) "Unit differential" means (1) the tax capacity of electric generation property in the
95.11 assessment year preceding the unit base year, minus (2) the tax capacity of electric generation
95.12 property in the unit base year. The unit differential may not be less than zero. The unit
95.13 differential equals zero if the tax capacity of electric generation property in the eligible
95.14 taxing jurisdiction in the assessment year preceding the unit base year is less than four
95.15 percent of the total net tax capacity of the eligible taxing jurisdiction in the assessment year
95.16 preceding the aid calculation year, as adjusted under section 473F.08, subdivision 2, or
95.17 276A.06, subdivision 2, as applicable.

95.18 Subd. 2. **Required notification.** Notwithstanding the requirements of Minnesota Rules,
95.19 chapter 8100, a public utility must notify the commissioner when the public utility expects
95.20 to retire an electric generating unit and remove that unit from the property tax base. The
95.21 notification must be in the form and manner determined by the commissioner, include
95.22 information required by the commissioner to calculate transition aid under this section, and
95.23 be filed together with the reports required under section 273.371.

95.24 Subd. 3. **Unit transition amount.** (a) The initial unit transition amount equals the product
95.25 of (1) the unit differential, times (2) the jurisdiction's tax rate for taxes payable in the unit
95.26 base year.

95.27 (b) The unit transition amount for the year following the unit base year, or in the year
95.28 as provided under subdivision 6, equals the initial unit transition amount. Unit transition
95.29 amounts in subsequent years must be reduced each year by an amount equal to five percent
95.30 of the initial unit transition amount. If the unit transition amount attributable to any unit is
95.31 less than \$5,000 in any year, the unit transition amount for that unit equals zero.

95.32 Subd. 4. **Electric generation transition aid.** Electric generation transition aid for an
95.33 eligible taxing jurisdiction equals the sum of the unit transition amounts for that jurisdiction.

96.1 Subd. 5. **Aid elimination.** (a) Notwithstanding subdivision 4, beginning for aid in the
 96.2 year after the year in which the jurisdiction first qualified for aid, aid for an eligible taxing
 96.3 jurisdiction equals zero if the commissioner determines that the eligible taxing jurisdiction's
 96.4 total net tax capacity in the assessment year preceding the aid calculation year is greater
 96.5 than the product of:

96.6 (1) 90 percent of the jurisdiction's total net tax capacity in the assessment year preceding
 96.7 the aid calculation year in which the jurisdiction first qualified for aid under this section;
 96.8 times;

96.9 (2) the greater of one or the ratio of (i) the statewide total net tax capacity of real and
 96.10 personal property in the assessment year preceding the aid calculation year to (ii) the
 96.11 statewide total net tax capacity of real and personal property in the assessment year preceding
 96.12 the aid calculation year in which the jurisdiction first qualified for aid under this section.

96.13 (b) For the purposes of this subdivision, "net tax capacity" means net tax capacity as
 96.14 adjusted under section 473F.08, subdivision 2, or 276A.06, subdivision 2, as applicable.

96.15 (c) If aid to a jurisdiction attributable to a previous unit retirement has been eliminated
 96.16 under this subdivision, the jurisdiction may qualify for aid under this section for subsequent
 96.17 unit retirements.

96.18 (d) The requirements of this subdivision do not apply to the aid attributable to prior unit
 96.19 retirements qualifying under subdivision 7.

96.20 Subd. 6. **Commissioner's duties; payment schedule.** (a) The commissioner of revenue
 96.21 shall compute the amount of electric generation transition aid payable to each jurisdiction
 96.22 under this section. On or before August 1 of each year, the commissioner shall certify the
 96.23 amount of aid computed for aids payable in the following year for each jurisdiction. The
 96.24 commissioner shall pay aid to each jurisdiction other than school districts annually at the
 96.25 times provided in section 477A.015. Aids to school districts must be certified to the
 96.26 commissioner of education and paid under section 273.1392.

96.27 (b) The commissioner of revenue may require counties to provide any data that the
 96.28 commissioner deems necessary to administer this section.

96.29 Subd. 7. **Aid for prior unit retirements.** An electric generating unit with a unit base
 96.30 year after 2016 but before 2023 must be counted for the purpose of calculating aid under
 96.31 this section. For a unit eligible to be counted under this subdivision and for the purpose of
 96.32 the schedule of amounts under subdivision 3, paragraph (b), the unit base year is 2023.

97.1 Subd. 8. **Appropriation.** An amount sufficient to make the aid payments required by
 97.2 this section to eligible taxing jurisdictions other than school districts is annually appropriated
 97.3 from the general fund to the commissioner of revenue. An amount sufficient to make the
 97.4 aid payments required by this section for school districts is annually appropriated from the
 97.5 general fund to the commissioner of education.

97.6 **EFFECTIVE DATE.** This section is effective for aids payable in 2024 and thereafter.

97.7 Sec. 6. **MILLE LACS COUNTY; COUNTY, CITY, TOWNSHIP, AND SCHOOL**
 97.8 **DISTRICT REIMBURSEMENT.**

97.9 (a) A taxing jurisdiction located in Mille Lacs County that has lost property tax revenue
 97.10 due to the placement of property into trust by the United States Department of the Interior
 97.11 Bureau of Indian Affairs is eligible for reimbursement under this section in the following
 97.12 manner:

97.13 (1) by July 1, 2022, the auditor of Mille Lacs County must certify to the commissioner
 97.14 of revenue the amount of tax revenue lost by each taxing jurisdiction in the county due to
 97.15 property being placed into trust between January 1, 2009, and December 31, 2020;

97.16 (2) by July 1 of each year starting in 2022, the auditor of Mille Lacs County must certify
 97.17 to the commissioner of revenue the amount of tax revenue lost by each taxing jurisdiction
 97.18 in the county due to property being placed into trust during the preceding calendar year.
 97.19 This clause only applies to properties that were the subject of an application for placement
 97.20 into trust between January 1, 2009, and June 30, 2021; and

97.21 (3) in the first five years following certification under clause (1) or (2), the commissioner
 97.22 of education must distribute to the county the full amount certified for school districts, and
 97.23 the commissioner of revenue must distribute to the county the full amount certified for
 97.24 taxing jurisdictions other than school districts. The county must distribute to each taxing
 97.25 jurisdiction the certified amount of tax revenue lost by the jurisdiction. In the sixth year
 97.26 following certification and in each year thereafter, the commissioners of education and
 97.27 revenue must distribute to the county, for distribution to each taxing jurisdiction, an amount
 97.28 equal to the previous year's amount minus 20 percent of the amount distributed in the first
 97.29 year.

97.30 (b) Reimbursements required by this section must be paid to taxing jurisdictions other
 97.31 than school districts at the times provided in Minnesota Statutes, section 477A.015, for
 97.32 payment of local government aid. Aid to school districts must be certified to the
 97.33 commissioner of education and paid under Minnesota Statutes, section 273.1392.

98.1 (c) An amount sufficient to make the payments to taxing jurisdictions other than school
 98.2 districts is annually appropriated from the general fund to the commissioner of revenue. An
 98.3 amount sufficient to make the payment to school districts is annually appropriated from the
 98.4 general fund to the commissioner of education.

98.5 (d) For purposes of this section, "taxing jurisdiction" means a political subdivision
 98.6 including a county, city, town, township, school district, or special taxing district imposing
 98.7 a levy on real property.

98.8 (e) For purposes of this section, "tax revenue lost" means the amount that was payable
 98.9 in the year before the property became exempt.

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

98.11 Sec. 7. **CLASS 4D LOW-INCOME RENTAL PROPERTY 2024 AND 2025**
 98.12 **TRANSITION AID; APPROPRIATION.**

98.13 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this
 98.14 subdivision have the meanings given.

98.15 (b) "4d property" means class 4d low-income rental property under Minnesota Statutes,
 98.16 section 273.13, subdivision 25.

98.17 (c) "Base assessment year" means assessment year 2022.

98.18 (d) "Local unit" means a home rule charter or statutory city.

98.19 (e) "Modified transition tax capacity" means the product of (1) one minus the transition
 98.20 ratio for the local unit, times (2) the transition tax capacity for the local unit.

98.21 (f) "Transition ratio" means the ratio of (1) the net tax capacity of 4d property for the
 98.22 local unit in the base assessment year calculated using the classification rates and first-tier
 98.23 limit in effect for 4d property for taxes payable in 2024, to (2) the net tax capacity of 4d
 98.24 property for the local unit in the base assessment year calculated using the classification
 98.25 rates and first-tier limit in effect for 4d property for taxes payable in 2023.

98.26 (g) "Transition tax capacity" means the greater of zero or the difference between (1) the
 98.27 net tax capacity of 4d property for the local unit in the base assessment year, minus (2) two
 98.28 percent of the total net tax capacity for the local unit in the base assessment year.

98.29 Subd. 2. **Aid amount.** In 2024 and 2025 only, transition aid for a local unit equals the
 98.30 product of (1) the local unit's tax rate for taxes payable in 2023, times (2) the modified
 98.31 transition tax capacity for the local unit.

99.1 Subd. 3. **Administration; payment schedule.** (a) For purposes of this section, net tax
 99.2 capacity must be determined by the commissioner of revenue based on information available
 99.3 to the commissioner as of July 15, 2023.

99.4 (b) The commissioner of revenue must notify a local unit of its transition aid amount
 99.5 before August 1 of the year preceding the aid distribution year and must pay the aid in two
 99.6 installments on the dates specified in Minnesota Statutes, section 477A.015.

99.7 Subd. 4. **Appropriation.** An amount sufficient to pay transition aid under this section
 99.8 is annually appropriated from the general fund to the commissioner of revenue.

99.9 **EFFECTIVE DATE.** This section is effective for aid payable in calendar year 2024
 99.10 and 2025 only.

99.11 Sec. 8. **2019 LOCAL GOVERNMENT AID PENALTY FORGIVENESS; CITY OF**
 99.12 **ROOSEVELT; APPROPRIATION.**

99.13 (a) Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of
 99.14 Roosevelt shall receive its aid payment for calendar year 2019 under Minnesota Statutes,
 99.15 section 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision
 99.16 3, provided that the state auditor certifies to the commissioner of revenue that the state
 99.17 auditor received the annual financial reporting form for 2018 from the city as well as all
 99.18 forms, including the audited financial statement for calendar year 2019, by June 1, 2022.
 99.19 The commissioner of revenue shall make a payment of \$25,410 on July 1, 2022.

99.20 (b) An amount sufficient to pay aid under this section is appropriated in fiscal year 2023
 99.21 from the general fund to the commissioner of revenue. This is a onetime appropriation.

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

99.23 Sec. 9. **2021 AID PENALTY FORGIVENESS; CITY OF BENA.**

99.24 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Bena
 99.25 must receive the city's aid payment for calendar year 2021 under Minnesota Statutes, section
 99.26 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,
 99.27 and the city's small city assistance payment for calendar year 2021 under Minnesota Statutes,
 99.28 section 162.145, that was withheld under Minnesota Statutes, section 162.145, subdivision
 99.29 3, paragraph (c), provided that the state auditor certifies to the commissioner of revenue
 99.30 that the state auditor received the annual financial reporting form for 2020 from the city by
 99.31 June 1, 2022. The commissioner of revenue must make a payment of \$43,774 to the city
 99.32 by June 30, 2022.

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

100.2 Sec. 10. **2021 AID PENALTY FORGIVENESS; CITY OF BOY RIVER.**

100.3 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Boy
100.4 River must receive the city's aid payment for calendar year 2021 under Minnesota Statutes,
100.5 section 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision
100.6 3, and the city's small city assistance payment for calendar year 2021 under Minnesota
100.7 Statutes, section 162.145, that was withheld under Minnesota Statutes, section 162.145,
100.8 subdivision 3, paragraph (c), provided that the state auditor certifies to the commissioner
100.9 of revenue that the state auditor received the annual financial reporting form for 2020 from
100.10 the city by June 1, 2022. The commissioner of revenue must make a payment of \$19,578
100.11 to the city by June 30, 2022.

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

100.13 Sec. 11. **2021 AID PENALTY FORGIVENESS; CITY OF ECHO.**

100.14 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Echo
100.15 must receive its aid payment for calendar year 2021 under Minnesota Statutes, section
100.16 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,
100.17 and its small city assistance payment for calendar year 2021 under Minnesota Statutes,
100.18 section 162.145, that was withheld under Minnesota Statutes, section 162.145, subdivision
100.19 3, paragraph (c), provided that the state auditor certifies to the commissioner of revenue
100.20 that the state auditor received the annual financial reporting form for 2020 from the city by
100.21 June 1, 2022. The commissioner of revenue must make a payment of \$46,060 to the city
100.22 by June 30, 2022.

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

100.24 Sec. 12. **2021 AID PENALTY FORGIVENESS; CITY OF MORTON.**

100.25 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Morton
100.26 must receive its aid payment for calendar year 2021 under Minnesota Statutes, section
100.27 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,
100.28 and its small city assistance payment for calendar year 2021 under Minnesota Statutes,
100.29 section 162.145, that was withheld under Minnesota Statutes, section 162.145, subdivision
100.30 3, paragraph (c), provided that the state auditor certifies to the commissioner of revenue
100.31 that it received the annual financial reporting form for 2020 from the city by June 1, 2022.
100.32 The commissioner of revenue must make a payment of \$79,476 to the city by June 30, 2022.

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

101.2 **ARTICLE 6**

101.3 **PUBLIC FINANCE**

101.4 Section 1. Minnesota Statutes 2020, section 123B.61, is amended to read:

101.5 **123B.61 PURCHASE OF CERTAIN EQUIPMENT.**

101.6 The board of a district may issue general obligation certificates of indebtedness or capital
 101.7 notes subject to the district debt limits to: (a) purchase vehicles, computers, telephone
 101.8 systems, cable equipment, photocopy and office equipment, technological equipment for
 101.9 instruction, and other capital equipment having an expected useful life at least as long as
 101.10 the terms of the certificates or notes; (b) purchase computer hardware and software, without
 101.11 regard to its expected useful life, whether bundled with machinery or equipment or
 101.12 unbundled, together with application development services and training related to the use
 101.13 of the computer; and (c) prepay special assessments. The certificates or notes must be
 101.14 payable in not more than ~~ten~~ 20 years and must be issued on the terms and in the manner
 101.15 determined by the board, ~~except that certificates or notes issued to prepay special assessments~~
 101.16 ~~must be payable in not more than 20 years.~~ The certificates or notes may be issued by
 101.17 resolution and without the requirement for an election. The certificates or notes are general
 101.18 obligation bonds for purposes of section 126C.55. A tax levy must be made for the payment
 101.19 of the principal and interest on the certificates or notes, in accordance with section 475.61,
 101.20 as in the case of bonds. The sum of the tax levies under this section and section 123B.62
 101.21 for each year must not exceed the lesser of the amount of the district's total operating capital
 101.22 revenue or the sum of the district's levy in the general and community service funds excluding
 101.23 the adjustments under this section for the year preceding the year the initial debt service
 101.24 levies are certified. The district's general fund levy for each year must be reduced by the
 101.25 sum of (1) the amount of the tax levies for debt service certified for each year for payment
 101.26 of the principal and interest on the certificates or notes issued under this section as required
 101.27 by section 475.61, (2) the amount of the tax levies for debt service certified for each year
 101.28 for payment of the principal and interest on bonds issued under section 123B.62, and (3)
 101.29 any excess amount in the debt redemption fund used to retire bonds, certificates, or notes
 101.30 issued under this section or section 123B.62 after April 1, 1997, other than amounts used
 101.31 to pay capitalized interest. If the district's general fund levy is less than the amount of the
 101.32 reduction, the balance shall be deducted first from the district's community service fund
 101.33 levy, and next from the district's general fund or community service fund levies for the
 101.34 following year. A district using an excess amount in the debt redemption fund to retire the

102.1 certificates or notes shall report the amount used for this purpose to the commissioner by
 102.2 July 15 of the following fiscal year. A district having an outstanding capital loan under
 102.3 section 126C.69 or an outstanding debt service loan under section 126C.68 must not use an
 102.4 excess amount in the debt redemption fund to retire the certificates or notes.

102.5 Sec. 2. Minnesota Statutes 2020, section 366.095, subdivision 1, is amended to read:

102.6 Subdivision 1. **Certificates of indebtedness.** The town board may issue certificates of
 102.7 indebtedness within the debt limits for a town purpose otherwise authorized by law. The
 102.8 certificates shall be payable in not more than ~~ten~~ 20 years and be issued on the terms and
 102.9 in the manner as determined by the board ~~may determine, provided that notes issued for~~
 102.10 ~~projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2), must~~
 102.11 ~~be payable in not more than 20 years.~~ If the amount of the certificates to be issued exceeds
 102.12 0.25 percent of the estimated market value of the town, they shall not be issued for at least
 102.13 ten days after publication in a newspaper of general circulation in the town of the board's
 102.14 resolution determining to issue them. If within that time, a petition asking for an election
 102.15 on the proposition signed by voters equal to ten percent of the number of voters at the last
 102.16 regular town election is filed with the clerk, the certificates shall not be issued until their
 102.17 issuance has been approved by a majority of the votes cast on the question at a regular or
 102.18 special election. A tax levy shall be made to pay the principal and interest on the certificates
 102.19 as in the case of bonds.

102.20 Sec. 3. Minnesota Statutes 2020, section 373.01, subdivision 3, is amended to read:

102.21 Subd. 3. **Capital notes.** (a) A county board may, by resolution and without referendum,
 102.22 issue capital notes subject to the county debt limit to purchase capital equipment useful for
 102.23 county purposes that has an expected useful life at least equal to the term of the notes. The
 102.24 notes shall be payable in not more than ~~ten~~ 20 years and shall be issued on the terms and in
 102.25 ~~a~~ the manner determined by the board ~~determines~~. A tax levy shall be made for payment of
 102.26 the principal and interest on the notes, in accordance with section 475.61, as in the case of
 102.27 bonds.

102.28 (b) For purposes of this subdivision, "capital equipment" means:

102.29 (1) public safety, ambulance, road construction or maintenance, ~~and~~ medical equipment,
 102.30 and other capital equipment; and

102.31 (2) computer hardware and software, whether bundled with machinery or equipment or
 102.32 unbundled, together with application development services and training related to the use
 102.33 of the computer hardware or software.

103.1 Sec. 4. Minnesota Statutes 2020, section 383B.117, subdivision 2, is amended to read:

103.2 Subd. 2. **Equipment acquisition; capital notes.** The board may, by resolution and
 103.3 without public referendum, issue capital notes within existing debt limits for the purpose
 103.4 of purchasing ambulance and other medical equipment, road construction or maintenance
 103.5 equipment, public safety equipment and other capital equipment having an expected useful
 103.6 life at least equal to the term of the notes issued. The notes shall be payable in not more
 103.7 than ~~ten~~ 20 years and shall be issued on the terms and in ~~a~~ the manner as determined by the
 103.8 board ~~determines, provided that notes issued for projects that eliminate R-22, as defined in~~
 103.9 ~~section 240A.09, paragraph (b), clause (2), must be payable in not more than 20 years.~~ The
 103.10 total principal amount of the notes issued for any fiscal year shall not exceed one percent
 103.11 of the total annual budget for that year and shall be issued solely for the purchases authorized
 103.12 in this subdivision. A tax levy shall be made for the payment of the principal and interest
 103.13 on such notes as in the case of bonds. For purposes of this subdivision, "equipment" includes
 103.14 computer hardware and software, whether bundled with machinery or equipment or
 103.15 unbundled. For purposes of this subdivision, the term "medical equipment" includes computer
 103.16 hardware and software and other intellectual property for use in medical diagnosis, medical
 103.17 procedures, research, record keeping, billing, and other hospital applications, together with
 103.18 application development services and training related to the use of the computer hardware
 103.19 and software and other intellectual property, all without regard to their useful life. For
 103.20 purposes of determining the amount of capital notes which the county may issue in any
 103.21 year, the budget of the county and Hennepin Healthcare System, Inc. shall be combined
 103.22 and the notes issuable under this subdivision shall be in addition to obligations issuable
 103.23 under section 373.01, subdivision 3.

103.24 Sec. 5. Minnesota Statutes 2020, section 410.32, is amended to read:

103.25 **410.32 CITIES MAY ISSUE CAPITAL NOTES FOR CAPITAL EQUIPMENT.**

103.26 (a) Notwithstanding any contrary provision of other law or charter, a home rule charter
 103.27 city may, by resolution and without public referendum, issue capital notes subject to the
 103.28 city debt limit to purchase capital equipment.

103.29 (b) For purposes of this section, "capital equipment" means:

103.30 (1) public safety equipment, ambulance and other medical equipment, road construction
 103.31 and maintenance equipment, and other capital equipment; and

104.1 (2) computer hardware and software, whether bundled with machinery or equipment or
104.2 unbundled, together with application development services and training related to the use
104.3 of the computer hardware and software.

104.4 (c) The equipment or software must have an expected useful life at least as long as the
104.5 term of the notes.

104.6 (d) The notes shall be payable in not more than ~~ten~~ 20 years and be issued on the terms
104.7 and in the manner determined by the city ~~determines, provided that notes issued for projects~~
104.8 ~~that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2), must be payable~~
104.9 ~~in not more than 20 years~~. The total principal amount of the capital notes issued in a fiscal
104.10 year shall not exceed 0.03 percent of the estimated market value of taxable property in the
104.11 city for that year.

104.12 (e) A tax levy shall be made for the payment of the principal and interest on the notes,
104.13 in accordance with section 475.61, as in the case of bonds.

104.14 (f) Notes issued under this section shall require an affirmative vote of two-thirds of the
104.15 governing body of the city.

104.16 (g) Notwithstanding a contrary provision of other law or charter, a home rule charter
104.17 city may also issue capital notes subject to its debt limit in the manner and subject to the
104.18 limitations applicable to statutory cities pursuant to section 412.301.

104.19 Sec. 6. Minnesota Statutes 2020, section 412.301, is amended to read:

104.20 **412.301 FINANCING PURCHASE OF CERTAIN EQUIPMENT.**

104.21 (a) The council may issue certificates of indebtedness or capital notes subject to the city
104.22 debt limits to purchase capital equipment.

104.23 (b) For purposes of this section, "capital equipment" means:

104.24 (1) public safety equipment, ambulance and other medical equipment, road construction
104.25 and maintenance equipment, and other capital equipment; and

104.26 (2) computer hardware and software, whether bundled with machinery or equipment or
104.27 unbundled, together with application development services and training related to the use
104.28 of the computer hardware or software.

104.29 (c) The equipment or software must have an expected useful life at least as long as the
104.30 terms of the certificates or notes.

105.1 (d) Such certificates or notes shall be payable in not more than ~~ten~~ 20 years and shall
 105.2 be issued on ~~such~~ the terms and in ~~such~~ the manner as determined by the council ~~may~~
 105.3 ~~determine, provided, however, that notes issued for projects that eliminate R-22, as defined~~
 105.4 ~~in section 240A.09, paragraph (b), clause (2), must be payable in not more than 20 years.~~

105.5 (e) If the amount of the certificates or notes to be issued to finance any such purchase
 105.6 exceeds 0.25 percent of the estimated market value of taxable property in the city, they shall
 105.7 not be issued for at least ten days after publication in the official newspaper of a council
 105.8 resolution determining to issue them; and if before the end of that time, a petition asking
 105.9 for an election on the proposition signed by voters equal to ten percent of the number of
 105.10 voters at the last regular municipal election is filed with the clerk, such certificates or notes
 105.11 shall not be issued until the proposition of their issuance has been approved by a majority
 105.12 of the votes cast on the question at a regular or special election.

105.13 (f) A tax levy shall be made for the payment of the principal and interest on such
 105.14 certificates or notes, in accordance with section 475.61, as in the case of bonds.

105.15 ARTICLE 7

105.16 LOCAL SALES TAXES

105.17 Section 1. Minnesota Statutes 2020, section 297A.99, subdivision 3, is amended to read:

105.18 Subd. 3. **Legislative authority required before voter approval; requirements for**
 105.19 **adoption, use, termination.** (a) A political subdivision must receive legislative authority
 105.20 to impose a local sales tax before submitting the tax for approval by voters of the political
 105.21 subdivision. Imposition of a local sales tax is subject to approval by voters of the political
 105.22 subdivision at a general election. The election must be conducted at a general election within
 105.23 the two-year period after the governing body of the political subdivision has received
 105.24 authority to impose the tax. ~~If the authorizing legislation allows the tax to be imposed for~~
 105.25 ~~more than one project, there must be a separate question approving the use of the tax revenue~~
 105.26 ~~for each project. Notwithstanding the authorizing legislation, a project that is not approved~~
 105.27 ~~by the voters may not be funded with the local sales tax revenue and the termination date~~
 105.28 ~~of the tax set in the authorizing legislation must be reduced proportionately based on the~~
 105.29 ~~share of that project's cost to the total costs of all projects included in the authorizing~~
 105.30 ~~legislation~~ The ballot question must state the project or projects proposed to be funded by
 105.31 the tax and the estimated length of time the tax will be in effect.

106.1 (b) The proceeds of the tax must be dedicated exclusively to payment of the construction
106.2 and rehabilitation costs and associated bonding costs related to the specific capital
106.3 improvement projects that were approved by the voters under paragraph (a).

106.4 (c) The tax must terminate after the revenues raised are sufficient to fund the projects
106.5 approved by the voters under paragraph (a).

106.6 (d) After a sales tax imposed by a political subdivision has expired or been terminated,
106.7 the political subdivision is prohibited from imposing a local sales tax for a period of one
106.8 year.

106.9 (e) Notwithstanding paragraph (a), if a political subdivision received voter approval to
106.10 seek authority for a local sales tax at the November 6, 2018, general election and is granted
106.11 authority to impose a local sales tax before January 1, 2021, the tax may be imposed without
106.12 an additional referendum provided that it meets the requirements of subdivision 2 and the
106.13 list of specific projects contained in the resolution does not conflict with the projects listed
106.14 in the approving referendum.

106.15 (f) If a tax is terminated because sufficient revenues have been raised, any amount of
106.16 tax collected under subdivision 9, after sufficient revenues have been raised and before the
106.17 quarterly termination required under subdivision 12, paragraph (a), that is greater than the
106.18 average quarterly revenues collected over the immediately preceding 12 calendar months
106.19 must be retained by the commissioner for deposit in the general fund.

106.20 **EFFECTIVE DATE.** This section is effective for local sales taxes authorized in Laws
106.21 2021, First Special Session chapter 14, article 8, and thereafter.

106.22 Sec. 2. Minnesota Statutes 2020, section 469.190, subdivision 7, is amended to read:

106.23 Subd. 7. **Collection.** The statutory or home rule charter city, town, or county when the
106.24 county board is acting as a town board with respect to an unorganized territory, may agree
106.25 with the commissioner of revenue that a tax imposed pursuant to this section shall be
106.26 collected by the commissioner together with the tax imposed by chapter 297A, and subject
106.27 to the same interest, penalties, and other rules and that its proceeds, less the cost of collection,
106.28 shall be remitted to the city.

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

106.30 Sec. 3. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First
106.31 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session

107.1 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections
107.2 11, 12, and 13, is amended by adding a subdivision to read:

107.3 Subd. 1a. **Authorization; extension.** Notwithstanding Minnesota Statutes, section
107.4 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a
107.5 general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the
107.6 city of Rochester may extend the sales and use tax of one-half of one percent authorized
107.7 under subdivision 1, paragraph (a), for the purposes specified in subdivision 3a. Except as
107.8 otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
107.9 govern the imposition, administration, collection, and enforcement of the tax authorized
107.10 under this subdivision. The tax imposed under this subdivision is in addition to any local
107.11 sales and use tax imposed under any other special law.

107.12 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
107.13 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
107.14 645.021, subdivisions 2 and 3.

107.15 Sec. 4. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First
107.16 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session
107.17 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections
107.18 11, 12, and 13, is amended by adding a subdivision to read:

107.19 Subd. 3a. **Use of sales and use tax revenues; additional projects.** The revenues derived
107.20 from the extension of the tax authorized under subdivision 1a must be used by the city of
107.21 Rochester to pay the costs of collecting and administering the tax and paying for the following
107.22 projects in the city, including securing and paying debt service on bonds issued to finance
107.23 all or part of the following projects:

107.24 (1) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),
107.25 \$50,000,000, plus associated bonding costs for the housing vitality fund;

107.26 (2) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),
107.27 \$50,000,000, plus associated bonding costs for street reconstruction;

107.28 (3) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),
107.29 \$40,000,000, plus associated bonding costs for flood control and water quality; and

107.30 (4) \$65,000,000, plus associated bonding costs for a Regional Community and Recreation
107.31 Complex.

107.32 **EFFECTIVE DATE.** This section is effective the day after compliance by the governing
107.33 body of the city of Rochester with Minnesota Statutes, section 645.021.

108.1 Sec. 5. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First
108.2 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session
108.3 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections
108.4 11, 12, and 13, is amended by adding a subdivision to read:

108.5 Subd. 4a. **Bonding authority; additional projects and extension of tax.** (a) The city
108.6 of Rochester may issue bonds under Minnesota Statutes, chapter 475, to finance all or a
108.7 portion of the costs of the projects authorized in subdivision 3a and approved by the voters
108.8 as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The
108.9 aggregate principal amount of bonds issued under this subdivision may not exceed
108.10 \$205,000,000 for the projects described in subdivision 3a, plus an amount to be applied to
108.11 the payment of the costs of issuing the bonds.

108.12 (b) The bonds may be paid from or secured by any funds available to the city of
108.13 Rochester, including the tax authorized under subdivision 1a and the full faith and credit
108.14 of the city. The issuance of bonds under this subdivision is not subject to Minnesota Statutes,
108.15 sections 275.60 and 275.61.

108.16 (c) The bonds are not included in computing any debt limitation applicable to the city
108.17 of Rochester, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
108.18 and interest on the bonds is not subject to any levy limitation. A separate election to approve
108.19 the bonds under Minnesota Statutes, section 475.58, is not required.

108.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
108.21 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
108.22 645.021, subdivisions 2 and 3.

108.23 Sec. 6. Laws 1998, chapter 389, article 8, section 43, subdivision 5, as amended by Laws
108.24 2005, First Special Session chapter 3, article 5, section 30, Laws 2011, First Special Session
108.25 chapter 7, article 4, section 7, and Laws 2013, chapter 143, article 10, section 13, is amended
108.26 to read:

108.27 **Subd. 5. Termination of taxes.** (a) The taxes imposed under subdivisions 1 and 2 expire
108.28 at the later of (1) December 31, 2009, or (2) when the city council determines that sufficient
108.29 funds have been received from the taxes to finance the first \$71,500,000 of capital
108.30 expenditures and bonds for the projects authorized in subdivision 3, including the amount
108.31 to prepay or retire at maturity the principal, interest, and premium due on any bonds issued
108.32 for the projects under subdivision 4, unless the taxes are extended as allowed in paragraph
108.33 (b). Any funds remaining after completion of the project and retirement or redemption of
108.34 the bonds shall also be used to fund the projects under subdivision 3. The taxes imposed

109.1 under subdivisions 1 and 2 may expire at an earlier time if the city so determines by
109.2 ordinance.

109.3 (b) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any other
109.4 contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance,
109.5 extend the taxes authorized in subdivisions 1 and 2 beyond December 31, 2009, if approved
109.6 by the voters of the city at a special election in 2005 or the general election in 2006. The
109.7 question put to the voters must indicate that an affirmative vote would allow up to an
109.8 additional \$40,000,000 of sales tax revenues be raised and up to \$40,000,000 of bonds to
109.9 be issued above the amount authorized in the June 23, 1998, referendum for the projects
109.10 specified in subdivision 3. If the taxes authorized in subdivisions 1 and 2 are extended under
109.11 this paragraph, the taxes expire when the city council determines that sufficient funds have
109.12 been received from the taxes to finance the projects and to prepay or retire at maturity the
109.13 principal, interest, and premium due on any bonds issued for the projects under subdivision
109.14 4. Any funds remaining after completion of the project and retirement or redemption of the
109.15 bonds may be placed in the general fund of the city.

109.16 (c) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any other
109.17 contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance,
109.18 extend the taxes authorized in subdivisions 1, paragraph (a), and 2, up to December 31,
109.19 2049, provided that all additional revenues above those necessary to fund the projects and
109.20 associated financing costs listed in subdivision 3, paragraphs (a) to (e), are committed to
109.21 fund public infrastructure projects contained in the development plan adopted under
109.22 Minnesota Statutes, section 469.43, including all financing costs; otherwise the taxes
109.23 terminate when the city council determines that sufficient funds have been received from
109.24 the taxes to finance expenditures and bonds for the projects authorized in subdivision 3,
109.25 paragraphs (a) to (e), plus an amount equal to the costs of issuance of the bonds and including
109.26 the amount to prepay or retire at maturity the principal, interest, and premiums due on any
109.27 bonds issued for the projects under subdivision 4.

109.28 (d) The tax imposed under subdivision 1, paragraph (b), expires at the earlier of December
109.29 31, 2049, or when the city council determines that sufficient funds have been raised from
109.30 the tax plus all other city funding sources authorized in this article to meet the city obligation
109.31 for financing the public infrastructure projects contained in the development plan adopted
109.32 under Minnesota Statutes, section 469.43, including all financing costs.

109.33 (e) The tax imposed under subdivision 1a expires at the earlier of (1) 16-1/2 years after
109.34 first imposed, or (2) when the city council determines that the amount of revenues received
109.35 from the tax is sufficient to pay for the project costs authorized under subdivision 3a for

110.1 projects approved by the voters as required under Minnesota Statutes, section 297A.99,
 110.2 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
 110.3 of the bonds under subdivision 4a, including interest on the bonds. Except as otherwise
 110.4 provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds
 110.5 remaining after payment of the allowed costs due to the timing of the termination of the tax
 110.6 under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general
 110.7 fund of the city. The tax imposed under subdivision 1a may expire at an earlier time if the
 110.8 city so determines by ordinance.

110.9 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 110.10 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
 110.11 645.021, subdivisions 2 and 3.

110.12 Sec. 7. Laws 2008, chapter 366, article 7, section 17, is amended to read:

110.13 Sec. 17. **COOK COUNTY; LODGING AND ADMISSIONS TAXES TAX.**

110.14 Subdivision 1. **Lodging tax.** Notwithstanding Minnesota Statutes, section 477A.016,
 110.15 or any other provision of law, ordinance, or city charter, the Board of Commissioners of
 110.16 Cook County may impose, by ordinance, a tax of up to one percent on the gross receipts
 110.17 subject to the lodging tax under Minnesota Statutes, section 469.190. This tax is in addition
 110.18 to any tax imposed under Minnesota Statutes, section 469.190, and the total tax imposed
 110.19 under that section and this provision must not exceed four percent.

110.20 ~~Subd. 2. **Admissions and recreation tax.** Notwithstanding Minnesota Statutes, section~~
 110.21 ~~477A.016, or any other provision of law, ordinance, or city charter, the Board of~~
 110.22 ~~Commissioners of Cook County may impose, by ordinance, a tax of up to three percent on~~
 110.23 ~~admissions to entertainment and recreational facilities and rental of recreation equipment.~~

110.24 Subd. 3. **Use of taxes.** The ~~taxes tax~~ imposed in ~~subdivisions~~ subdivision 1 and 2 must
 110.25 be used to fund a new Cook County Event and Visitors Bureau as established by the Board
 110.26 of Commissioners of Cook County. The Board of Commissioners of Cook County must
 110.27 annually review the budget of the Cook County Event and Visitors Bureau. The event and
 110.28 visitors bureau may not receive revenues raised from the ~~taxes tax~~ imposed in ~~subdivisions~~
 110.29 subdivision 1 and 2 until the board of commissioners approves the annual budget.

110.30 Subd. 4. **Termination.** The ~~taxes tax~~ imposed in ~~subdivisions~~ subdivision 1 and 2
 110.31 ~~terminate 15~~ terminates 30 years after ~~they are~~ it is first imposed.

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

111.1 Sec. 8. Laws 2011, First Special Session chapter 7, article 4, section 14, is amended to
111.2 read:

111.3 Sec. 14. **CITY OF MARSHALL; SALES AND USE TAX.**

111.4 Subdivision 1. **Authorization.** Notwithstanding Minnesota Statutes, section 297A.99,
111.5 subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city charter, the city of
111.6 Marshall, if approved by the voters at a general election held within two years of the date
111.7 of final enactment of this section, may impose the tax authorized under subdivision 2. Two
111.8 separate ballot questions must be presented to the voters, one for each of the two facility
111.9 projects named in subdivision 3.

111.10 Subd. 2. **Sales and use tax authorized.** The city of Marshall may impose by ordinance
111.11 a sales and use tax of up to one-half of one percent for the purposes specified in subdivision
111.12 3. The provisions of Minnesota Statutes, section 297A.99, except subdivisions 1 and 2,
111.13 govern the imposition, administration, collection, and enforcement of the tax authorized
111.14 under this subdivision.

111.15 Subd. 2a. **Authorization; extension.** Notwithstanding Minnesota Statutes, section
111.16 297A.99, subdivision 3, paragraph (d), or 477A.016, or any other law, ordinance, or city
111.17 charter, after payment of the bonds authorized under subdivision 4, and if approved by the
111.18 voters at a general election as required under Minnesota Statutes, section 297A.99,
111.19 subdivision 3, the city of Marshall may extend the sales and use tax of one-half of one
111.20 percent authorized under subdivision 2 for the purposes specified in subdivision 3a. Except
111.21 as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
111.22 govern the imposition, administration, collection, and enforcement of the tax authorized
111.23 under this subdivision. The tax imposed under this subdivision is in addition to any local
111.24 sales and use tax imposed under any other special law.

111.25 Subd. 3. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
111.26 under subdivision 2 must be used by the city of Marshall to pay the costs of collecting and
111.27 administering the sales and use tax and to pay all or part of the costs of the new and existing
111.28 facilities of the Minnesota Emergency Response and Industry Training Center and all or
111.29 part of the costs of the new facilities of the Southwest Minnesota Regional Amateur Sports
111.30 Center. Authorized expenses include, but are not limited to, acquiring property, predesign,
111.31 design, and paying construction, furnishing, and equipment costs related to these facilities
111.32 and paying debt service on bonds or other obligations issued by the city of Marshall under
111.33 subdivision 4 to finance the capital costs of these facilities.

112.1 Subd. 3a. Use of sales and use tax revenues; aquatic center. The revenues derived
112.2 from the extension of the tax authorized under subdivision 2a must be used by the city of
112.3 Marshall to pay the costs of collecting and administering the tax and paying for \$16,000,000
112.4 plus associated bonding costs for the construction of a new municipal aquatic center in the
112.5 city, including securing and paying debt service on bonds issued to finance the project.

112.6 Subd. 4. **Bonds.** (a) If the imposition of a sales and use tax is approved by the voters,
112.7 the city of Marshall may issue bonds under Minnesota Statutes, chapter 475, to finance all
112.8 or a portion of the costs of the facilities authorized in subdivision 3, and may issue bonds
112.9 to refund bonds previously issued. The aggregate principal amount of bonds issued under
112.10 this subdivision may not exceed \$17,290,000, plus an amount to be applied to the payment
112.11 of the costs of issuing the bonds. The bonds may be paid from or secured by any funds
112.12 available to the city of Marshall, including the tax authorized under subdivision 2.

112.13 (b) The bonds are not included in computing any debt limitation applicable to the city
112.14 of Marshall, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
112.15 and interest on the bonds, is not subject to any levy limitation. A separate election to approve
112.16 the bonds under Minnesota Statutes, section 475.58, is not required.

112.17 Subd. 4a. Bonds; additional use and extension of tax. (a) After payment of the bonds
112.18 authorized under subdivision 4, the city of Marshall may issue bonds under Minnesota
112.19 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
112.20 subdivision 2a and approved by the voters as required under Minnesota Statutes, section
112.21 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
112.22 under this subdivision may not exceed \$16,000,000, plus an amount to be applied to the
112.23 payment of the costs of issuing the bonds.

112.24 (b) The bonds may be paid from or secured by any funds available to the city of Marshall,
112.25 including the tax authorized under subdivision 2a. The issuance of bonds under this
112.26 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

112.27 (c) The bonds are not included in computing any debt limitation applicable to the city
112.28 of Marshall, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
112.29 and interest on the bonds is not subject to any levy limitation. A separate election to approve
112.30 the bonds under Minnesota Statutes, section 475.58, is not required.

112.31 Subd. 5. **Termination of taxes.** (a) The tax imposed under subdivision 2 expires at the
112.32 earlier of (1) 15 years after the tax is first imposed, or (2) when the city council determines
112.33 that the amount of revenues received from the tax to pay for the capital and administrative
112.34 costs of the facilities under subdivision 3 first equals or exceeds the amount authorized to

113.1 be spent for the facilities plus the additional amount needed to pay the costs related to
 113.2 issuance of the bonds under subdivision 4, including interest on the bonds. Any funds
 113.3 remaining after payment of all such costs and retirement or redemption of the bonds shall
 113.4 be placed in the general fund of the city. The tax imposed under subdivision 2 may expire
 113.5 at an earlier time if the city so determines by ordinance.

113.6 (b) The tax imposed under subdivision 2a expires at the earlier of (1) 30 years after the
 113.7 tax under subdivision 2 is first imposed, or (2) when the city council determines that the
 113.8 amount of revenues received from the tax is sufficient to pay for the project costs authorized
 113.9 under subdivision 3a for the project approved by the voters as required under Minnesota
 113.10 Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay
 113.11 the costs related to issuance of the bonds under subdivision 4a, including interest on the
 113.12 bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision
 113.13 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing
 113.14 of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12,
 113.15 shall be placed in the general fund of the city. The tax imposed under subdivision 2a may
 113.16 expire at an earlier time if the city so determines by ordinance.

113.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 113.18 city of Marshall and its chief clerical officer comply with Minnesota Statutes, section
 113.19 645.021, subdivisions 2 and 3.

113.20 Sec. 9. Laws 2021, First Special Session chapter 14, article 8, section 20, subdivision 2,
 113.21 is amended to read:

113.22 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
 113.23 under subdivision 1 must be used by the city of Waite Park to pay the costs of collecting
 113.24 and administering the tax and for the following projects in the city, including securing and
 113.25 paying debt service on bonds issued to finance all or part of the following projects:

113.26 (1) up to \$7,500,000 plus associated bonding costs for regional trail connections; ~~and~~

113.27 (2) up to \$20,000,000 plus associated bonding costs for construction and equipping of
 113.28 a public safety facility; and

113.29 (3) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),
 113.30 up to \$15,500,000 plus associated bonding costs for the 10th Avenue regional corridor
 113.31 project.

114.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 114.2 city of Waite Park and its chief clerical officer comply with Minnesota Statutes, section
 114.3 645.021, subdivisions 2 and 3.

114.4 Sec. 10. Laws 2021, First Special Session chapter 14, article 8, section 20, subdivision 3,
 114.5 is amended to read:

114.6 Subd. 3. **Bonding authority.** (a) The city of Waite Park may issue bonds under Minnesota
 114.7 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in
 114.8 subdivision 2 and approved by the voters as required under Minnesota Statutes, section
 114.9 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
 114.10 under this subdivision may not exceed:

114.11 ~~(1) \$7,500,000~~ \$43,000,000 for the ~~project~~ projects listed in subdivision 2, ~~clause (1),~~
 114.12 plus an amount needed to pay capitalized interest and an amount to be applied to the payment
 114.13 of the costs of issuing the bonds; ~~and~~

114.14 ~~(2) \$20,000,000 for the project listed in subdivision 2, clause (2), plus an amount needed~~
 114.15 ~~to pay capitalized interest and an amount to be applied to the payment of the costs of issuing~~
 114.16 ~~the bonds.~~

114.17 (b) The bonds may be paid from or secured by any funds available to the city of Waite
 114.18 Park, including the tax authorized under subdivision 1. The issuance of bonds under this
 114.19 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

114.20 ~~(b)~~ (c) The bonds are not included in computing any debt limitation applicable to the
 114.21 city of Waite Park, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
 114.22 principal and interest on the bonds is not subject to any levy limitation. A separate election
 114.23 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

114.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 114.25 city of Waite Park and its chief clerical officer comply with Minnesota Statutes, section
 114.26 645.021, subdivisions 2 and 3.

114.27 Sec. 11. Laws 2021, First Special Session chapter 14, article 8, section 20, subdivision 4,
 114.28 is amended to read:

114.29 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
 114.30 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) ~~19~~ 20 years
 114.31 after the tax is first imposed, or (2) when the city council determines that the amount received
 114.32 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for

115.1 projects approved by voters as required under Minnesota Statutes, section 297A.99,
 115.2 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
 115.3 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
 115.4 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
 115.5 any funds remaining after payment of the allowed costs due to the timing of the termination
 115.6 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
 115.7 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
 115.8 if the city so determines by ordinance.

115.9 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 115.10 city of Waite Park and its chief clerical officer comply with Minnesota Statutes, section
 115.11 645.021, subdivisions 2 and 3.

115.12 **Sec. 12. CITY OF AITKIN; TAXES AUTHORIZED.**

115.13 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 115.14 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
 115.15 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
 115.16 the city of Aitkin may impose by ordinance a sales and use tax of one percent for the purposes
 115.17 specified in subdivision 2. Except as otherwise provided in this section, the provisions of
 115.18 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and
 115.19 enforcement of the tax authorized under this subdivision. The tax imposed under this
 115.20 subdivision is in addition to any local sales and use tax imposed under any other special
 115.21 law.

115.22 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 115.23 under subdivision 1 must be used by the city of Aitkin to pay the costs of collecting and
 115.24 administering the tax and paying for the following projects in the city, including securing
 115.25 and paying debt service on bonds issued to finance all or part of the following projects:

115.26 (1) \$8,300,000 plus associated bonding costs for construction of a new municipal
 115.27 building; and

115.28 (2) \$1,000,000 plus associated bonding costs for improvements to parks and trails.

115.29 Subd. 3. **Bonding authority.** (a) The city of Aitkin may issue bonds under Minnesota
 115.30 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in
 115.31 subdivision 2 and approved by the voters as required under Minnesota Statutes, section
 115.32 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued

116.1 under this subdivision may not exceed \$9,300,000 for the projects listed in subdivision 2,
 116.2 plus an amount to be applied to the payment of the costs of issuing the bonds.

116.3 (b) The bonds may be paid from or secured by any funds available to the city of Aitkin,
 116.4 including the tax authorized under subdivision 1. The issuance of bonds under this
 116.5 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

116.6 (c) The bonds are not included in computing any debt limitation applicable to the city
 116.7 of Aitkin, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
 116.8 and interest on the bonds is not subject to any levy limitation. A separate election to approve
 116.9 the bonds under Minnesota Statutes, section 475.58, is not required.

116.10 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
 116.11 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 19 years
 116.12 after being first imposed, or (2) when the city council determines that the amount received
 116.13 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
 116.14 projects approved by voters as required under Minnesota Statutes, section 297A.99,
 116.15 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
 116.16 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
 116.17 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
 116.18 any funds remaining after payment of the allowed costs due to the timing of the termination
 116.19 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
 116.20 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
 116.21 if the city so determines by ordinance.

116.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 116.23 city of Aitkin and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 116.24 subdivisions 2 and 3.

116.25 Sec. 13. **CITY OF BLACKDUCK; TAXES AUTHORIZED.**

116.26 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 116.27 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
 116.28 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
 116.29 the city of Blackduck may impose by ordinance a sales and use tax of one-half of one percent
 116.30 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
 116.31 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 116.32 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
 116.33 under this subdivision is in addition to any local sales and use tax imposed under any other
 116.34 special law.

117.1 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
117.2 under subdivision 1 must be used by the city of Blackduck to pay the costs of collecting
117.3 and administering the tax and paying for the following projects in the city, including securing
117.4 and paying debt service on bonds issued to finance all or part of the following projects:

117.5 (1) \$200,000 plus associated bonding costs for improvements to a city campground;

117.6 (2) \$300,000 plus associated bonding costs for improvements to a walking trail;

117.7 (3) \$250,000 plus associated bonding costs for improvements to a wayside rest;

117.8 (4) \$150,000 plus associated bonding costs for golf course irrigation improvements; and

117.9 (5) \$100,000 plus associated bonding costs for reconstruction of a library.

117.10 Subd. 3. Bonding authority. (a) The city of Blackduck may issue bonds under Minnesota
117.11 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in
117.12 subdivision 2 and approved by the voters as required under Minnesota Statutes, section
117.13 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
117.14 under this subdivision may not exceed \$1,000,000 for the projects listed in subdivision 2,
117.15 plus an amount to be applied to the payment of the costs of issuing the bonds.

117.16 (b) The bonds may be paid from or secured by any funds available to the city of
117.17 Blackduck, including the tax authorized under subdivision 1. The issuance of bonds under
117.18 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

117.19 (c) The bonds are not included in computing any debt limitation applicable to the city
117.20 of Blackduck, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
117.21 principal and interest on the bonds is not subject to any levy limitation. A separate election
117.22 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

117.23 Subd. 4. Termination of taxes. Subject to Minnesota Statutes, section 297A.99,
117.24 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
117.25 after being first imposed, or (2) when the city council determines that the amount received
117.26 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
117.27 projects approved by voters as required under Minnesota Statutes, section 297A.99,
117.28 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
117.29 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
117.30 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
117.31 any funds remaining after payment of the allowed costs due to the timing of the termination
117.32 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the

118.1 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
118.2 if the city so determines by ordinance.

118.3 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
118.4 city of Blackduck and its chief clerical officer comply with Minnesota Statutes, section
118.5 645.021, subdivisions 2 and 3.

118.6 **Sec. 14. CITY OF BLOOMINGTON; TAXES AUTHORIZED.**

118.7 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
118.8 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
118.9 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
118.10 the city of Bloomington may impose by ordinance a sales and use tax of one-half of one
118.11 percent for the purposes specified in subdivision 2. Except as otherwise provided in this
118.12 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
118.13 administration, collection, and enforcement of the tax authorized under this subdivision.
118.14 The tax imposed under this subdivision is in addition to any local sales and use tax imposed
118.15 under any other special law.

118.16 Subd. 2. **Use of sales and use tax revenues.** (a) The revenues derived from the tax
118.17 authorized under subdivision 1 must be used by the city of Bloomington to pay the costs of
118.18 collecting and administering the tax and paying for the following projects in the city,
118.19 including securing and paying debt service on bonds issued to finance all or part of the
118.20 following projects:

118.21 (1) \$32,000,000 plus associated bonding costs for construction of improvements and
118.22 rehabilitation of the Bloomington Ice Garden and associated infrastructure;

118.23 (2) \$70,000,000 plus associated bonding costs for construction of a new Community
118.24 Health and Wellness Center and associated infrastructure;

118.25 (3) \$33,000,000 plus associated bonding costs for construction of an expansion to the
118.26 Bloomington Center for the Arts Concert Hall and associated infrastructure; and

118.27 (4) \$15,000,000 plus associated bonding costs for construction of and improvements to
118.28 the Dwan Golf Course and associated infrastructure.

118.29 (b)(1) For purposes of this subdivision, "associated infrastructure" includes any or all
118.30 of the following activities: demolition, reconstruction, expansion, improvement, construction,
118.31 or rehabilitation, related to the existing facility or the new project, or both.

119.1 (2) Associated infrastructure activities described in clause (1) include but are not limited
119.2 to the following activities associated with the capital project or projects that are needed for
119.3 safe access or use: facilities, roads, lighting, sidewalks, parking, landscaping, or utilities.

119.4 (3) Costs include all the costs associated with delivering the projects.

119.5 Subd. 3. **Bonding authority.** (a) The city of Bloomington may issue bonds under
119.6 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
119.7 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
119.8 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
119.9 issued under this subdivision may not exceed \$150,000,000 for the projects listed in
119.10 subdivision 2, plus an amount to be applied to the payment of the costs of issuing the bonds.

119.11 (b) The bonds may be paid from or secured by any funds available to the city of
119.12 Bloomington, including the tax authorized under subdivision 1. The issuance of bonds under
119.13 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

119.14 (c) The bonds are not included in computing any debt limitation applicable to the city
119.15 of Bloomington, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
119.16 principal and interest on the bonds is not subject to any levy limitation. A separate election
119.17 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

119.18 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
119.19 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
119.20 after being first imposed, or (2) when the city council determines that the amount received
119.21 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
119.22 projects approved by voters as required under Minnesota Statutes, section 297A.99,
119.23 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
119.24 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
119.25 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
119.26 any funds remaining after payment of the allowed costs due to the timing of the termination
119.27 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
119.28 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
119.29 if the city so determines by ordinance.

119.30 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
119.31 city of Bloomington and its chief clerical officer comply with Minnesota Statutes, section
119.32 645.021, subdivisions 2 and 3.

120.1 **Sec. 15. CITY OF BROOKLYN CENTER; TAXES AUTHORIZED.**

120.2 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
120.3 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
120.4 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
120.5 the city of Brooklyn Center may impose by ordinance a sales and use tax of one-half of one
120.6 percent for the purposes specified in subdivision 2. Except as otherwise provided in this
120.7 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
120.8 administration, collection, and enforcement of the tax authorized under this subdivision.
120.9 The tax imposed under this subdivision is in addition to any local sales and use tax imposed
120.10 under any other special law.

120.11 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
120.12 under subdivision 1 must be used by the city of Brooklyn Center to pay the costs of collecting
120.13 and administering the tax and to finance up to \$55,000,000, plus associated bonding costs,
120.14 for the renovation and expansion of the Brooklyn Center Community Center.

120.15 **Subd. 3. Bonding authority.** (a) The city of Brooklyn Center may issue bonds under
120.16 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
120.17 authorized in subdivision 2. The aggregate principal amount of bonds issued under this
120.18 subdivision may not exceed \$55,000,000 plus an amount to be applied to the payment of
120.19 the costs of issuing the bonds.

120.20 (b) The bonds may be paid from or secured by any funds available to the city of Brooklyn
120.21 Center, including the tax authorized under subdivision 1 and the full faith and credit of the
120.22 city. The issuance of bonds under this subdivision is not subject to Minnesota Statutes,
120.23 sections 275.60 and 275.61.

120.24 (c) The bonds are not included in computing any debt limitation applicable to the city
120.25 of Brooklyn Center and any levy of taxes under Minnesota Statutes, section 475.61, to pay
120.26 principal and interest on the bonds is not subject to any levy limitation. A separate election
120.27 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

120.28 **Subd. 4. Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
120.29 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
120.30 after being first imposed, or (2) when the city council determines that the amount received
120.31 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
120.32 projects approved by voters as required under Minnesota Statutes, section 297A.99,
120.33 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
120.34 of any bonds authorized under subdivision 3, including interest on the bonds. Except as

121.1 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
 121.2 any funds remaining after payment of the allowed costs due to the timing of the termination
 121.3 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
 121.4 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
 121.5 if the city so determines by ordinance.

121.6 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 121.7 city of Brooklyn Center and its chief clerical officer comply with Minnesota Statutes, section
 121.8 645.021, subdivisions 2 and 3.

121.9 Sec. 16. **CITY OF EAST GRAND FORKS; TAXES AUTHORIZED.**

121.10 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 121.11 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
 121.12 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
 121.13 the city of East Grand Forks may impose by ordinance a sales and use tax of 1.25 percent
 121.14 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
 121.15 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 121.16 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
 121.17 under this subdivision is in addition to any local sales and use tax imposed under any other
 121.18 special law.

121.19 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 121.20 under subdivision 1 must be used by the city of East Grand Forks to pay the costs of
 121.21 collecting and administering the tax and paying for the following projects in the city,
 121.22 including securing and paying debt service on bonds issued to finance all or part of the
 121.23 following projects:

121.24 (1) \$15,500,000 plus associated bonding costs for reconstruction and remodeling of,
 121.25 and upgrades and additions to, the Civic Center Sports Complex; and

121.26 (2) \$6,000,000 plus associated bonding costs for reconstruction and remodeling of, and
 121.27 upgrades and additions to, the VFW Memorial and Blue Line Arena.

121.28 Subd. 3. **Bonding authority.** (a) The city of East Grand Forks may issue bonds under
 121.29 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
 121.30 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
 121.31 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
 121.32 issued under this subdivision may not exceed \$21,000,000 for the projects listed in
 121.33 subdivision 2, plus an amount to be applied to the payment of the costs of issuing the bonds.

122.1 (b) The bonds may be paid from or secured by any funds available to the city of East
 122.2 Grand Forks, including the tax authorized under subdivision 1 and the full faith and credit
 122.3 of the city. The issuance of bonds under this subdivision is not subject to Minnesota Statutes,
 122.4 sections 275.60 and 275.61.

122.5 (c) The bonds are not included in computing any debt limitation applicable to the city
 122.6 of East Grand Forks and any levy of taxes under Minnesota Statutes, section 475.61, to pay
 122.7 principal and interest on the bonds is not subject to any levy limitation. A separate election
 122.8 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

122.9 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
 122.10 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
 122.11 after being first imposed, or (2) when the city council determines that the amount received
 122.12 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
 122.13 projects approved by voters as required under Minnesota Statutes, section 297A.99,
 122.14 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
 122.15 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
 122.16 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
 122.17 any funds remaining after payment of the allowed costs due to the timing of the termination
 122.18 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
 122.19 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
 122.20 if the city so determines by ordinance.

122.21 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 122.22 city of East Grand Forks and its chief clerical officer comply with Minnesota Statutes,
 122.23 section 645.021, subdivisions 2 and 3.

122.24 Sec. 17. **CITY OF GOLDEN VALLEY; TAXES AUTHORIZED.**

122.25 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 122.26 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
 122.27 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
 122.28 the city of Golden Valley may impose by ordinance a sales and use tax of three-quarters of
 122.29 one percent for the purposes specified in subdivision 2. Except as otherwise provided in
 122.30 this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
 122.31 administration, collection, and enforcement of the tax authorized under this subdivision.
 122.32 The tax imposed under this subdivision is in addition to any local sales and use tax imposed
 122.33 under any other special law.

123.1 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
123.2 under subdivision 1 must be used by the city of Golden Valley to pay the costs of collecting
123.3 and administering the tax and paying for the following projects in the city, including securing
123.4 and paying debt service on bonds issued to finance all or part of the following projects:

123.5 (1) \$38,000,000 plus associated bonding costs for construction of a new public works
123.6 facility; and

123.7 (2) \$35,000,000 plus associated bonding costs for construction of a new public safety
123.8 facility.

123.9 Subd. 3. Bonding authority. (a) The city of Golden Valley may issue bonds under
123.10 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects
123.11 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
123.12 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
123.13 issued under this subdivision may not exceed \$73,000,000 for the projects listed in
123.14 subdivision 2, plus an amount to be applied to the payment of the costs of issuing the bonds.

123.15 (b) The bonds may be paid from or secured by any funds available to the city of Golden
123.16 Valley, including the tax authorized under subdivision 1. The issuance of bonds under this
123.17 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

123.18 (c) The bonds are not included in computing any debt limitation applicable to the city
123.19 of Golden Valley, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
123.20 principal and interest on the bonds is not subject to any levy limitation. A separate election
123.21 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

123.22 Subd. 4. Termination of taxes. Subject to Minnesota Statutes, section 297A.99,
123.23 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years
123.24 after the tax is first imposed, or (2) when the city council determines that the amount received
123.25 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
123.26 projects approved by voters as required under Minnesota Statutes, section 297A.99,
123.27 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
123.28 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
123.29 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
123.30 any funds remaining after payment of the allowed costs due to the timing of the termination
123.31 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the
123.32 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
123.33 if the city so determines by ordinance.

124.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
124.2 city of Golden Valley and its chief clerical officer comply with Minnesota Statutes, section
124.3 645.021, subdivisions 2 and 3.

124.4 Sec. 18. **CITY OF HENDERSON; TAXES AUTHORIZED.**

124.5 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
124.6 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
124.7 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
124.8 the city of Henderson may impose by ordinance a sales and use tax of one-half of one percent
124.9 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
124.10 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
124.11 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
124.12 under this subdivision is in addition to any local sales and use tax imposed under any other
124.13 special law.

124.14 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
124.15 under subdivision 1 must be used by the city of Henderson to pay the costs of collecting
124.16 and administering the tax, and to finance up to \$240,000 plus associated bonding costs for
124.17 the Allanson's Park Campground and Trail project. Authorized project costs include
124.18 improvements to trails, improvements to the park campground and related facilities, utility
124.19 improvements, handicap access improvements, and other improvements related to linkage
124.20 to other local trails, as well as the associated bond costs for any bonds issued under
124.21 subdivision 3.

124.22 Subd. 3. **Bonding authority.** (a) The city of Henderson may issue bonds under Minnesota
124.23 Statutes, chapter 475, to finance up to \$240,000 of the portion of the costs of the project
124.24 authorized in subdivision 2, and approved by the voters as required under Minnesota Statutes,
124.25 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
124.26 issued under this subdivision may not exceed \$240,000 plus an amount to be applied to the
124.27 payment of the costs of issuing the bonds.

124.28 (b) The bonds may be paid from or secured by any funds available to the city of
124.29 Henderson, including the tax authorized under subdivision 1. The issuance of bonds under
124.30 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

124.31 (c) The bonds are not included in computing any debt limitation applicable to the city
124.32 of Henderson, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
124.33 principal and interest on the bonds is not subject to any levy limitation. A separate election
124.34 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

125.1 Subd. 4. Termination of taxes. Subject to Minnesota Statutes, section 297A.99,
125.2 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 15 years
125.3 after the tax is first imposed; or (2) when the city council determines that the amount received
125.4 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
125.5 projects approved by voters as required under Minnesota Statutes, section 297A.99,
125.6 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
125.7 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
125.8 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
125.9 any funds remaining after payment of the allowed costs due to the timing of the termination
125.10 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
125.11 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
125.12 if the city so determines by ordinance.

125.13 EFFECTIVE DATE. This section is effective the day after the governing body of the
125.14 city of Henderson and its chief clerical officer comply with Minnesota Statutes, section
125.15 645.021, subdivisions 2 and 3.

125.16 Sec. 19. LAKE OF THE WOODS COUNTY LODGING TAX AUTHORIZED.

125.17 (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of
125.18 law, ordinance, or city charter, and subject to the limitation in paragraph (b), the Board of
125.19 Commissioners of Lake of the Woods County may impose, by ordinance, a tax of up to
125.20 three percent on gross receipts in Lake of the Woods County subject to the lodging tax
125.21 provisions under Minnesota Statutes, section 469.190.

125.22 (b) The provisions of paragraph (a) do not apply to the city of Baudette or any statutory
125.23 or home rule city or town located in Lake of the Woods County that imposes a lodging tax
125.24 under Minnesota Statutes, section 469.190. The total tax imposed under Minnesota Statutes,
125.25 section 469.190, and this section, must not exceed three percent.

125.26 (c) To the extent not inconsistent with Minnesota Statutes, section 469.190, this section
125.27 is governed by Minnesota Statutes, section 469.190.

125.28 (d) Revenues derived from taxes imposed under this section must be used to fund a new
125.29 Lake of the Woods County Event and Visitors Bureau as established by the Board of
125.30 Commissioners of Lake of the Woods County, for purposes of marketing Lake of the Woods
125.31 County. The Board of Commissioners must annually review the budget of the Event and
125.32 Visitors Bureau. The Event and Visitors Bureau may receive revenues raised from the taxes
125.33 imposed under this section only upon annual approval by the Board of Commissioners of
125.34 the Event and Visitors Bureau budget.

126.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 126.2 Lake of the Woods County and its chief clerical officer comply with Minnesota Statutes,
 126.3 section 645.021, subdivisions 2 and 3.

126.4 Sec. 20. **CITY OF PARK RAPIDS; TAXES AUTHORIZED.**

126.5 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 126.6 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 126.7 and if approved by the voters at a general election as required under Minnesota Statutes,
 126.8 section 297A.99, subdivision 3, the city of Park Rapids may impose by ordinance a sales
 126.9 and use tax of one-half of one percent for the purposes specified in subdivision 2. Except
 126.10 as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
 126.11 govern the imposition, administration, collection, and enforcement of the tax authorized
 126.12 under this subdivision. The tax imposed under this subdivision is in addition to any local
 126.13 sales and use tax imposed under any other special law.

126.14 Subd. 2. **Use of sales and use tax revenues.** Notwithstanding the requirements of
 126.15 Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d), the revenues derived
 126.16 from the tax authorized under subdivision 1 must be used by the city of Park Rapids to pay
 126.17 the costs of collecting and administering the tax and paying for the following arterial roadway
 126.18 improvement projects in the city, including securing and paying debt service on bonds issued
 126.19 to finance all or part of the following projects:

126.20 (1) \$3,201,000, plus associated bonding costs, for improvements to 12th Street and
 126.21 Eastern Avenue from the southeast into the city;

126.22 (2) \$2,377,000, plus associated bonding costs, for improvements to 8th Street and
 126.23 Fishhook Avenue from the south into the city;

126.24 (3) \$1,309,500, plus associated bonding costs, for improvements to Kaywood Drive on
 126.25 the north side into the city and the Walmart retail area;

126.26 (4) \$1,261,000, plus associated bonding costs, for improvements to Huntsinger Avenue
 126.27 on the east side into the city and near Park Rapids High School; and

126.28 (5) \$651,500, plus associated bonding costs, for improvements to Main Avenue South
 126.29 into the city's downtown business district.

126.30 Subd. 3. **Bonding authority.** (a) The city of Park Rapids may issue bonds under
 126.31 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects
 126.32 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
 126.33 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds

127.1 issued under this subdivision may not exceed \$8,799,500 for the projects listed in subdivision
127.2 2, plus an amount to be applied to the payment of the costs of issuing the bonds.

127.3 (b) The bonds may be paid from or secured by any funds available to the city of Park
127.4 Rapids, including the tax authorized under subdivision 1. The issuance of bonds under this
127.5 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

127.6 (c) The bonds are not included in computing any debt limitation applicable to the city
127.7 of Park Rapids, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
127.8 principal and interest on the bonds is not subject to any levy limitation. A separate election
127.9 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

127.10 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
127.11 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
127.12 after the tax is first imposed, or (2) when the city council determines that the amount received
127.13 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
127.14 projects approved by voters as required under Minnesota Statutes, section 297A.99,
127.15 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
127.16 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
127.17 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
127.18 any funds remaining after payment of the allowed costs due to the timing of the termination
127.19 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the
127.20 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
127.21 if the city so determines by ordinance.

127.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
127.23 city of Park Rapids and its chief clerical officer comply with Minnesota Statutes, section
127.24 645.021, subdivisions 2 and 3.

127.25 Sec. 21. **CITY OF PROCTOR; TAXES AUTHORIZED.**

127.26 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
127.27 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
127.28 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
127.29 the city of Proctor may impose by ordinance a sales and use tax of one-half of one percent
127.30 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
127.31 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
127.32 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
127.33 under this subdivision is in addition to any local sales and use tax imposed under any other
127.34 special law.

128.1 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
128.2 under subdivision 1 must be used by the city of Proctor to pay the costs of collecting and
128.3 administering the tax and to finance up to \$3,850,000 plus associated bonding costs for
128.4 construction of a new regional and statewide trail spur in the city, including securing and
128.5 paying debt service on bonds issued to finance all or part of the project.

128.6 Subd. 3. Bonding authority. (a) The city of Proctor may issue bonds under Minnesota
128.7 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in
128.8 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
128.9 not exceed \$3,850,000, plus an amount to be applied to the payment of the costs of issuing
128.10 the bonds.

128.11 (b) The bonds may be paid from or secured by any funds available to the city of Proctor,
128.12 including the tax authorized under subdivision 1. The issuance of bonds under this
128.13 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

128.14 (c) The bonds are not included in computing any debt limitation applicable to the city
128.15 of Proctor, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
128.16 and interest on the bonds is not subject to any levy limitation. A separate election to approve
128.17 the bonds under Minnesota Statutes, section 475.58, is not required.

128.18 Subd. 4. Termination of taxes. Subject to Minnesota Statutes, section 297A.99,
128.19 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
128.20 after being first imposed, or (2) when the city council determines that the amount received
128.21 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus
128.22 an amount sufficient to pay the costs related to issuance of any bonds authorized under
128.23 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota
128.24 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment
128.25 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,
128.26 section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax
128.27 imposed under subdivision 1 may expire at an earlier time if the city so determines by
128.28 ordinance.

128.29 EFFECTIVE DATE. This section is effective the day after the governing body of the
128.30 city of Proctor and its chief clerical officer comply with Minnesota Statutes, section 645.021,
128.31 subdivisions 2 and 3.

129.1 **Sec. 22. RICE COUNTY; TAXES AUTHORIZED.**

129.2 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
129.3 section 477A.016, or any other law or ordinance, and if approved by the voters at a general
129.4 election as required under Minnesota Statutes, section 297A.99, subdivision 3, Rice County
129.5 may impose by ordinance a sales and use tax of three-eighths of one percent for the purposes
129.6 specified in subdivision 2. Except as otherwise provided in this section, the provisions of
129.7 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and
129.8 enforcement of the tax authorized under this subdivision. The tax imposed under this
129.9 subdivision is in addition to any local sales and use tax imposed under any other special
129.10 law.

129.11 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
129.12 under subdivision 1 must be used by Rice County to pay the costs of collecting and
129.13 administering the tax and paying for up to \$77,000,000 plus associated bonding costs for
129.14 construction of a public safety facility in the county, including associated bond costs for
129.15 any bonds issued under subdivision 3.

129.16 **Subd. 3. Bonding authority.** (a) Rice County may issue bonds under Minnesota Statutes,
129.17 chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision
129.18 2 and approved by the voters as required under Minnesota Statutes, section 297A.99,
129.19 subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this
129.20 subdivision may not exceed \$77,000,000, plus an amount to be applied to the payment of
129.21 the costs of issuing the bonds.

129.22 (b) The bonds may be paid from or secured by any funds available to Rice County,
129.23 including the tax authorized under subdivision 1. The issuance of bonds under this
129.24 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

129.25 (c) The bonds are not included in computing any debt limitation applicable to Rice
129.26 County, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
129.27 and interest on the bonds is not subject to any levy limitation. A separate election to approve
129.28 the bonds under Minnesota Statutes, section 475.58, is not required.

129.29 **Subd. 4. Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
129.30 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years
129.31 after being first imposed, or (2) when the county board of commissioners determines that
129.32 the amount received from the tax is sufficient to pay for the project costs authorized under
129.33 subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds
129.34 authorized under subdivision 3, including interest on the bonds. Except as otherwise provided

130.1 in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining
 130.2 after payment of the allowed costs due to the timing of the termination of the tax under
 130.3 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of
 130.4 the county. The tax imposed under subdivision 1 may expire at an earlier time if the county
 130.5 so determines by ordinance.

130.6 **EFFECTIVE DATE.** This section is effective the day after the governing body of Rice
 130.7 County and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 130.8 subdivisions 2 and 3.

130.9 Sec. 23. **CITY OF ROSEVILLE; TAXES AUTHORIZED.**

130.10 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 130.11 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
 130.12 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
 130.13 the city of Roseville may impose by ordinance a sales and use tax of one-half of one percent
 130.14 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
 130.15 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 130.16 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
 130.17 under this subdivision is in addition to any local sales and use tax imposed under any other
 130.18 special law.

130.19 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 130.20 under subdivision 1 must be used by the city of Roseville to pay the costs of collecting and
 130.21 administering the tax and paying for the following projects in the city, including securing
 130.22 and paying debt service on bonds issued to finance all or part of the following projects:

130.23 (1) \$42,000,000 plus associated bonding costs for construction of a new maintenance
 130.24 facility;

130.25 (2) \$7,000,000 plus associated bonding costs for construction of a new license and
 130.26 passport center; and

130.27 (3) \$16,000,000 plus associated bonding costs for construction of a pedestrian bridge.

130.28 Subd. 3. **Bonding authority.** (a) The city of Roseville may issue bonds under Minnesota
 130.29 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in
 130.30 subdivision 2 and approved by the voters as required under Minnesota Statutes, section
 130.31 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
 130.32 under this subdivision may not exceed \$65,000,000 for the projects listed in subdivision 2,
 130.33 plus an amount to be applied to the payment of the costs of issuing the bonds.

131.1 (b) The bonds may be paid from or secured by any funds available to the city of Roseville,
 131.2 including the tax authorized under subdivision 1. The issuance of bonds under this
 131.3 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

131.4 (c) The bonds are not included in computing any debt limitation applicable to the city
 131.5 of Roseville, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
 131.6 and interest on the bonds is not subject to any levy limitation. A separate election to approve
 131.7 the bonds under Minnesota Statutes, section 475.58, is not required.

131.8 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
 131.9 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 16 years
 131.10 after the tax is first imposed, or (2) when the city council determines that the amount received
 131.11 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
 131.12 projects approved by voters as required under Minnesota Statutes, section 297A.99,
 131.13 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
 131.14 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
 131.15 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
 131.16 any funds remaining after payment of the allowed costs due to the timing of the termination
 131.17 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
 131.18 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
 131.19 if the city so determines by ordinance.

131.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 131.21 city of Roseville and its chief clerical officer comply with Minnesota Statutes, section
 131.22 645.021, subdivisions 2 and 3.

131.23 Sec. 24. **WINONA COUNTY; TAXES AUTHORIZED.**

131.24 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 131.25 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
 131.26 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
 131.27 Winona County may impose, by ordinance, a sales and use tax of one-quarter of one percent
 131.28 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
 131.29 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 131.30 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
 131.31 under this subdivision is in addition to any local sales and use tax imposed under any other
 131.32 special law.

131.33 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 131.34 under subdivision 1 must be used by Winona County to pay the costs of collecting and

132.1 administering the tax, and to finance up to \$28,000,000 plus associated bonding costs for
132.2 construction of a new correctional facility or upgrades to an existing correctional facility,
132.3 as well as the associated bond costs for any bonds issued under subdivision 3.

132.4 Subd. 3. **Bonding authority.** (a) Winona County may issue bonds under Minnesota
132.5 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
132.6 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
132.7 not exceed \$28,000,000, plus an amount applied to the payment of costs of issuing the
132.8 bonds.

132.9 (b) The bonds may be paid from or secured by any funds available to the county, including
132.10 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not
132.11 subject to Minnesota Statutes, sections 275.60 and 275.61.

132.12 (c) The bonds are not included in computing any debt limitation applicable to the county.
132.13 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
132.14 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
132.15 under Minnesota Statutes, section 475.58, is not required.

132.16 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
132.17 earlier of: (1) 25 years after the tax is first imposed; or (2) when the county determines that
132.18 it has received from this tax \$28,000,000 to fund the project listed in subdivision 2, plus an
132.19 amount sufficient to pay costs related to issuance of any bonds authorized under subdivision
132.20 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes,
132.21 section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the
132.22 allowed costs due to timing of the termination of the tax under Minnesota Statutes, section
132.23 297A.99, subdivision 12, shall be placed in the county's general fund. The tax imposed
132.24 under subdivision 1 may expire at an earlier time if the county determines by ordinance.

132.25 **EFFECTIVE DATE.** This section is effective the day after the governing body of
132.26 Winona County and its chief clerical officer comply with Minnesota Statutes, section
132.27 645.021, subdivisions 2 and 3.

132.28 Sec. 25. **PANDEMIC-RELATED CONSTRUCTION COSTS; TEMPORARY**
132.29 **AUTHORITY FOR INCREASE.**

132.30 (a) This section is intended as a response to pandemic-related increases in construction
132.31 costs for projects funded by local sales taxes governed under Minnesota Statutes, section
132.32 297A.99.

133.1 (b) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, the amount
 133.2 authorized to finance a project authorized in Laws 2021, First Special Session chapter 14,
 133.3 article 8, may be increased by up to ten percent. The governing body of the political
 133.4 subdivision shall adopt a resolution indicating approval of the increased amount for each
 133.5 project. The increase allowed under this section applies only to political subdivisions that
 133.6 have not held an election as required under Minnesota Statutes, section 297A.99, subdivision
 133.7 3, paragraph (a). The question to approve the tax must indicate the amount approved in the
 133.8 resolution.

133.9 (c) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, the amount
 133.10 authorized to finance a project authorized in this act may be increased by up to ten percent
 133.11 if the governing body of the political subdivision adopts a resolution indicating approval
 133.12 of the increased amount for each project. The question to approve the tax as required under
 133.13 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), must indicate the amount
 133.14 approved in the resolution.

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

133.16 **ARTICLE 8**

133.17 **TAX INCREMENT FINANCING**

133.18 Section 1. Minnesota Statutes 2020, section 469.174, subdivision 14, is amended to read:

133.19 Subd. 14. **Administrative expenses.** (a) "Administrative expenses" or "administrative
 133.20 costs" means all documented expenditures of an authority other than or municipality,
 133.21 including but not limited to:

133.22 (1) amounts paid for services provided by bond counsel, fiscal consultants, and economic
 133.23 development consultants;

133.24 (2) allocated expenses and staff time of the authority or municipality for administering
 133.25 a project, including but not limited to preparing the tax increment financing plan, negotiating
 133.26 and preparing agreements, accounting for segregated funds of the district, preparing and
 133.27 submitting required reporting for the district, and reviewing and monitoring compliance
 133.28 with sections 469.174 to 469.1794;

133.29 (3) amounts paid to publish annual disclosures and provide notices under section 469.175;

133.30 (4) amounts to provide for the usual and customary maintenance and operation of
 133.31 properties purchased with tax increments, including necessary reserves for repairs and the
 133.32 cost of any insurance;

134.1 (5) amounts allocated or paid to prepare a development action response plan for a soils
 134.2 condition district or hazardous substance subdistrict; and

134.3 (6) amounts used to pay bonds, interfund loans, or other financial obligations to the
 134.4 extent those obligations were used to finance costs described in clauses (1) to (5).

134.5 (b) Administrative expenses and administrative costs do not include:

134.6 (1) amounts paid for the purchase of land and buildings;

134.7 (2) amounts paid to contractors or others providing materials and services, ~~including~~
 134.8 ~~architectural and engineering services,~~ directly connected with the physical development
 134.9 of the real property in the project, including architectural and engineering services and
 134.10 materials and services for demolition, soil correction, and the construction or installation
 134.11 of public improvements;

134.12 (3) relocation benefits paid to or services provided for persons residing or businesses
 134.13 located in the project;

134.14 ~~(4) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount~~
 134.15 ~~bonds issued pursuant to section 469.178; or~~

134.16 ~~(5)~~ (4) amounts paid for property taxes or payments in lieu of taxes; and

134.17 (5) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount
 134.18 bonds issued pursuant to section 469.178 or other financial obligations to the extent those
 134.19 obligations were used to finance costs described in clauses (1) to (3) (4).

134.20 ~~For districts for which the requests for certifications were made before August 1, 1979,~~
 134.21 ~~or after June 30, 1982, "administrative expenses" includes amounts paid for services provided~~
 134.22 ~~by bond counsel, fiscal consultants, and planning or economic development consultants.~~

134.23 This definition does not apply to administrative expenses or administrative costs referenced
 134.24 under section 469.176, subdivision 4h.

134.25 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 134.26 applies to all districts, regardless of when the request for certification was made.

134.27 Sec. 2. Minnesota Statutes 2020, section 469.174, is amended by adding a subdivision to
 134.28 read:

134.29 Subd. 30. **Pay-as-you-go contract and note.** "Pay-as-you-go contract and note" means
 134.30 a written note or contractual obligation under which all of the following apply:

135.1 (1) the note or contractual obligation evidences an authority's commitment to reimburse
135.2 a developer, property owner, or note holder for the payment of costs of activities, including
135.3 any interest on unreimbursed costs;

135.4 (2) the reimbursement is made from tax increment revenues identified in the note or
135.5 contractual obligation as received by a municipality or authority as taxes are paid; and

135.6 (3) the risk that available tax increments may be insufficient to fully reimburse the costs
135.7 is borne by the developer, property owner, or note holder.

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

135.9 Sec. 3. Minnesota Statutes 2020, section 469.176, subdivision 3, is amended to read:

135.10 Subd. 3. **Limitation on administrative expenses.** (a) For districts for which certification
135.11 was requested before August 1, 2001, no tax increment shall be used to pay any
135.12 administrative expenses for a project which exceed ten percent of the total estimated tax
135.13 increment expenditures authorized by the tax increment financing plan or ten percent of the
135.14 total tax increment expenditures for the project net of any amounts returned to the county
135.15 auditor as excess increment, as returned increment under section 469.1763, subdivision 4,
135.16 paragraph (g), or as remedies under section 469.1771, subdivision 2, whichever is less.

135.17 (b) For districts for which certification was requested after July 31, 2001, no tax increment
135.18 may be used to pay any administrative expenses for a project which exceed ten percent of
135.19 total estimated tax increment expenditures authorized by the tax increment financing plan
135.20 or ten percent of the total tax increments, as defined in section 469.174, subdivision 25,
135.21 clause (1), from received for the district net of any amounts returned to the county auditor
135.22 as excess increment, as returned increment under section 469.1763, subdivision 4, paragraph
135.23 (g), or as remedies under section 469.1771, subdivision 2, whichever is less.

135.24 (c) Increments used to pay the county's administrative expenses under subdivision 4h
135.25 are not subject to the percentage limits in this subdivision.

135.26 (d) Increments defined under section 469.174, subdivision 25, clause (2), used for
135.27 administrative expenses described under section 469.174, subdivision 14, paragraph (a),
135.28 clause (4), are not subject to the percentage limits in this subdivision.

135.29 **EFFECTIVE DATE.** This section is effective the day following final enactment and
135.30 applies to all districts, regardless of when the request for certification was made.

136.1 Sec. 4. Minnesota Statutes 2020, section 469.176, subdivision 4, is amended to read:

136.2 Subd. 4. **Limitation on use of tax increment; general rule.** All revenues derived from
136.3 tax increment shall be used in accordance with the tax increment financing plan. The revenues
136.4 shall be used solely for the following purposes: (1) to pay the principal of and interest on
136.5 bonds issued to finance a project; (2) by a rural development financing authority for the
136.6 purposes stated in section 469.142₂; by a port authority or municipality exercising the powers
136.7 of a port authority to finance or otherwise pay the cost of redevelopment pursuant to sections
136.8 469.048 to 469.068₂; by an economic development authority to finance or otherwise pay
136.9 the cost of redevelopment pursuant to sections 469.090 to 469.108₂; by a housing and
136.10 redevelopment authority or economic development authority to finance or otherwise pay
136.11 public redevelopment costs pursuant to sections 469.001 to 469.047₂; by a municipality or
136.12 economic development authority to finance or otherwise pay the capital and administration
136.13 costs of a development district pursuant to sections 469.124 to 469.133₂; by a municipality
136.14 or authority to finance or otherwise pay the costs of developing and implementing a
136.15 development action response plan₂; by a municipality or redevelopment agency to finance
136.16 or otherwise pay premiums for insurance or other security guaranteeing the payment when
136.17 due of principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to
136.18 469.165, or both, or to accumulate and maintain a reserve securing the payment when due
136.19 of the principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to
136.20 469.165, or both, which revenues in the reserve shall not exceed, subsequent to the fifth
136.21 anniversary of the date of issue of the first bond issue secured by the reserve, an amount
136.22 equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased
136.23 bonds secured by the reserve; and (3) to pay administrative expenses.

136.24 **EFFECTIVE DATE.** This section is effective the day following final enactment and
136.25 applies to all districts, regardless of when the request for certification was made.

136.26 Sec. 5. Minnesota Statutes 2020, section 469.176, subdivision 4c, is amended to read:

136.27 Subd. 4c. **Economic development districts.** (a) Revenue derived from tax increment
136.28 from an economic development district may not be used to provide improvements, loans,
136.29 subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting
136.30 of buildings and ancillary facilities, if more than 15 percent of the buildings and facilities
136.31 (determined on the basis of square footage) are used for a purpose other than:

136.32 (1) the manufacturing or production of tangible personal property, including processing
136.33 resulting in the change in condition of the property;

137.1 (2) warehousing, storage, and distribution of tangible personal property, excluding retail
137.2 sales;

137.3 (3) research and development related to the activities listed in clause (1) or (2);

137.4 (4) telemarketing if that activity is the exclusive use of the property;

137.5 (5) tourism facilities;

137.6 (6) space necessary for and related to the activities listed in clauses (1) to (5); or

137.7 (7) a workforce housing project that satisfies the requirements of paragraph (d).

137.8 (b) Notwithstanding the provisions of this subdivision, revenues derived from tax
137.9 increment from an economic development district may be used to provide improvements,
137.10 loans, subsidies, grants, interest rate subsidies, or assistance in any form for up to 15,000
137.11 square feet of any separately owned commercial facility located within the municipal
137.12 jurisdiction of a small city, if the revenues derived from increments are spent only to assist
137.13 the facility directly or for administrative expenses, the assistance is necessary to develop
137.14 the facility, and all of the increments, except those for administrative expenses, are spent
137.15 only for activities within the district. If the separately owned commercial facility is a
137.16 multilevel facility, the 15,000 square feet limitation under this paragraph shall apply to the
137.17 first floor only. For purposes of this paragraph, "first floor" means the floor at street level.

137.18 (c) A city is a small city for purposes of this subdivision if the city was a small city in
137.19 the year in which the request for certification was made and applies for the rest of the
137.20 duration of the district, regardless of whether the city qualifies or ceases to qualify as a
137.21 small city.

137.22 (d) A project qualifies as a workforce housing project under this subdivision if:

137.23 (1) increments from the district are used exclusively to assist in the acquisition of
137.24 property; construction of improvements; and provision of loans or subsidies, grants, interest
137.25 rate subsidies, public infrastructure, and related financing costs for rental housing
137.26 developments in the municipality;

137.27 (2) the governing body of the municipality made the findings for the project required
137.28 by section 469.175, subdivision 3, paragraph (f); and

137.29 (3) the governing bodies of the county and the school district, following receipt, review,
137.30 and discussion of the materials required by section 469.175, subdivision 2, for the tax
137.31 increment financing district, have each approved the tax increment financing plan, by
137.32 resolution.

138.1 **EFFECTIVE DATE.** This section is effective for districts for which the request for
138.2 certification was made after December 31, 2021.

138.3 Sec. 6. Minnesota Statutes 2021 Supplement, section 469.1763, subdivision 2, is amended
138.4 to read:

138.5 Subd. 2. **Expenditures outside district.** (a) For each tax increment financing district,
138.6 an amount equal to at least 75 percent of the total revenue derived from tax increments paid
138.7 by properties in the district must be expended on activities in the district or to pay bonds,
138.8 to the extent that the proceeds of the bonds were used to finance activities in the district or
138.9 to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other
138.10 than redevelopment districts for which the request for certification was made after June 30,
138.11 1995, the in-district percentage for purposes of the preceding sentence is 80 percent. Not
138.12 more than 25 percent of the total revenue derived from tax increments paid by properties
138.13 in the district may be expended, through a development fund or otherwise, on activities
138.14 outside of the district but within the defined geographic area of the project except to pay,
138.15 or secure payment of, debt service on credit enhanced bonds. For districts, other than
138.16 redevelopment districts for which the request for certification was made after June 30, 1995,
138.17 the pooling percentage for purposes of the preceding sentence is 20 percent. The revenues
138.18 derived from tax increments paid by properties in the district that are expended on costs
138.19 under section 469.176, subdivision 4h, paragraph (b), may be deducted first before calculating
138.20 the percentages that must be expended within and without the district.

138.21 (b) In the case of a housing district, a housing project, as defined in section 469.174,
138.22 subdivision 11, is an activity in the district.

138.23 (c) All administrative expenses are considered to be expenditures for activities outside
138.24 of the district, except that if the only expenses for activities outside of the district under this
138.25 subdivision are for the purposes described in paragraph (d), administrative expenses will
138.26 be considered as expenditures for activities in the district.

138.27 (d) The authority may elect, in the tax increment financing plan for the district, to increase
138.28 by up to ten percentage points the permitted amount of expenditures for activities located
138.29 outside the geographic area of the district under paragraph (a). As permitted by section
138.30 469.176, subdivision 4k, the expenditures, including the permitted expenditures under
138.31 paragraph (a), need not be made within the geographic area of the project. Expenditures
138.32 that meet the requirements of this paragraph are legally permitted expenditures of the district,
138.33 notwithstanding section 469.176, subdivisions 4b, 4c, and 4j. To qualify for the increase
138.34 under this paragraph, the expenditures must:

- 139.1 (1) be used exclusively to assist housing that meets the requirement for a qualified
139.2 low-income building, as that term is used in section 42 of the Internal Revenue Code; and
- 139.3 (2) not exceed the qualified basis of the housing, as defined under section 42(c) of the
139.4 Internal Revenue Code, less the amount of any credit allowed under section 42 of the Internal
139.5 Revenue Code; and
- 139.6 (3) be used to:
- 139.7 (i) acquire and prepare the site of the housing;
- 139.8 (ii) acquire, construct, or rehabilitate the housing; or
- 139.9 (iii) make public improvements directly related to the housing; or
- 139.10 (4) be used to develop housing:
- 139.11 (i) if the market value of the housing does not exceed the lesser of:
- 139.12 (A) 150 percent of the average market value of single-family homes in that municipality;
- 139.13 or
- 139.14 (B) \$200,000 for municipalities located in the metropolitan area, as defined in section
139.15 473.121, or \$125,000 for all other municipalities; and
- 139.16 (ii) if the expenditures are used to pay the cost of site acquisition, relocation, demolition
139.17 of existing structures, site preparation, and pollution abatement on one or more parcels, if
139.18 the parcel contains a residence containing one to four family dwelling units that has been
139.19 vacant for six or more months and is in foreclosure as defined in section 325N.10, subdivision
139.20 7, but without regard to whether the residence is the owner's principal residence, and only
139.21 after the redemption period has expired; or
- 139.22 (5) to assist owner-occupied housing that meets the requirements of section 469.1761,
139.23 subdivision 2.
- 139.24 (e) The authority under paragraph (d), clause (4), expires on December 31, 2016.
139.25 Increments may continue to be expended under this authority after that date, if they are used
139.26 to pay bonds or binding contracts that would qualify under subdivision 3, paragraph (a), if
139.27 December 31, 2016, is considered to be the last date of the five-year period after certification
139.28 under that provision.
- 139.29 (f) For purposes of determining whether the minimum percentage of expenditures for
139.30 activities in the district and maximum percentages of expenditures allowed on activities
139.31 outside the district have been met under this subdivision, any amounts returned to the county
139.32 auditor as excess increment, as returned increment under subdivision 4, paragraph (g), or

140.1 as remedies under section 469.1771, subdivision 2, shall first be subtracted from the total
 140.2 revenues derived from tax increments paid by properties in the district. Any other amounts
 140.3 returned to the county auditor for purposes other than a remedy under section 469.1771,
 140.4 subdivision 3, are considered to be expenditures for activities in the district.

140.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 140.6 applies to all districts with a request for certification date after April 30, 1990, except that
 140.7 paragraph (f) shall apply to districts decertifying after December 31, 2022.

140.8 Sec. 7. Minnesota Statutes 2021 Supplement, section 469.1763, subdivision 3, is amended
 140.9 to read:

140.10 Subd. 3. **Five-year rule.** (a) Revenues derived from tax increments paid by properties
 140.11 in the district that are considered to have been expended on an activity within the district
 140.12 under will instead be considered to have been expended on an activity outside the district
 140.13 for purposes of subdivision 2 only if one of the following occurs unless:

140.14 (1) before or within five years after certification of the district, the revenues are actually
 140.15 paid to a third party with respect to the activity;

140.16 (2) bonds, the proceeds of which must be used to finance the activity, are issued and
 140.17 sold to a third party before or within five years after certification of the district, the revenues
 140.18 are spent to repay the bonds, and the proceeds of the bonds either are, on the date of issuance,
 140.19 reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii)
 140.20 a reasonable temporary period within the meaning of the use of that term under section
 140.21 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve
 140.22 or replacement fund;

140.23 (3) binding contracts with a third party are entered into for performance of the activity
 140.24 before or within five years after certification of the district and the revenues are spent under
 140.25 the contractual obligation;

140.26 (4) costs with respect to the activity are paid before or within five years after certification
 140.27 of the district and the revenues are spent to reimburse a party for payment of the costs,
 140.28 including interest on unreimbursed costs; or

140.29 (5) ~~expenditures are made~~ revenues are spent for housing purposes as permitted ~~described~~
 140.30 by subdivision 2, paragraphs paragraph (b) and (d), or for public infrastructure purposes
 140.31 within a zone as permitted by subdivision 2, paragraph (e).

140.32 (b) For purposes of this subdivision, bonds include subsequent refunding bonds if the
 140.33 original refunded bonds meet the requirements of paragraph (a), clause (2).

141.1 (c) For a redevelopment district or a renewal and renovation district certified after June
 141.2 30, 2003, and before April 20, 2009, the five-year periods described in paragraph (a) are
 141.3 extended to ten years after certification of the district. For a redevelopment district certified
 141.4 after April 20, 2009, and before June 30, 2012, the five-year periods described in paragraph
 141.5 (a) are extended to eight years after certification of the district. This extension is provided
 141.6 primarily to accommodate delays in development activities due to unanticipated economic
 141.7 circumstances.

141.8 (d) For a redevelopment district that was certified after December 31, 2017, and before
 141.9 June 30, 2020, the five-year periods described in paragraph (a) are extended to eight years
 141.10 after certification of the district.

141.11 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 141.12 applies to all districts with a request for certification date after April 30, 1990.

141.13 Sec. 8. Minnesota Statutes 2021 Supplement, section 469.1763, subdivision 4, is amended
 141.14 to read:

141.15 **Subd. 4. Use of revenues for decertification.** ~~(a) In each year beginning with the sixth~~
 141.16 ~~year following certification of the district, or beginning with the ninth year following~~
 141.17 ~~certification of the district for districts whose five-year rule is extended to eight years under~~
 141.18 ~~subdivision 3, paragraph (d), if the applicable in-district percent of the revenues derived~~
 141.19 ~~from tax increments paid by properties in the district exceeds the amount of expenditures~~
 141.20 ~~that have been made for costs permitted under subdivision 3, an amount equal to the~~
 141.21 ~~difference between the in-district percent of the revenues derived from tax increments paid~~
 141.22 ~~by properties in the district and the amount of expenditures that have been made for costs~~
 141.23 ~~permitted under subdivision 3 must be used and only used to pay or defease the following~~
 141.24 ~~or be set aside to pay the following:~~

141.25 ~~(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b);~~

141.26 ~~(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4);~~

141.27 ~~(3) credit enhanced bonds to which the revenues derived from tax increments are pledged,~~
 141.28 ~~but only to the extent that revenues of the district for which the credit enhanced bonds were~~
 141.29 ~~issued are insufficient to pay the bonds and to the extent that the increments from the~~
 141.30 ~~applicable pooling percent share for the district are insufficient; or~~

141.31 ~~(4) the amount provided by the tax increment financing plan to be paid under subdivision~~
 141.32 ~~2, paragraphs (b), (d), and (e).~~

142.1 ~~(b) The~~ (a) Beginning with the sixth year following certification of the district, or
 142.2 beginning with the year following the extended period for districts whose five-year period
 142.3 is extended under subdivision 3, paragraphs (c) and (d), a district must be decertified and
 142.4 the pledge of tax increment discharged when the outstanding bonds have been defeased and
 142.5 when sufficient money has been set aside to pay, based on the product of the applicable
 142.6 in-district percentage multiplied by the increment to be cumulative revenues derived from
 142.7 tax increments paid by properties in the district that have been collected through the end of
 142.8 the calendar year, equals or exceeds an amount sufficient to pay the following amounts:

142.9 ~~(1) contractual~~ any costs and obligations as defined described in subdivision 3, paragraph
 142.10 paragraphs (a), clauses (3) and (4); and (b), excluding those under a qualifying pay-as-you-go
 142.11 contract and note;

142.12 ~~(2) the amount specified in the tax increment financing plan for activities qualifying~~
 142.13 ~~under subdivision 2, paragraph (b), that have not been funded with the proceeds of bonds~~
 142.14 ~~qualifying under paragraph (a), clause (1); and~~

142.15 ~~(3) the additional expenditures permitted by the tax increment financing plan for housing~~
 142.16 ~~activities under an election under subdivision 2, paragraph (d), that have not been funded~~
 142.17 ~~with the proceeds of bonds qualifying under paragraph (a), clause (1).~~

142.18 (2) any accrued interest on the costs and obligations in clause (1), payable in accordance
 142.19 with the terms thereof; and

142.20 (3) any administrative expenses falling within the exception in subdivision 2, paragraph
 142.21 (c).

142.22 (b) For districts with an outstanding qualifying pay-as-you-go contract and note, the
 142.23 required decertification under paragraph (a) is deferred until the end of the remaining term
 142.24 of the last outstanding qualifying pay-as-you-go contract and note, and the applicable
 142.25 in-district percentage of cumulative revenues derived from tax increments paid by properties
 142.26 in the district are sufficient to pay the obligations identified in subdivision 3, paragraphs
 142.27 (a) and (b), provided that the deferral shall not exceed the district's duration limit under
 142.28 section 469.176. During the deferral, beginning at the time paragraph (a) would otherwise
 142.29 require decertification, the authority must annually either:

142.30 (1) remove from the district, by the end of the year, all parcels that will no longer have
 142.31 their tax increment revenue pledged or subject to a qualifying pay-as-you-go contract and
 142.32 note or other costs and obligations described in subdivision 3, paragraphs (a) and (b), after
 142.33 the end of the year; or

143.1 (2) use the applicable in-district percentage of revenues derived from tax increments
143.2 paid by those parcels to prepay an outstanding qualifying pay-as-you-go contract and note
143.3 of the district or other costs and obligations described in subdivision 3, paragraphs (a) and
143.4 (b), or to accumulate and use revenues derived from tax increments paid by those parcels
143.5 as permitted under paragraph (i).

143.6 The authority must remove any parcels as required by this paragraph by modification
143.7 of the tax increment financing plan and notify the county auditor of the removed parcels by
143.8 the end of the same calendar year. Notwithstanding section 469.175, subdivision 4,
143.9 paragraphs (b), clause (1), and (e), the notice, discussion, public hearing, and findings
143.10 required for approval of the original plan are not required for such a modification.

143.11 (c) Notwithstanding paragraph (a) or (b), if tax increment was pledged prior to August
143.12 1, 2022, to a bond other than a pay-as-you-go contract and note or interfund loan, and the
143.13 proceeds of the bond were used solely or in part to pay authorized costs for activities outside
143.14 the district, the requirement to decertify under paragraph (a) or remove parcels under
143.15 paragraph (b) shall not apply prior to the bond being fully paid or defeased.

143.16 (d) For purposes of this subdivision, "applicable in-district percentage" means the
143.17 percentage of tax increment revenue that is restricted for expenditures within the district,
143.18 as determined under subdivision 2, paragraphs (a) and (d), for the district.

143.19 (e) For purposes of this subdivision, "qualifying pay-as-you-go contract and note" means
143.20 a pay-as-you-go contract and note that is considered to be for activities within the district
143.21 under subdivision 3, paragraph (a).

143.22 (f) For purposes of this subdivision, the reference in paragraph (a) to cumulative revenues
143.23 derived from tax increments paid by properties in the district through the end of the calendar
143.24 year shall include any final settlement distributions made in the following January. For
143.25 purposes of the calculation in paragraph (a), any amounts returned to the county auditor as
143.26 excess increment or as remedies under section 469.1771, subdivision 2, shall first be
143.27 subtracted from the cumulative revenues derived from tax increments paid by properties in
143.28 the district.

143.29 (g) The timing and implementation of a decertification pursuant to paragraphs (a) and
143.30 (b) shall be subject to the following:

143.31 (1) when a decertification is required under paragraph (a) and not deferred under
143.32 paragraph (b), the authority must, as soon as practical and no later than the final settlement
143.33 distribution date of January 25 as identified in section 276.111 for the property taxes payable
143.34 in the calendar year identified in paragraph (a), make the decertification by resolution

144.1 effective for the end of the calendar year identified in paragraph (a), and communicate the
144.2 decertification to the county auditor;

144.3 (2) when a decertification is deferred under paragraph (b), the authority must, by
144.4 December 31 of the year in which the last qualifying pay-as-you-go contract and note reaches
144.5 termination, make the decertification by resolution effective for the end of that calendar
144.6 year and communicate the decertification to the county auditor;

144.7 (3) if the county auditor is unable to prevent tax increments from being calculated for
144.8 taxes payable in the year following the year for which the decertification is made effective,
144.9 the county auditor may redistribute the tax increments in the same manner as excess
144.10 increments under section 469.176, subdivision 2, paragraph (c), clause (4), without first
144.11 distributing them to the authority; and

144.12 (4) if tax increments are distributed to an authority for a taxes payable year after the year
144.13 for which the decertification was required to be effective, the authority must return the
144.14 amount of the distributions to the county auditor for redistribution in the same manner as
144.15 excess increments under section 469.176, subdivision 2, paragraph (c), clause (4).

144.16 (h) The provisions of this subdivision do not apply to a housing district.

144.17 (i) Notwithstanding anything to the contrary in paragraphs (a) or (b), if an authority has
144.18 made the election in the tax increment financing plan for the district under subdivision 2,
144.19 paragraph (d), then the requirement to decertify under paragraph (a) or remove parcels under
144.20 paragraph (b) shall not apply prior to such time that the accumulated revenues derived from
144.21 tax increments paid by properties in the district that are eligible to be expended for housing
144.22 purposes described under subdivision 2, paragraph (d), equals the lesser of the amount the
144.23 authority is permitted to expend for housing purposes described under subdivision 2,
144.24 paragraph (d), or the amount authorized for such purposes in the tax increment financing
144.25 plan. Increment revenues collected after the district would have decertified under paragraph
144.26 (a) or from parcels which otherwise would be subject to removal under paragraph (b), absent
144.27 the exception of this paragraph, shall be used solely for housing purposes as described in
144.28 subdivision 2, paragraph (d).

144.29 **EFFECTIVE DATE.** This section is effective the day following final enactment and
144.30 applies to all districts with a request for certification after April 30, 1990, except that the
144.31 requirements under paragraph (b) to remove parcels or use revenues from such parcels as
144.32 prescribed in paragraph (b) apply only to districts for which the request for certification
144.33 was made after the day following final enactment.

145.1 Sec. 9. Minnesota Statutes 2020, section 469.1763, subdivision 6, is amended to read:

145.2 Subd. 6. **Pooling permitted for deficits.** (a) This subdivision applies only to districts
145.3 for which the request for certification was made before August 1, 2001, and without regard
145.4 to whether the request for certification was made prior to August 1, 1979.

145.5 (b) The municipality for the district may transfer available increments from another tax
145.6 increment financing district located in the municipality, if the transfer is necessary to
145.7 eliminate a deficit in the district to which the increments are transferred. The municipality
145.8 may transfer increments as provided by this subdivision without regard to whether the
145.9 transfer or expenditure is authorized by the tax increment financing plan for the district
145.10 from which the transfer is made. A deficit in the district for purposes of this subdivision
145.11 means the lesser of the following two amounts:

145.12 (1)~~(i)~~ the amount due during the calendar year to pay preexisting obligations of the
145.13 district; minus the sum of

145.14 ~~(ii)~~ (i) the total increments collected or to be collected from properties located within
145.15 the district that are available for the calendar year including amounts collected in prior years
145.16 that are currently available; plus

145.17 ~~(iii)~~ (ii) total increments from properties located in other districts in the municipality
145.18 including amounts collected in prior years that are available to be used to meet the district's
145.19 obligations under this section, excluding this subdivision, or other provisions of law; or

145.20 (2) the reduction in increments collected from properties located in the district for the
145.21 calendar year as a result of the changes in classification rates in Laws 1997, chapter 231,
145.22 article 1; Laws 1998, chapter 389, article 2; and Laws 1999, chapter 243, and Laws 2001,
145.23 First Special Session chapter 5, or the elimination of the general education tax levy under
145.24 Laws 2001, First Special Session chapter 5.

145.25 The authority may compute the deficit amount under clause (1) only (without regard to
145.26 the limit under clause (2)) if the authority makes an irrevocable commitment, by resolution,
145.27 to use increments from the district to which increments are to be transferred and any
145.28 transferred increments are only used to pay preexisting obligations and administrative
145.29 expenses for the district that are required to be paid under section 469.176, subdivision 4h,
145.30 paragraph (a).

145.31 (c) A preexisting obligation means:

145.32 (1) bonds issued and sold before August 1, 2001, or bonds issued pursuant to a binding
145.33 contract requiring the issuance of bonds entered into before July 1, 2001, and bonds issued

146.1 to refund such bonds or to reimburse expenditures made in conjunction with a signed
146.2 contractual agreement entered into before August 1, 2001, to the extent that the bonds are
146.3 secured by a pledge of increments from the tax increment financing district; and

146.4 (2) binding contracts entered into before August 1, 2001, to the extent that the contracts
146.5 require payments secured by a pledge of increments from the tax increment financing district.

146.6 (d) The municipality may require a development authority, other than a seaway port
146.7 authority, to transfer available increments including amounts collected in prior years that
146.8 are currently available for any of its tax increment financing districts in the municipality to
146.9 make up an insufficiency in another district in the municipality, regardless of whether the
146.10 district was established by the development authority or another development authority.

146.11 This authority applies notwithstanding any law to the contrary, but applies only to a
146.12 development authority that:

146.13 (1) was established by the municipality; or

146.14 (2) the governing body of which is appointed, in whole or part, by the municipality or
146.15 an officer of the municipality or which consists, in whole or part, of members of the
146.16 governing body of the municipality. The municipality may use this authority only after it
146.17 has first used all available increments of the receiving development authority to eliminate
146.18 the insufficiency and exercised any permitted action under section 469.1792, subdivision
146.19 3, for preexisting districts of the receiving development authority to eliminate the
146.20 insufficiency.

146.21 (e) The authority under this subdivision to spend tax increments outside of the area of
146.22 the district from which the tax increments were collected:

146.23 (1) is an exception to the restrictions under section 469.176, subdivisions 4b, 4c, 4d, 4e,
146.24 4i, and 4j; the expenditure limits under section 469.176, subdivision 1c; and the other
146.25 provisions of this section; and the percentage restrictions under subdivision 2 must be
146.26 calculated after deducting increments spent under this subdivision from the total increments
146.27 for the district; and

146.28 (2) applies notwithstanding the provisions of the Tax Increment Financing Act in effect
146.29 for districts for which the request for certification was made before June 30, 1982, or any
146.30 other law to the contrary.

146.31 (f) If a preexisting obligation requires the development authority to pay an amount that
146.32 is limited to the increment from the district or a specific development within the district and
146.33 if the obligation requires paying a higher amount to the extent that increments are available,

147.1 the municipality may determine that the amount due under the preexisting obligation equals
 147.2 the higher amount and may authorize the transfer of increments under this subdivision to
 147.3 pay up to the higher amount. The existence of a guarantee of obligations by the individual
 147.4 or entity that would receive the payment under this paragraph is disregarded in the
 147.5 determination of eligibility to pool under this subdivision. The authority to transfer increments
 147.6 under this paragraph may only be used to the extent that the payment of all other preexisting
 147.7 obligations in the municipality due during the calendar year have been satisfied.

147.8 (g) For transfers of increments made in calendar year 2005 and later, the reduction in
 147.9 increments as a result of the elimination of the general education tax levy for purposes of
 147.10 paragraph (b), clause (2), for a taxes payable year equals the general education tax rate for
 147.11 the school district under Minnesota Statutes 2000, section 273.1382, subdivision 1, for taxes
 147.12 payable in 2001, multiplied by the captured tax capacity of the district for the current taxes
 147.13 payable year.

147.14 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 147.15 applies only to districts for which the request for certification was made before August 1,
 147.16 2001, and without regard to whether the request for certification was made prior to August
 147.17 1, 1979.

147.18 Sec. 10. Minnesota Statutes 2020, section 469.1771, subdivision 2, is amended to read:

147.19 Subd. 2. **Collection of increment.** If an authority includes or retains a parcel of property
 147.20 in a tax increment financing district that does not qualify for inclusion or retention within
 147.21 the district, the authority must pay to the county auditor an amount of money equal to the
 147.22 increment collected from the property for the year or years. The property must be eliminated
 147.23 from the original and captured tax capacity of the district effective for the current property
 147.24 tax assessment year. ~~This subdivision does not apply to a failure to decertify a district at~~
 147.25 ~~the end of the duration limit specified in the tax increment financing plan.~~

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

147.27 Sec. 11. Minnesota Statutes 2020, section 469.1771, subdivision 2a, is amended to read:

147.28 Subd. 2a. **Suspension of distribution of tax increment.** (a) If an authority fails to make
 147.29 a disclosure or to submit a report containing the information required by section 469.175,
 147.30 subdivisions 5 and 6, regarding a tax increment financing district within the time provided
 147.31 in section 469.175, subdivisions 5 and 6, the state auditor shall mail to the authority a written
 147.32 notice that it or the municipality has failed to make the required disclosure or to submit a
 147.33 required report with respect to a particular district. The state auditor shall mail the notice

148.1 on or before the third Tuesday of August of the year in which the disclosure or report was
148.2 required to be made or submitted. The notice must describe the consequences of failing to
148.3 disclose or submit a report as provided in paragraph (b). If the state auditor has not received
148.4 a copy of a disclosure or a report described in this paragraph on or before the first day of
148.5 October of the year in which the disclosure or report was required to be made or submitted,
148.6 the state auditor shall mail a written notice to the county auditor to hold the distribution of
148.7 tax increment from a particular district.

148.8 (b) Upon receiving written notice from the state auditor to hold the distribution of tax
148.9 increment, the county auditor shall hold: all tax increment that otherwise would be distributed
148.10 after receipt of the notice, until further notified under paragraph (c).

148.11 ~~(1) 100 percent of the amount of tax increment that otherwise would be distributed, if~~
148.12 ~~the distribution is made after the first day of October but during the year in which the~~
148.13 ~~disclosure or report was required to be made or submitted; or~~

148.14 ~~(2) 100 percent of the amount of tax increment that otherwise would be distributed, if~~
148.15 ~~the distribution is made after December 31 of the year in which the disclosure or report was~~
148.16 ~~required to be made or submitted.~~

148.17 (c) Upon receiving the copy of the disclosure and all of the reports described in paragraph
148.18 (a) with respect to a district regarding which the state auditor has mailed to the county
148.19 auditor a written notice to hold distribution of tax increment, the state auditor shall mail to
148.20 the county auditor a written notice lifting the hold and authorizing the county auditor to
148.21 distribute to the authority or municipality any tax increment that the county auditor had held
148.22 pursuant to paragraph (b). The state auditor shall mail the written notice required by this
148.23 paragraph within five working days after receiving the last outstanding item. The county
148.24 auditor shall distribute the tax increment to the authority or municipality within 15 working
148.25 days after receiving the written notice required by this paragraph.

148.26 (d) Notwithstanding any law to the contrary, any interest that accrues on tax increment
148.27 while it is being held by the county auditor pursuant to paragraph (b) is not tax increment
148.28 and may be retained by the county.

148.29 (e) For purposes of sections 469.176, subdivisions 1a to 1g, and 469.177, subdivision
148.30 11, tax increment being held by the county auditor pursuant to paragraph (b) is considered
148.31 distributed to or received by the authority or municipality as of the time that it would have
148.32 been distributed or received but for paragraph (b).

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

149.1 Sec. 12. Minnesota Statutes 2020, section 469.1771, subdivision 3, is amended to read:

149.2 Subd. 3. **Expenditure of increment.** If an authority expends revenues derived from tax
149.3 increments, including the proceeds of tax increment bonds, (1) for a purpose that is not a
149.4 permitted project under ~~section 469.176~~ sections 469.174 to 469.1794, (2) for a purpose
149.5 that is not permitted under ~~section 469.176~~ sections 469.174 to 469.1794 for the district
149.6 from which the increment was received, or (3) on activities outside of the geographic area
149.7 in which the revenues may be expended under this chapter, the authority must pay to the
149.8 county auditor an amount equal to the expenditures made in violation of the law.

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

149.10 Sec. 13. Laws 2014, chapter 308, article 6, section 12, subdivision 2, is amended to read:

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

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

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

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

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

149.24 (4) quarries or similar resource extraction sites;

149.25 (5) floodway; and

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

149.28 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the
149.29 relevant condition if at least 70 percent of the area of the parcel contains the relevant
149.30 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by
149.31 substandard buildings if substandard buildings occupy at least 30 percent of the area of the
149.32 parcel.

150.1 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is
150.2 extended to ~~eight~~ 11 years for any district; the five-year period under Minnesota Statutes,
150.3 section 469.175, subdivision 4, paragraph (f), is extended to eight years for any district; and
150.4 Minnesota Statutes, section 469.1763, subdivision 4, does not apply to any district.

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

150.9 (f) For a soil deficiency district:

150.10 (1) increments may be collected through 20 years after the receipt by the authority of
150.11 the first increment from the district;

150.12 (2) increments may be used only to:

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

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

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

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

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

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

150.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
150.25 city of Savage and its chief clerical officer comply with Minnesota Statutes, section 645.021,
150.26 subdivisions 2 and 3.

150.27 Sec. 14. **CITY OF SHAKOPEE; TAX INCREMENT FINANCING DISTRICT.**

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

150.30 (b) "City" means the city of Shakopee.

151.1 (c) "Project area" means the following parcels, identified by parcel identification number:
151.2 279160102, 279160110, 279170020, and 279160120.

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

151.6 (1) unusual terrain or soil deficiencies that occurred over 70 percent of the acreage in
151.7 the district require substantial filling, grading, or other physical preparation for use; and

151.8 (2) the estimated cost of the physical preparation under clause (1), excluding costs
151.9 directly related to roads as defined in Minnesota Statutes, section 160.01, and local
151.10 improvements as described in Minnesota Statutes, sections 429.021, subdivision 1, other
151.11 than clauses (8) to (10), and Minnesota Statutes, 430.01, exceeds the fair market value of
151.12 the land before completion of the preparation.

151.13 Subd. 2. **Special rules.** (a) If the city elects, upon the adoption of the tax increment
151.14 financing plan for a district, the rules under this section apply to a redevelopment district,
151.15 renewal and renovation district, soil condition district, or soil deficiency district established
151.16 by the city or a development authority of the city in the project area. The city, or a
151.17 development authority acting on its behalf, may establish one or more soil deficiency districts
151.18 within the project area.

151.19 (b) Prior to or upon the adoption of the first tax increment plan subject to the special
151.20 rules under this subdivision, the city must find by resolution that parcels consisting of at
151.21 least 70 percent of the acreage of the project area, excluding street and railroad rights-of-way,
151.22 are characterized by one or more of the following conditions:

151.23 (1) peat or other soils with geotechnical deficiencies that impair development of
151.24 residential or commercial buildings or infrastructure;

151.25 (2) soils or terrain that requires substantial filling in order to permit the development of
151.26 residential or commercial buildings or infrastructure;

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

151.28 (4) quarries or similar resource extraction sites;

151.29 (5) floodways; and

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

152.1 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the
 152.2 relevant condition if at least 60 percent of the area of the parcel contains the relevant
 152.3 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by
 152.4 substandard buildings if substandard buildings occupy at least 30 percent of the area of the
 152.5 parcel.

152.6 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is
 152.7 extended to ten years for any district, and the period under Minnesota Statutes, section
 152.8 469.1763, subdivision 4, is extended to 11 years.

152.9 (e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763,
 152.10 subdivision 2, paragraph (a), not more than 80 percent of the total revenue derived from tax
 152.11 increments paid by properties in any district, measured over the life of the district, may be
 152.12 expended on activities outside the district but within the project area.

152.13 (f) For a soil deficiency district:

152.14 (1) increments may be collected through 20 years after the receipt by the authority of
 152.15 the first increment from the district; and

152.16 (2) except as otherwise provided in this subdivision, increments may be used only to:

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

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

152.20 (iii) pay for the administrative expenses of the authority allocable to the district.

152.21 (g) The authority to approve tax increment financing plans to establish tax increment
 152.22 financing districts under this section expires December 31, 2026.

152.23 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 152.24 city of Shakopee and its chief clerical officer comply with the requirements of Minnesota
 152.25 Statutes, section 645.021, subdivisions 2 and 3.

152.26 **Sec. 15. CITY OF WOODBURY; TIF DISTRICT NO. 13; EXPENDITURES**
 152.27 **ALLOWED; DURATION EXTENSION.**

152.28 (a) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, or any other
 152.29 law to the contrary, the city of Woodbury may expend increments generated from Tax
 152.30 Increment Financing District No. 13 for the maintenance and facility and infrastructure
 152.31 upgrades to Central Park. All such expenditures are deemed expended on activities within
 152.32 the district.

153.1 (b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, the city of
 153.2 Woodbury may elect to extend the duration of Tax Increment Financing District No. 13 by
 153.3 five years.

153.4 **EFFECTIVE DATE.** Paragraph (a) is effective the day after the governing body of the
 153.5 city of Woodbury and its chief clerical officer comply with the requirements of Minnesota
 153.6 Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance
 153.7 by the city of Woodbury, Washington County, and Independent School District No. 833
 153.8 with the requirements of Minnesota Statutes, sections 469.1782, subdivision 2, and 645.021,
 153.9 subdivisions 2 and 3.

153.10 **ARTICLE 9**

153.11 **MISCELLANEOUS**

153.12 Section 1. Minnesota Statutes 2021 Supplement, section 3.192, is amended to read:

153.13 **3.192 REQUIREMENTS FOR NEW OR RENEWED TAX EXPENDITURES.**

153.14 (a) ~~Any~~ Within 60 days after final enactment of a bill that creates, renews, or continues
 153.15 a tax expenditure ~~must include~~, the chairs of the house of representatives and senate
 153.16 committees with primary jurisdiction over taxes must submit to the Tax Expenditure Review
 153.17 Commission a statement of intent that clearly provides the purpose of the tax expenditure
 153.18 and a standard or goal against which its effectiveness may be measured.

153.19 (b) For purposes of this section, "tax expenditure" has the meaning given in section
 153.20 270C.11, subdivision 6, and "Tax Expenditure Review Commission" has the meaning given
 153.21 in section 3.855.

153.22 (c) ~~Any bill that creates a new tax expenditure or continues an expiring tax expenditure~~
 153.23 ~~must include an expiration date for the tax expenditure that is no more than eight years from~~
 153.24 ~~the day the provision takes effect~~ Compliance with paragraphs (a) and (b) is not subject to
 153.25 judicial review.

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

153.27 Sec. 2. Minnesota Statutes 2020, section 270C.11, is amended by adding a subdivision to
 153.28 read:

153.29 Subd. 2a. **Report of expiring tax expenditures.** By October 1 of each year, the
 153.30 commissioner shall provide a report to the chairs and ranking minority members of the
 153.31 house of representatives and senate committees with jurisdiction over taxation listing each

154.1 tax expenditure that, absent legislative action, will expire before July 1 of the following
154.2 year.

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

154.4 Sec. 3. Minnesota Statutes 2021 Supplement, section 290.92, subdivision 20, is amended
154.5 to read:

154.6 Subd. 20. **Miscellaneous withholding arrangements.** (a) For purposes of this section,
154.7 any payment or distribution to an individual as defined under section 3405(e)(2) or (3) of
154.8 the Internal Revenue Code shall be ~~treated as if it were a payment of wages by an employer~~
154.9 ~~to an employee for a payroll period~~ subject to withholding at a rate of 6.25 percent. Any
154.10 payment to an individual of sick pay which does not constitute wages, determined without
154.11 regard to this subdivision, shall be treated as if it were a payment of wages by an employer
154.12 to an employee for a payroll period, if, at the time the payment is made a request that such
154.13 sick pay be subject to withholding under this section is in effect. Sick pay means any amount
154.14 which:

154.15 (1) is paid to an employee pursuant to a plan to which the employer is a party, and

154.16 (2) constitutes remuneration or a payment in lieu of remuneration for any period during
154.17 which the employee is temporarily absent from work on account of sickness or personal
154.18 injuries.

154.19 (b) A request for withholding, the amount withheld, and sick pay paid pursuant to certain
154.20 collective bargaining agreements shall conform with the provisions of section 3402(o)(3),
154.21 (4), and (5) of the Internal Revenue Code.

154.22 (c) The commissioner is authorized by rules to provide for withholding:

154.23 (1) from remuneration for services performed by an employee for the employer which,
154.24 without regard to this subdivision, does not constitute wages, and

154.25 (2) from any other type of payment with respect to which the commissioner finds that
154.26 withholding would be appropriate under the provisions of this section, if the employer and
154.27 the employee, or in the case of any other type of payment the person making and the person
154.28 receiving the payment, agree to such withholding. Such agreement shall be made in such
154.29 form and manner as the commissioner may by rules provide. For purposes of this section
154.30 remuneration or other payments with respect to which such agreement is made shall be
154.31 treated as if they were wages paid by an employer to an employee to the extent that such
154.32 remuneration is paid or other payments are made during the period for which the agreement
154.33 is in effect.

155.1 (d) An individual receiving a payment or distribution under paragraph (a) may elect to
155.2 have paragraph (a) not apply to the payment or distribution ~~as follows:~~

155.3 ~~(1) For payments defined under section 3405(e)(2) of the Internal Revenue Code, and~~
155.4 an election remains in effect until revoked by such individual.

155.5 ~~(2) For distributions defined under section 3405(e)(3) of the Internal Revenue Code, the~~
155.6 ~~election is on a distribution-by-distribution basis.~~

155.7 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
155.8 31, 2021.

155.9 Sec. 4. Minnesota Statutes 2021 Supplement, section 297E.02, subdivision 3, is amended
155.10 to read:

155.11 Subd. 3. **Collection; disposition.** (a) Taxes imposed by this section are due and payable
155.12 to the commissioner when the gambling tax return is required to be filed. Distributors must
155.13 file their monthly sales figures with the commissioner on a form prescribed by the
155.14 commissioner. Returns covering the taxes imposed under this section must be filed with
155.15 the commissioner on or before the 20th day of the month following the close of the previous
155.16 calendar month. The commissioner shall prescribe the content, format, and manner of returns
155.17 or other documents pursuant to section 270C.30. The proceeds, along with the revenue
155.18 received from all license fees and other fees under sections 349.11 to 349.191, 349.211,
155.19 and 349.213, must be paid to the commissioner of management and budget for deposit in
155.20 the general fund.

155.21 (b) The sales tax imposed by chapter 297A on the sale of pull-tabs and tipboards by the
155.22 distributor is imposed on the retail sales price. The retail sale of pull-tabs or tipboards by
155.23 the organization is exempt from taxes imposed by chapter 297A and is exempt from all
155.24 local taxes and license fees except a fee authorized under section 349.16, subdivision 8.

155.25 (c)(1) One-half of one percent of the revenue deposited in the general fund under
155.26 paragraph (a), is appropriated to the commissioner of human services for the compulsive
155.27 gambling treatment program established under section 245.98. One-half of one percent of
155.28 the revenue deposited in the general fund under paragraph (a), is appropriated to the
155.29 commissioner of human services for a grant to the state affiliate recognized by the National
155.30 Council on Problem Gambling to increase public awareness of problem gambling, education
155.31 and training for individuals and organizations providing effective treatment services to
155.32 problem gamblers and their families, and research relating to problem gambling. Money

156.1 appropriated by this paragraph must supplement and must not replace existing state funding
156.2 for these programs.

156.3 (2) For fiscal years 2024 and 2025 only, the appropriations under clause (1) must be
156.4 calculated without regard to the changes to the combined net receipts tax brackets in section
156.5 297E.02, subdivision 6.

156.6 (d) The commissioner of human services must provide to the state affiliate recognized
156.7 by the National Council on Problem Gambling a monthly statement of the amounts deposited
156.8 under paragraph (c). Beginning January 1, 2022, the commissioner of human services must
156.9 provide to the chairs and ranking minority members of the legislative committees with
156.10 jurisdiction over treatment for problem gambling and to the state affiliate recognized by the
156.11 National Council on Problem Gambling an annual reconciliation of the amounts deposited
156.12 under paragraph (c). The annual reconciliation under this paragraph must include the amount
156.13 allocated to the commissioner of human services for the compulsive gambling treatment
156.14 program established under section 245.98, and the amount allocated to the state affiliate
156.15 recognized by the National Council on Problem Gambling.

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

156.17 Sec. 5. Minnesota Statutes 2020, section 297E.02, subdivision 6, is amended to read:

156.18 Subd. 6. **Combined net receipts tax.** (a) In addition to the taxes imposed under
156.19 subdivision 1, a tax is imposed on the combined net receipts of the organization. As used
156.20 in this section, "combined net receipts" is the sum of the organization's gross receipts from
156.21 lawful gambling less gross receipts directly derived from the conduct of paper bingo, raffles,
156.22 and paddlewheels, as defined in section 297E.01, subdivision 8, and less the net prizes
156.23 actually paid, other than prizes actually paid for paper bingo, raffles, and paddlewheels, for
156.24 the fiscal year. The combined net receipts of an organization are subject to a tax computed
156.25 according to the following schedule:

156.26	If the combined net receipts	The tax is:
156.27	for the fiscal year are:	
156.28	Not over \$87,500 <u>\$100,000</u>	nine percent
156.29	Over \$87,500 <u>\$100,000</u> , but	\$7,875 <u>\$9,000</u> plus 18 percent of the
156.30	not over \$122,500 <u>\$150,000</u>	amount over \$87,500 <u>\$100,000</u> , but
156.31		not over \$122,500 <u>\$150,000</u>
156.32	Over \$122,500 <u>\$150,000</u> ,	\$14,175 <u>\$18,000</u> plus 27 percent of
156.33	but not over \$157,500	the amount over \$122,500 <u>\$150,000</u> ,
156.34	<u>\$200,000</u>	but not over \$157,500 <u>\$200,000</u>
156.35	Over \$157,500 <u>\$200,000</u>	\$23,625 <u>\$31,500</u> plus 36 percent of
156.36		the amount over \$157,500 <u>\$200,000</u>

157.1 (b) Gross receipts derived from sports-themed tipboards are exempt from taxation under
 157.2 this section. For purposes of this paragraph, a sports-themed tipboard means a sports-themed
 157.3 tipboard as defined in section 349.12, subdivision 34, under which the winning numbers
 157.4 are determined by the numerical outcome of a professional sporting event.

157.5 **EFFECTIVE DATE.** This section is effective for games reported as played after June
 157.6 30, 2023.

157.7 Sec. 6. Minnesota Statutes 2020, section 297E.021, subdivision 2, is amended to read:

157.8 Subd. 2. **Determination of revenue increase.** By March 15 of each fiscal year, the
 157.9 commissioner of management and budget, in consultation with the commissioner, shall
 157.10 determine the estimated increase in revenues received from taxes imposed under this chapter
 157.11 over ~~the estimated revenues under the February 2012 state budget forecast for that fiscal~~
 157.12 ~~year. For fiscal years after fiscal year 2015, the commissioner of management and budget~~
 157.13 ~~shall use the February 2012 state budget forecast for fiscal year 2015 as the~~ a baseline of:
 157.14 (1) \$29,800,000 in fiscal year 2024; and (2) \$28,700,000 in fiscal year 2025 and thereafter.

157.15 All calculations under this subdivision must be made net of estimated refunds of the taxes
 157.16 required to be paid.

157.17 **EFFECTIVE DATE.** This section is effective for fiscal years 2024 and later.

157.18 **ARTICLE 10**

157.19 **DEPARTMENT OF REVENUE POLICY AND TECHNICAL: PARTNERSHIP** 157.20 **TAXES**

157.21 Section 1. Minnesota Statutes 2021 Supplement, section 289A.08, subdivision 7a, is
 157.22 amended to read:

157.23 Subd. 7a. **Pass-through entity tax.** (a) For the purposes of this subdivision, the following
 157.24 terms have the meanings given:

157.25 (1) "income" has the meaning given in subdivision 7, paragraph (j), modified by the
 157.26 addition provided in section 290.0131, subdivision 5, and the subtraction provided in section
 157.27 290.0132, subdivision 3, except that the provisions that apply to a partnership apply to a
 157.28 qualifying entity and the provisions that apply to a partner apply to a qualifying owner. The
 157.29 income of both a resident and nonresident qualifying owner is allocated and assigned to
 157.30 this state as provided for nonresident partners and shareholders under sections 290.17,
 157.31 290.191, and 290.20;

158.1 (2) "qualifying entity" means a partnership, limited liability company taxed as a
158.2 partnership or S corporation, or S corporation including a qualified subchapter S subsidiary
158.3 organized under section 1361(b)(3)(B) of the Internal Revenue Code. Qualifying entity does
158.4 not include a partnership, limited liability company, or corporation that has a partnership,
158.5 limited liability company other than a disregarded entity, or corporation as a partner, member,
158.6 or shareholder; and

158.7 (3) "qualifying owner" means:

158.8 (i) a resident or nonresident individual or estate that is a partner, member, or shareholder
158.9 of a qualifying entity; or

158.10 (ii) a resident or nonresident trust that is a shareholder of a qualifying entity that is an
158.11 S corporation.

158.12 (b) For taxable years beginning after December 31, 2020, in which the taxes of a
158.13 qualifying owner are limited under section 164(b)(6)(B) of the Internal Revenue Code, a
158.14 qualifying entity may elect to file a return and pay the pass-through entity tax imposed under
158.15 paragraph (c). The election:

158.16 (1) must be made on or before the due date or extended due date of the qualifying entity's
158.17 pass-through entity tax return;

158.18 (2) may only be made by qualifying owners who collectively hold more than a 50 percent
158.19 ownership interest in the qualifying entity;

158.20 (3) is binding on all qualifying owners who have an ownership interest in the qualifying
158.21 entity; and

158.22 (4) once made is irrevocable for the taxable year.

158.23 (c) Subject to the election in paragraph (b), a pass-through entity tax is imposed on a
158.24 qualifying entity in an amount equal to the sum of the tax liability of each qualifying owner.

158.25 (d) The amount of a qualifying owner's tax liability under paragraph (c) is the amount
158.26 of the qualifying owner's income multiplied by the highest tax rate for individuals under
158.27 section 290.06, subdivision 2c. When making this determination:

158.28 (1) nonbusiness deductions, standard deductions, or personal exemptions are not allowed;
158.29 and

158.30 (2) a credit or deduction is allowed only to the extent allowed to the qualifying owner.

159.1 (e) The amount of each credit and deduction used to determine a qualifying owner's tax
159.2 liability under paragraph (d) must also be used to determine that qualifying owner's income
159.3 tax liability under chapter 290.

159.4 (f) This subdivision does not negate the requirement that a qualifying owner pay estimated
159.5 tax if the qualifying owner's tax liability would exceed the requirements set forth in section
159.6 289A.25. The qualifying owner's liability to pay estimated tax on the qualifying owner's
159.7 tax liability as determined under paragraph (d) is, however, satisfied when the qualifying
159.8 entity pays estimated tax in the manner prescribed in section 289A.25 for composite estimated
159.9 tax.

159.10 (g) A qualifying owner's adjusted basis in the interest in the qualifying entity, and the
159.11 treatment of distributions, is determined as if the election to pay the pass-through entity tax
159.12 under paragraph (b) is not made.

159.13 (h) To the extent not inconsistent with this subdivision, for purposes of this chapter, a
159.14 pass-through entity tax return must be treated as a composite return and a qualifying entity
159.15 filing a pass-through entity tax return must be treated as a partnership filing a composite
159.16 return.

159.17 (i) The provisions of subdivision 17 apply to the election to pay the pass-through entity
159.18 tax under this subdivision.

159.19 (j) If a nonresident qualifying owner of a qualifying entity making the election to file
159.20 and pay the tax under this subdivision has no other Minnesota source income, filing of the
159.21 pass-through entity tax return is a return for purposes of subdivision 1, provided that the
159.22 nonresident qualifying owner must not have any Minnesota source income other than the
159.23 income from the qualifying entity, other electing qualifying entities, and other partnerships
159.24 electing to file a composite return under subdivision 7. If it is determined that the nonresident
159.25 qualifying owner has other Minnesota source income, the inclusion of the income and tax
159.26 liability for that owner under this provision will not constitute a return to satisfy the
159.27 requirements of subdivision 1. The tax paid for the qualifying owner as part of the
159.28 pass-through entity tax return is allowed as a payment of the tax by the qualifying owner
159.29 on the date on which the pass-through entity tax return payment was made.

159.30 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
159.31 after December 31, 2020.

160.1 Sec. 2. Minnesota Statutes 2021 Supplement, section 289A.382, subdivision 2, is amended
160.2 to read:

160.3 Subd. 2. **Reporting and payment requirements for partnerships and tiered**
160.4 **partners.** (a) Except for when an audited partnership makes the election in subdivision 3,
160.5 and except for negative federal adjustments required under federal law taken into account
160.6 by the partnership in the partnership return for the adjustment or other year, all final federal
160.7 adjustments of an audited partnership must comply with paragraph (b) and each direct
160.8 partner of the audited partnership, other than a tiered partner, must comply with paragraph
160.9 (c).

160.10 (b) No later than 90 days after the final determination date, the audited partnership must:

160.11 (1) file a completed federal adjustments report, including all partner-level information
160.12 required under section 289A.12, subdivision 3, with the commissioner;

160.13 (2) notify each of its direct partners of their distributive share of the final federal
160.14 adjustments;

160.15 (3) file an amended composite report for all direct partners who were included in a
160.16 composite return under section 289A.08, subdivision 7, in the reviewed year, and pay the
160.17 additional amount that would have been due had the federal adjustments been reported
160.18 properly as required; ~~and~~

160.19 (4) file amended withholding reports for all direct partners who were or should have
160.20 been subject to nonresident withholding under section 290.92, subdivision 4b, in the reviewed
160.21 year, and pay the additional amount that would have been due had the federal adjustments
160.22 been reported properly as required; and

160.23 (5) file an amended pass-through entity tax report for all direct partners who were
160.24 included in a pass-through entity tax return under section 289A.08, subdivision 7a, in the
160.25 reviewed year, and pay the additional amount that would have been due had the federal
160.26 adjustments been reported properly as required.

160.27 (c) No later than 180 days after the final determination date, each direct partner, other
160.28 than a tiered partner, that is subject to a tax administered under this chapter, other than the
160.29 sales tax, must:

160.30 (1) file a federal adjustments report reporting their distributive share of the adjustments
160.31 reported to them under paragraph (b), clause (2); and

160.32 (2) pay any additional amount of tax due as if the final federal adjustment had been
160.33 properly reported, plus any penalty and interest due under this chapter, and less any credit

161.1 for related amounts paid or withheld and remitted on behalf of the direct partner under
161.2 paragraph (b), clauses (3) and (4).

161.3 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
161.4 after December 31, 2020.

161.5 **ARTICLE 11**

161.6 **DEPARTMENT OF REVENUE POLICY AND TECHNICAL: SALES AND USE**
161.7 **TAXES AND SPECIAL TAXES**

161.8 Section 1. Minnesota Statutes 2020, section 296A.083, subdivision 3, is amended to read:

161.9 Subd. 3. **Surcharge rate.** (a) By ~~July 16, 2008, and each April 1 thereafter~~ May 1 each
161.10 year, the commissioner of revenue shall calculate and publish a surcharge as provided in
161.11 ~~paragraphs~~ paragraph (b) and (e). The surcharge is imposed ~~from August 1, 2008, through~~
161.12 ~~June 30, 2009, and each new surcharge thereafter is imposed the following~~ beginning July
161.13 1 of the year it is published through June 30 of the following year.

161.14 ~~(b) For fiscal years 2009 through 2012, the commissioner shall set the surcharge as~~
161.15 ~~specified in the following surcharge rate schedule.~~

161.16 **Surcharge Rate Schedule**

161.17	Fiscal Year	Rate (in cents per gallon)
161.18	2009	0.5
161.19	2010	2.1
161.20	2011	2.5
161.21	2012	3.0

161.22 ~~(e) For fiscal year 2013 and thereafter,~~ (b) The commissioner shall set the surcharge at
161.23 the lesser of (1) 3.5 cents, or (2) an amount calculated so that the total proceeds from the
161.24 surcharge deposited in the trunk highway fund from fiscal year 2009 to the upcoming fiscal
161.25 year equals the total amount of debt service from fiscal years 2009 to 2039, and the surcharge
161.26 is rounded to the nearest 0.1 cent.

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

161.28 Sec. 2. Minnesota Statutes 2020, section 297A.61, subdivision 29, is amended to read:

161.29 Subd. 29. **State.** Unless specifically provided otherwise, "state" means any state of the
161.30 United States, ~~the Commonwealth of Puerto Rico, and the District of Columbia, and any~~
161.31 territory of the United States, including American Samoa, Guam, Northern Mariana Islands,
161.32 Puerto Rico, and the U.S. Virgin Islands.

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

162.2 **ARTICLE 12**

162.3 **DEPARTMENT OF REVENUE POLICY AND TECHNICAL: FIRE AND POLICE**
162.4 **STATE AIDS**

162.5 Section 1. Minnesota Statutes 2020, section 6.495, subdivision 3, is amended to read:

162.6 Subd. 3. ~~Report~~ **Reports to commissioner of revenue.** (a) On or before September 15,
162.7 November 1, March 1, and June 1, the state auditor ~~shall~~ must file with the commissioner
162.8 of revenue a financial compliance report certifying for each relief association:

162.9 (1) the completion of the annual financial report required under section 424A.014 and
162.10 the auditing or certification of those financial reports under subdivision 1; and

162.11 (2) the receipt of any actuarial valuations required under section 424A.093 or Laws
162.12 2013, chapter 111, article 5, sections 31 to 42.

162.13 (b) The commissioner of revenue shall prescribe the content, format, and manner of the
162.14 financial compliance reports required by paragraph (a), pursuant to section 270C.30.

162.15 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
162.16 and thereafter.

162.17 Sec. 2. Minnesota Statutes 2020, section 477B.01, is amended by adding a subdivision to
162.18 read:

162.19 Subd. 1a. **Apportionment agreement.** "Apportionment agreement" means an agreement
162.20 between two or more fire departments that provide contracted fire protection service to the
162.21 same municipality and establishes the percentage of the population and the percentage of
162.22 the estimated market value within the municipality serviced by each fire department.

162.23 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
162.24 and thereafter.

162.25 Sec. 3. Minnesota Statutes 2020, section 477B.01, subdivision 5, is amended to read:

162.26 Subd. 5. **Fire department.** (a) "Fire department" ~~includes~~ means:

162.27 (1) a municipal fire department and;

162.28 (2) an independent nonprofit firefighting corporation;

162.29 (3) a fire department established as or operated by a joint powers entity; or

162.30 (4) a fire protection special taxing district established under chapter 144F or special law.

163.1 (b) This subdivision only applies to this chapter.

163.2 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 163.3 and thereafter.

163.4 Sec. 4. Minnesota Statutes 2020, section 477B.01, is amended by adding a subdivision to
 163.5 read:

163.6 Subd. 7a. **Joint powers entity.** "Joint powers entity" means a joint powers entity created
 163.7 under section 471.59.

163.8 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 163.9 and thereafter.

163.10 Sec. 5. Minnesota Statutes 2020, section 477B.01, subdivision 10, is amended to read:

163.11 Subd. 10. **Municipality.** (a) "Municipality" means:

163.12 (1) a home rule charter or statutory city;

163.13 (2) an organized town;

163.14 (3) ~~a park district subject to chapter 398~~ a joint powers entity;

163.15 (4) ~~the University of Minnesota~~ a fire protection special taxing district; and or

163.16 (5) an American Indian tribal government entity located within a federally recognized
 163.17 American Indian reservation.

163.18 (b) This subdivision only applies to this chapter ~~477B~~.

163.19 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 163.20 and thereafter.

163.21 Sec. 6. Minnesota Statutes 2020, section 477B.01, subdivision 11, is amended to read:

163.22 Subd. 11. **Secretary.** (a) "Secretary" means:

163.23 (1) the secretary of an independent nonprofit firefighting corporation that has a subsidiary
 163.24 incorporated firefighters' relief association or whose firefighters participate in the statewide
 163.25 volunteer firefighter plan; or

163.26 (2) the secretary of a joint powers entity or fire protection special taxing district or, if
 163.27 there is no such person, the person primarily responsible for managing the finances of a
 163.28 joint powers entity or fire protection special taxing district.

163.29 (b) This subdivision only applies to this chapter.

164.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 164.2 and thereafter.

164.3 Sec. 7. Minnesota Statutes 2020, section 477B.02, subdivision 2, is amended to read:

164.4 Subd. 2. **Establishment of fire department.** (a) An independent nonprofit firefighting
 164.5 corporation must be created under the nonprofit corporation act of this state operating for
 164.6 the exclusive purpose of firefighting, or the governing body of a municipality must officially
 164.7 establish a fire department.

164.8 (b) The fire department must have provided firefighting services for at least one calendar
 164.9 year, and must have a current fire department identification number issued by the state fire
 164.10 marshal.

164.11 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 164.12 and thereafter.

164.13 Sec. 8. Minnesota Statutes 2020, section 477B.02, subdivision 3, is amended to read:

164.14 Subd. 3. ~~**Personnel and Benefits requirements.** (a) A fire department must have a~~
 164.15 ~~minimum of ten paid or volunteer firefighters, including a fire chief and assistant fire chief.~~

164.16 ~~(b) The fire department must have regular scheduled meetings and frequent drills that~~
 164.17 ~~include instructions in firefighting tactics and in the use, care, and operation of all fire~~
 164.18 ~~apparatus and equipment.~~

164.19 ~~(c)~~ (a) The fire department must have a separate subsidiary incorporated firefighters'
 164.20 relief association that provides retirement benefits or must participate in the statewide
 164.21 volunteer firefighter plan; or if the municipality solely employs full-time firefighters as
 164.22 defined in section 299N.03, subdivision 5, retirement coverage must be provided by the
 164.23 public employees police and fire retirement plan. For purposes of retirement benefits, a fire
 164.24 department may be associated with only one volunteer firefighters' relief association or one
 164.25 account in the voluntary statewide volunteer firefighter retirement plan at one time.

164.26 ~~(d)~~ (b) Notwithstanding paragraph ~~(c)~~ (a), a municipality without a relief association as
 164.27 described under section 424A.08, paragraph (a), may still qualify to receive fire state aid if
 164.28 all other requirements of this section are met.

164.29 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 164.30 and thereafter.

165.1 Sec. 9. Minnesota Statutes 2020, section 477B.02, is amended by adding a subdivision to
165.2 read:

165.3 Subd. 4a. **Public safety answering point requirement.** The fire department must be
165.4 dispatched by a public safety answering point as defined in section 403.02, subdivision 19.

165.5 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
165.6 and thereafter.

165.7 Sec. 10. Minnesota Statutes 2020, section 477B.02, subdivision 5, is amended to read:

165.8 Subd. 5. **Fire service contract or agreement; apportionment agreement filing**
165.9 ~~requirement~~ **requirements.** (a) Every municipality or independent nonprofit firefighting
165.10 corporation must file a copy of any duly executed and valid fire service contract or agreement
165.11 with the commissioner (1) a copy of any duly executed and valid fire service contracts, (2)
165.12 written notification of any fire service contract terminations, and (3) written notification of
165.13 any dissolution of a fire department, within 60 days of contract execution or termination,
165.14 or department dissolution.

165.15 (b) If more than one fire department provides service to a municipality, the fire
165.16 departments furnishing service must ~~enter into an agreement apportioning among themselves~~
165.17 ~~the percentage of the population and the percentage of the estimated market value of each~~
165.18 ~~shared service fire department service area. The agreement must be in writing and must be~~
165.19 ~~filed~~ file an apportionment agreement with the commissioner.

165.20 (c) When a municipality is a joint powers entity, it must file its joint powers agreement
165.21 with the commissioner. If the joint powers agreement does not include sufficient information
165.22 defining the fire department service area of the joint powers entity for the purposes of
165.23 calculating fire state aid, the secretary must file a written statement with the commissioner
165.24 defining the fire department service area.

165.25 (d) When a municipality is a fire protection special taxing district, it must file its
165.26 resolution establishing the fire protection special taxing district, and any agreements required
165.27 for the establishment of the fire protection special taxing district, with the commissioner.
165.28 If the resolution or agreement does not include sufficient information defining the fire
165.29 department service area of the fire protection special taxing district, the secretary must file
165.30 a written statement with the commissioner defining the fire department service area.

165.31 (e) The commissioner shall prescribe (e) the content, format, and manner of the notifications,
165.32 apportionment agreements, and written statements under paragraphs (a) to (d), pursuant to
165.33 section 270C.30, except that copies of fire service contracts, joint powers agreements, and

166.1 resolutions establishing fire protection special taxing districts shall be filed in their existing
 166.2 form.

166.3 (f) A document filed with the commissioner under this subdivision must be refiled any
 166.4 time it is updated within 60 days of the update. An apportionment agreement must be refiled
 166.5 only when a change in the averaged sum of the percentage of population and percentage of
 166.6 estimated market value serviced by a fire department subject to the apportionment agreement
 166.7 is at least one percent. The percentage amount must be rounded to the nearest whole
 166.8 percentage.

166.9 (g) Upon the request of the commissioner, the county auditor must provide information
 166.10 that the commissioner requires to accurately apportion the estimated market value of a fire
 166.11 department service area for a fire department providing service to an unorganized territory
 166.12 located in the county.

166.13 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 166.14 and thereafter.

166.15 Sec. 11. Minnesota Statutes 2020, section 477B.02, subdivision 8, is amended to read:

166.16 Subd. 8. **PERA certification to commissioner.** On or before February 1 each year, ~~if~~
 166.17 ~~retirement coverage for a fire department is provided by the statewide volunteer firefighter~~
 166.18 ~~plan,~~ the executive director of the Public Employees Retirement Association must certify
 166.19 ~~the existence of retirement coverage.~~ to the commissioner the fire departments that transferred
 166.20 retirement coverage to, or terminated participation in, the voluntary statewide volunteer
 166.21 firefighter retirement plan since the previous certification under this paragraph. This
 166.22 certification must include the number of active volunteer firefighters under section 477B.03,
 166.23 subdivision 5, paragraph (e).

166.24 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 166.25 and thereafter.

166.26 Sec. 12. Minnesota Statutes 2020, section 477B.02, subdivision 9, is amended to read:

166.27 Subd. 9. **Fire department certification to commissioner.** On or before March 15 of
 166.28 each year, the municipal clerk or the secretary, ~~and the fire chief,~~ must jointly certify to the
 166.29 commissioner ~~that the fire department exists and meets the qualification requirements of~~
 166.30 ~~this section~~ the fire department service area as of December 31 of the previous year, and
 166.31 that the fire department meets the qualification requirements of this section. The municipal
 166.32 clerk or the secretary must provide the commissioner with documentation that the

167.1 commissioner deems necessary for determining eligibility for fire state aid or for calculating
167.2 and apportioning fire state aid under section 477B.03. The commissioner shall prescribe
167.3 the content, format, and manner of the certification ~~must be on a form prescribed by the~~
167.4 ~~commissioner and must include all other information that the commissioner requires~~ pursuant
167.5 to section 270C.30. The municipal clerk or the secretary must send a copy of the certification
167.6 filed under this subdivision to the fire chief within five business days of the date the
167.7 certification was filed with the commissioner.

167.8 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
167.9 and thereafter.

167.10 Sec. 13. Minnesota Statutes 2020, section 477B.03, subdivision 2, is amended to read:

167.11 Subd. 2. **Apportionment of fire state aid.** (a) The amount of fire state aid available for
167.12 apportionment, before the addition of the minimum fire state aid allocation amount under
167.13 subdivision 5, is equal to 107 percent of the amount of premium taxes paid to the state upon
167.14 the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the
167.15 commissioner by companies or insurance companies on the Minnesota Fire Premium Report,
167.16 except that credits claimed under section 297I.20, subdivisions 3, 4, and 5, do not affect the
167.17 calculation of the amount of fire state aid available for apportionment. This amount must
167.18 be reduced by the amount required to pay the state auditor's costs and expenses of the audits
167.19 or exams of the firefighters' relief associations.

167.20 (b) The total amount available for apportionment must not be less than two percent of
167.21 the premiums less return premiums reported to the commissioner by companies or insurance
167.22 companies on the Minnesota Fire Premium Report after subtracting the following amounts:

167.23 (1) the amount required to pay the state auditor's costs and expenses of the audits or
167.24 exams of the firefighters' relief associations; and

167.25 (2) one percent of the premiums reported by township mutual insurance companies and
167.26 mutual property and casualty companies with total assets of \$5,000,000 or less.

167.27 (c) The commissioner must apportion the fire state aid to each municipality or independent
167.28 nonprofit firefighting corporation qualified under section 477B.02 relative to the premiums
167.29 reported on the Minnesota Fire Premium Reports filed under this chapter.

167.30 (d) The commissioner must calculate the percentage of increase or decrease reflected in
167.31 the apportionment over or under the previous year's available state aid using the same
167.32 premiums as a basis for comparison.

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

168.1 Sec. 14. Minnesota Statutes 2020, section 477B.03, subdivision 3, is amended to read:

168.2 Subd. 3. **Population and estimated market value.** (a) ~~Official statewide federal census~~
168.3 ~~figures~~ The most recent population estimates made by the state demographer pursuant to
168.4 section 4A.02, paragraph (d), must be used in calculations requiring the use of population
168.5 figures under this chapter. ~~Increases or decreases in population disclosed by reason of any~~
168.6 ~~special census must not be taken into consideration.~~

168.7 (b) The ~~latest available~~ estimated market value property figures for the assessment year
168.8 immediately preceding the year the aid is distributed must be used in calculations requiring
168.9 the use of estimated market value property figures under this chapter.

168.10 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
168.11 and thereafter.

168.12 Sec. 15. Minnesota Statutes 2020, section 477B.03, subdivision 4, is amended to read:

168.13 Subd. 4. **Initial fire state aid allocation amount.** (a) The initial fire state aid allocation
168.14 amount is the amount available for apportionment as fire state aid under subdivision 2,
168.15 without the inclusion of any additional funding amount to support a minimum fire state aid
168.16 amount under section 423A.02, subdivision 3. The initial fire state aid allocation amount
168.17 is allocated one-half in proportion to the population for each fire department service area
168.18 and one-half in proportion to the estimated market value of each fire department service
168.19 area, including (1) the estimated market value of tax-exempt property, and (2) the estimated
168.20 market value of natural resources lands receiving in lieu payments under sections 477A.11
168.21 to 477A.14 and 477A.17. The estimated market value of minerals is excluded.

168.22 (b) In the case of a municipality or independent nonprofit firefighting corporation
168.23 furnishing fire protection to other municipalities as evidenced by valid fire service contracts,
168.24 joint powers agreements, resolutions, and other supporting documents filed with the
168.25 commissioner under section 477B.02, subdivision 5, the distribution must be adjusted
168.26 proportionately to take into consideration the crossover fire protection service. Necessary
168.27 adjustments must be made to subsequent apportionments.

168.28 (c) In the case of municipalities or independent nonprofit firefighting corporations
168.29 qualifying for aid, the commissioner must calculate the state aid for the municipality or
168.30 independent nonprofit firefighting corporation on the basis of the population and the estimated
168.31 market value of the area furnished fire protection service by the fire department as evidenced
168.32 by valid fire service agreements contracts, joint powers agreements, resolutions, and other
168.33 supporting documents filed with the commissioner under section 477B.02, subdivision 5.

169.1 (d) In the case of more than one fire department furnishing contracted fire service to a
169.2 municipality, the population and estimated market value in the apportionment agreement
169.3 filed with the commissioner under section 477B.02, subdivision 5, must be used in calculating
169.4 the state aid.

169.5 EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023
169.6 and thereafter.

169.7 Sec. 16. Minnesota Statutes 2020, section 477B.03, subdivision 5, is amended to read:

169.8 Subd. 5. **Minimum fire state aid allocation amount.** (a) The minimum fire state aid
169.9 allocation amount is the amount derived from any additional funding amount to support a
169.10 minimum fire state aid amount under section 423A.02, subdivision 3. The minimum fire
169.11 state aid allocation amount is allocated to municipalities or independent nonprofit firefighting
169.12 corporations with volunteer firefighters' relief associations or covered by the statewide
169.13 volunteer firefighter plan. The amount is based on the number of active volunteer firefighters
169.14 who are (1) members of the relief association as reported to the Office of the State Auditor
169.15 in a specific annual financial reporting year as specified in paragraphs (b) to (d), or (2)
169.16 covered by the statewide volunteer firefighter plan as specified in paragraph (e).

169.17 (b) For relief associations established in calendar year 1993 or a prior year, the number
169.18 of active volunteer firefighters equals the number of active volunteer firefighters who were
169.19 members of the relief association as reported in the annual financial reporting for calendar
169.20 year 1993, but not to exceed 30 active volunteer firefighters.

169.21 (c) For relief associations established in calendar year 1994 through calendar year 1999,
169.22 the number of active volunteer firefighters equals the number of active volunteer firefighters
169.23 who were members of the relief association as reported in the annual financial reporting for
169.24 calendar year 1998 to the Office of the State Auditor, but not to exceed 30 active volunteer
169.25 firefighters.

169.26 (d) For relief associations established after calendar year 1999, the number of active
169.27 volunteer firefighters equals the number of active volunteer firefighters who are members
169.28 of the relief association as reported in the first annual financial reporting submitted to the
169.29 Office of the State Auditor, but not to exceed 20 active volunteer firefighters.

169.30 (e) ~~If a relief association is terminated as a result of~~ For a municipality or independent
169.31 nonprofit firefighting corporation that is providing retirement coverage for volunteer
169.32 firefighters by the statewide volunteer firefighter plan under chapter 353G, the number of
169.33 active volunteer firefighters equals the number of active volunteer firefighters of the

170.1 municipality or independent nonprofit firefighting corporation covered by the statewide
 170.2 plan as certified by the executive director of the Public Employees Retirement Association
 170.3 to the commissioner and the state auditor by February 1 immediately following the date the
 170.4 municipality or independent nonprofit firefighting corporation begins coverage in the plan,
 170.5 but not to exceed 30 active firefighters.

170.6 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 170.7 and thereafter.

170.8 Sec. 17. Minnesota Statutes 2020, section 477B.03, subdivision 7, is amended to read:

170.9 Subd. 7. **Appeal.** A municipality, an independent nonprofit firefighting corporation, a
 170.10 fire relief association, or the statewide volunteer firefighter plan may object to the amount
 170.11 of fire state aid apportioned to it by filing a written request with the commissioner to review
 170.12 and adjust the apportionment of funds within the state. The objection of a municipality, an
 170.13 independent nonprofit firefighting corporation, a fire relief association, or the voluntary
 170.14 statewide volunteer firefighter retirement plan must be filed with the commissioner within
 170.15 60 days of the date the amount of apportioned fire state aid is paid. The decision of the
 170.16 commissioner is subject to appeal, review, and adjustment by the district court in the county
 170.17 in which the applicable municipality or independent nonprofit firefighting corporation is
 170.18 located or by the Ramsey County District Court with respect to the statewide volunteer
 170.19 firefighter plan.

170.20 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 170.21 and thereafter.

170.22 Sec. 18. Minnesota Statutes 2020, section 477B.04, subdivision 1, is amended to read:

170.23 Subdivision 1. **Payments.** (a) The commissioner must make payments to the Public
 170.24 Employees Retirement Association for deposit in the statewide volunteer firefighter fund
 170.25 on behalf of a municipality or independent nonprofit firefighting corporation that is a member
 170.26 of the statewide volunteer firefighter plan under chapter 353G, ~~or directly to a municipality~~
 170.27 ~~or county designated by an independent nonprofit firefighting corporation.~~ The commissioner
 170.28 must directly pay all other municipalities qualifying for fire state aid, except as provided in
 170.29 paragraph (d). The payment is equal to the amount of fire state aid apportioned to the
 170.30 applicable fire state aid recipient under section 477B.03.

170.31 (b) Fire state aid is payable on October 1 annually. The amount of state aid due and not
 170.32 paid by October 1 accrues interest payable to the recipient at the rate of one percent for each
 170.33 month or part of a month that the amount remains unpaid after October 1.

171.1 (c) If the commissioner of revenue does not receive a financial compliance report
 171.2 described in section 6.495, subdivision 3, for a relief association, the amount of fire state
 171.3 aid apportioned to a municipality or independent nonprofit firefighting corporation under
 171.4 section 477B.03 for that relief association must be withheld from payment to the Public
 171.5 Employees Retirement Association or the municipality. The commissioner of revenue must
 171.6 issue a withheld payment within ten business days of receipt of a financial compliance report
 171.7 under section 6.495, subdivision 3. The interest under paragraph (b) does not apply when
 171.8 to a payment has not been made by October 1 due to noncompliance with sections 424A.014
 171.9 and 477B.02, subdivision 7 withheld under this paragraph.

171.10 (d) The commissioner must make payments directly to the largest municipality in
 171.11 population located within any area included in a joint powers entity that does not have a
 171.12 designated agency under section 471.59, subdivision 3, or within the fire department service
 171.13 area of an eligible independent nonprofit firefighting corporation. If there is no city or town
 171.14 within the fire department service area of an eligible independent nonprofit firefighting
 171.15 corporation, fire state aid must be paid to the county where the independent nonprofit
 171.16 firefighting corporation is located.

171.17 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 171.18 and thereafter.

171.19 Sec. 19. Minnesota Statutes 2020, section 477B.04, is amended by adding a subdivision
 171.20 to read:

171.21 Subd. 4. **Aid amount corrections.** (a) An adjustment needed to correct a fire state aid
 171.22 overpayment or underpayment due to a clerical error must be made to subsequent fire state
 171.23 aid payments as provided in paragraphs (b) and (c). The authority to correct an aid payment
 171.24 under this subdivision is limited to three years after the payment was issued.

171.25 (b) If an overpayment equals more than ten percent of the most recently paid aid amount,
 171.26 the commissioner must reduce the aid a municipality or independent nonprofit firefighting
 171.27 corporation is to receive by the amount overpaid over a period of no more than three years.
 171.28 If an overpayment equals or is less than ten percent of the most recently paid aid amount,
 171.29 the commissioner must reduce the next aid payment occurring in 30 days or more by the
 171.30 amount overpaid.

171.31 (c) In the event of an underpayment, the commissioner must distribute the amount of
 171.32 underpaid funds to the municipality or independent nonprofit firefighting corporation over
 171.33 a period of no more than three years. An additional distribution to a municipality or
 171.34 independent nonprofit firefighting corporation must be paid from the general fund and must

172.1 not diminish the payments made to other municipalities or independent nonprofit firefighting
172.2 corporations under this chapter.

172.3 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
172.4 and thereafter.

172.5 Sec. 20. Minnesota Statutes 2020, section 477C.03, subdivision 2, is amended to read:

172.6 Subd. 2. **Apportionment of police state aid.** (a) The total amount available for
172.7 apportionment as police state aid is equal to 104 percent of the amount of premium taxes
172.8 paid to the state on the premiums reported to the commissioner by companies or insurance
172.9 companies on the Minnesota Aid to Police Premium Report, except that credits claimed
172.10 under section 297I.20, subdivisions 3, 4, and 5, do not affect the calculation of the total
172.11 amount of police state aid available for apportionment. The total amount for apportionment
172.12 for the police state aid program must not be less than two percent of the amount of premiums
172.13 reported to the commissioner by companies or insurance companies on the Minnesota Aid
172.14 to Police Premium Report.

172.15 (b) The commissioner must calculate the percentage of increase or decrease reflected in
172.16 the apportionment over or under the previous year's available state aid using the same
172.17 premiums as a basis for comparison.

172.18 (c) In addition to the amount for apportionment of police state aid under paragraph (a),
172.19 each year \$100,000 must be apportioned for police state aid. An amount sufficient to pay
172.20 this increase is annually appropriated from the general fund.

172.21 (d) The commissioner must apportion police state aid to all municipalities in proportion
172.22 to the relationship that the total number of peace officers employed by that municipality for
172.23 the prior calendar year and the proportional or fractional number who were employed less
172.24 than a calendar year as credited under section 477C.02, subdivision 1, paragraph (c), bears
172.25 to the total number of peace officers employed by all municipalities subject to any reduction
172.26 under subdivision 3.

172.27 ~~(e) Any necessary additional adjustments must be made to subsequent police state aid~~
172.28 ~~apportionments.~~

172.29 **EFFECTIVE DATE.** (a) The amendment to paragraph (a) is effective the day following
172.30 final enactment.

172.31 (b) The amendment striking paragraph (e) is effective for aids payable in calendar year
172.32 2023 and thereafter.

173.1 Sec. 21. Minnesota Statutes 2020, section 477C.03, subdivision 5, is amended to read:

173.2 Subd. 5. **Appeal.** A municipality may object to the amount of police state aid apportioned
173.3 to it by filing a written request with the commissioner to review and adjust the apportionment
173.4 of funds to the municipality. The objection of a municipality must be filed with the
173.5 commissioner within 60 days of the date the amount of apportioned police state aid is paid.
173.6 The decision of the commissioner is subject to appeal, review, and adjustment by the district
173.7 court in the county in which the applicable municipality is located or by the Ramsey County
173.8 District Court with respect to the Departments of Natural Resources or Public Safety.

173.9 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
173.10 and thereafter.

173.11 Sec. 22. Minnesota Statutes 2020, section 477C.04, is amended by adding a subdivision
173.12 to read:

173.13 Subd. 4. **Aid amount corrections.** (a) An adjustment needed to correct a police state
173.14 aid overpayment or underpayment due to a clerical error must be made to subsequent police
173.15 state aid payments as provided in paragraphs (b) and (c). The authority to correct an aid
173.16 payment under this subdivision is limited to three years after the payment was issued.

173.17 (b) If an overpayment equals more than ten percent of the most recently paid aid amount,
173.18 the commissioner must reduce the aid a municipality is to receive by the amount overpaid
173.19 over a period of no more than three years. If an overpayment equals or is less than ten
173.20 percent of the most recently paid aid amount, the commissioner must reduce the next aid
173.21 payment occurring in 30 days or more by the amount overpaid.

173.22 (c) In the event of an underpayment, the commissioner must distribute the amount of
173.23 underpaid funds to the municipality over a period of no more than three years. An additional
173.24 distribution to a municipality must be paid from the general fund and must not diminish the
173.25 payments made to other municipalities under this chapter.

173.26 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
173.27 and thereafter.

173.28 Sec. 23. **REPEALER.**

173.29 Minnesota Statutes 2020, sections 477B.02, subdivision 4; and 477B.03, subdivision 6,
173.30 are repealed.

173.31 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
173.32 and thereafter.

174.1

ARTICLE 13

174.2

**DEPARTMENT OF REVENUE POLICY AND TECHNICAL: MISCELLANEOUS
TAX PROVISIONS**

174.3

174.4 Section 1. Minnesota Statutes 2020, section 290A.03, subdivision 13, is amended to read:

174.5 Subd. 13. **Property taxes payable.** "Property taxes payable" means the property tax
 174.6 exclusive of special assessments, penalties, and interest payable on a claimant's homestead
 174.7 after deductions made under sections 273.135, 273.1384, 273.1391, 273.42, subdivision 2,
 174.8 and any other state paid property tax credits in any calendar year, and after any refund
 174.9 claimed and allowable under section 290A.04, subdivision 2h, that is first payable in the
 174.10 year that the property tax is payable. In the case of a claimant who makes ground lease
 174.11 payments, "property taxes payable" includes the amount of the payments directly attributable
 174.12 to the property taxes assessed against the parcel on which the house is located. Regardless
 174.13 of the limitations in section 280A(c)(5) of the Internal Revenue Code, "property taxes
 174.14 payable" must be apportioned or reduced for the use of a portion of the claimant's homestead
 174.15 for a business purpose if the claimant deducts any business depreciation expenses for the
 174.16 use of a portion of the homestead or deducts expenses under section 280A of the Internal
 174.17 Revenue Code for a business operated in the claimant's homestead. For homesteads which
 174.18 are manufactured homes as defined in section 273.125, subdivision 8, including manufactured
 174.19 homes located in a manufactured home community owned by a cooperative organized under
 174.20 chapter 308A or 308B, and park trailers taxed as manufactured homes under section 168.012,
 174.21 subdivision 9, "property taxes payable" shall also include 17 percent of the gross rent paid
 174.22 in the preceding year for the site on which the homestead is located. When a homestead is
 174.23 owned by two or more persons as joint tenants or tenants in common, such tenants shall
 174.24 determine between them which tenant may claim the property taxes payable on the
 174.25 homestead. If they are unable to agree, the matter shall be referred to the commissioner of
 174.26 revenue whose decision shall be final. Property taxes are considered payable in the year
 174.27 prescribed by law for payment of the taxes.

174.28 In the case of a claim relating to "property taxes payable," the claimant must have owned
 174.29 and occupied the homestead on January 2 of the year in which the tax is payable and (i) the
 174.30 property must have been classified as homestead property pursuant to section 273.124, on
 174.31 or before December ~~15~~ 31 of the assessment year to which the "property taxes payable"
 174.32 relate; or (ii) the claimant must provide documentation from the local assessor that application
 174.33 for homestead classification has been made on or before December ~~15~~ 31 of the year in
 174.34 which the "property taxes payable" were payable and that the assessor has approved the
 174.35 application.

175.1 **EFFECTIVE DATE.** This section is effective for refund claims based on property taxes
175.2 payable in 2022 and thereafter.

175.3 Sec. 2. Minnesota Statutes 2020, section 290A.19, is amended to read:

175.4 **290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.**

175.5 (a) The owner or managing agent of any property for which rent is paid for occupancy
175.6 as a homestead must furnish a certificate of rent paid to a person who is a renter on December
175.7 31, in the form prescribed by the commissioner. If the renter moves before December 31,
175.8 the owner or managing agent may give the certificate to the renter at the time of moving,
175.9 or mail the certificate to the forwarding address if an address has been provided by the
175.10 renter. The certificate must be made available to the renter before February 1 of the year
175.11 following the year in which the rent was paid. The owner or managing agent must retain a
175.12 duplicate of each certificate or an equivalent record showing the same information for a
175.13 period of three years. The duplicate or other record must be made available to the
175.14 commissioner upon request.

175.15 (b) The commissioner may require the owner or managing agent, through a simple
175.16 process, to furnish to the commissioner on or before March 1 a copy of each certificate of
175.17 rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe
175.18 the content, format, and manner of the form pursuant to section 270C.30. The commissioner
175.19 may require the Social Security number, individual taxpayer identification number, federal
175.20 employer identification number, or Minnesota taxpayer identification number of the owner
175.21 or managing agent who is required to furnish a certificate of rent paid under this paragraph.
175.22 Prior to implementation, the commissioner, after consulting with representatives of owners
175.23 or managing agents, shall develop an implementation and administration plan for the
175.24 requirements of this paragraph that attempts to minimize financial burdens, administration
175.25 and compliance costs, and takes into consideration existing systems of owners and managing
175.26 agents.

175.27 (c) For the purposes of this section, "owner" includes a park owner as defined under
175.28 section 327C.01, subdivision 6, and "property" includes a lot as defined under section
175.29 327C.01, subdivision 3.

175.30 **EFFECTIVE DATE.** This section is effective for refund claims based on rent paid in
175.31 2022 and thereafter."

175.32 Amend the title accordingly

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

S.F. No. 4559

(SENATE AUTHORS: DAHMS)

DATE
04/29/2022

D-PG
7718 Introduction and first reading
Referred to Capital Investment

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to capital investment; appropriating money for improvements at Southwest
1.3 Minnesota State University; authorizing the sale and issuance of state bonds.

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

1.5 Section 1. **SOUTHWEST MINNESOTA STATE UNIVERSITY.**

1.6 Subdivision 1. **Appropriation.** \$6,000,000 is appropriated from the bond proceeds fund
1.7 to the commissioner of employment and economic development to provide a grant to the
1.8 city of Marshall to acquire, design, construct, furnish, and equip spaces in the social sciences
1.9 building of Southwest Minnesota State University to provide regional educational service
1.10 alternatives to at-risk students, special education students, students with severe disabilities,
1.11 students with a diagnosis of autism spectrum disorder, or students with behavioral issues.

1.12 Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond
1.13 proceeds fund, the commissioner of management and budget shall sell and issue bonds of
1.14 the state in an amount up to \$6,000,000 in the manner, upon the terms, and with the effect
1.15 prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota
1.16 Constitution, article XI, sections 4 to 7.

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

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State of Minnesota

Printed Page No. 344

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 3669

- 02/21/2022 Authored by Marquart; Youakim; Olson, L.; Lippert and Her
The bill was read for the first time and referred to the Committee on Taxes
- 04/19/2022 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
- 04/28/2022 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
- 05/04/2022 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

1.1 A bill for an act

1.2 relating to taxation; modifying provisions governing individual income and

1.3 corporate franchise taxes, sales and use taxes, property taxes, certain state aid

1.4 programs, certain local taxes, tax increment financing, and various other taxes and

1.5 tax-related provisions; providing for certain federal tax conformity; modifying

1.6 and proposing certain income tax credits and subtractions; providing for certain

1.7 sales tax exemptions; modifying property tax refunds and programs; proposing

1.8 additional local government aid programs; authorizing certain tax increment

1.9 financing; authorizing certain local taxes; converting the renter's property tax

1.10 refund into a refundable individual income tax credit; requiring reports;

1.11 appropriating money; amending Minnesota Statutes 2020, sections 6.495,

1.12 subdivision 3; 38.27, subdivision 4; 41B.0391, subdivisions 1, 2, 4; 123B.595,

1.13 subdivision 3; 123B.61; 126C.40, subdivision 1; 270A.03, subdivision 2; 270B.12,

1.14 subdivision 8; 272.01, subdivision 2; 272.02, subdivisions 24, 98, by adding

1.15 subdivisions; 272.025, subdivision 1; 273.124, subdivisions 3a, 6, 13a, 13c, 13d;

1.16 273.1245, subdivision 1; 273.13, subdivision 35; 273.1315, subdivision 2; 273.1387,

1.17 subdivision 2; 273.41; 279.03, subdivision 1a; 282.261, subdivision 2; 287.12;

1.18 287.29; 287.31, subdivision 3; 289A.02, subdivision 7; 289A.38, subdivision 4;

1.19 289A.56, subdivision 6; 289A.60, subdivision 12; 290.0131, by adding

1.20 subdivisions; 290.0132, subdivisions 18, 21, 26, by adding subdivisions; 290.0133,

1.21 by adding a subdivision; 290.0134, by adding a subdivision; 290.067; 290.0674,

1.22 subdivision 2; 290.0681, subdivisions 2, 3, 4; 290.0685, subdivision 1, by adding

1.23 a subdivision; 290.091, subdivision 2; 290.095, subdivision 11; 290A.02; 290A.03,

1.24 subdivisions 6, 8, 12, 13, 15; 290A.04, subdivisions 1, 2, 2h, 4; 290A.05; 290A.07,

1.25 subdivision 2a; 290A.08; 290A.09; 290A.091; 290A.13; 290A.19; 290A.25;

1.26 290B.03, subdivision 1; 290B.04, subdivisions 3, 4; 290B.05, subdivision 1;

1.27 291.005, subdivision 1; 296A.083, subdivision 3; 297A.61, subdivisions 12, 29;

1.28 297A.68, subdivision 25, by adding subdivisions; 297A.70, subdivision 21;

1.29 297A.71, subdivision 51, by adding subdivisions; 297A.94; 297A.99, subdivisions

1.30 1, 3; 297H.13, subdivision 2; 298.28, subdivisions 7a, 9b; 366.095, subdivision

1.31 1; 373.01, subdivision 3; 383B.117, subdivision 2; 410.32; 412.301; 462A.05,

1.32 subdivision 24; 462A.38; 469.174, subdivision 14, by adding a subdivision;

1.33 469.176, subdivisions 3, 4; 469.1763, subdivision 6; 469.1771, subdivisions 2, 2a,

1.34 3; 477A.011, subdivision 34, by adding subdivisions; 477A.0124, subdivision 2;

1.35 477A.013, subdivisions 8, 9; 477A.015; 477A.03, subdivision 2a; 477A.12,

1.36 subdivisions 1, 3, by adding a subdivision; 477B.01, subdivisions 5, 10, 11, by

1.37 adding subdivisions; 477B.02, subdivisions 2, 3, 5, 8, 9, by adding a subdivision;

1.38 477B.03, subdivisions 2, 3, 4, 5, 7; 477B.04, subdivision 1, by adding a subdivision;

2.1 477C.03, subdivisions 2, 5; 477C.04, by adding a subdivision; Minnesota Statutes
 2.2 2021 Supplement, sections 3.8855, subdivisions 4, 7; 16A.152, subdivision 2;
 2.3 116J.8737, subdivision 5; 116U.27, subdivision 1; 126C.10, subdivision 2e;
 2.4 272.0295, subdivision 2; 273.11, subdivision 12; 273.124, subdivisions 13, 14;
 2.5 273.13, subdivisions 23, 25, 34; 289A.08, subdivisions 7, 7a; 289A.382, subdivision
 2.6 2; 290.01, subdivisions 19, 31; 290.06, subdivisions 2c, 22; 290.0671, subdivision
 2.7 1; 290.0681, subdivision 10; 290.0682, by adding subdivisions; 290.993; 290A.03,
 2.8 subdivision 3; 297A.71, subdivision 52; 297A.75, subdivisions 1, 2, 3; 297A.99,
 2.9 subdivision 2; 297F.09, subdivision 10; 297G.09, subdivision 9; 469.1763,
 2.10 subdivisions 2, 3, 4; 477A.03, subdivision 2b; 477A.30; Laws 1998, chapter 389,
 2.11 article 8, section 43, as amended; Laws 2003, chapter 127, article 10, section 31,
 2.12 subdivision 1, as amended; Laws 2006, chapter 259, article 11, section 3, as
 2.13 amended; Laws 2008, chapter 366, article 7, section 17; Laws 2011, First Special
 2.14 Session chapter 7, article 4, section 14; Laws 2014, chapter 308, article 6, section
 2.15 12, subdivision 2; Laws 2017, First Special Session chapter 1, article 3, section
 2.16 26; Laws 2019, First Special Session chapter 6, article 6, section 25; Laws 2021,
 2.17 First Special Session chapter 14, article 8, sections 5; 7; proposing coding for new
 2.18 law in Minnesota Statutes, chapters 240A; 290; 477A; proposing coding for new
 2.19 law as Minnesota Statutes, chapter 428B; repealing Minnesota Statutes 2020,
 2.20 sections 6.91; 290.0674, subdivision 2a; 290A.03, subdivisions 9, 11; 290A.04,
 2.21 subdivisions 2a, 5; 290A.23, subdivision 1; 327C.01, subdivision 13; 327C.16;
 2.22 477A.011, subdivisions 30a, 38, 42, 45; 477A.013, subdivision 13; 477B.02,
 2.23 subdivision 4; 477B.03, subdivision 6; Minnesota Statutes 2021 Supplement,
 2.24 section 290.0111.

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

2.26 **ARTICLE 1**

2.27 **FEDERAL CONFORMITY**

2.28 Section 1. Minnesota Statutes 2020, section 289A.02, subdivision 7, is amended to read:

2.29 Subd. 7. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal
 2.30 Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December~~
 2.31 ~~31, 2018~~ November 15, 2021.

2.32 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
 2.33 the changes incorporated by federal changes are effective retroactively at the same time the
 2.34 changes were effective for federal purposes.

2.35 Sec. 2. Minnesota Statutes 2021 Supplement, section 289A.08, subdivision 7, is amended
 2.36 to read:

2.37 Subd. 7. **Composite income tax returns for nonresident partners, shareholders, and**
 2.38 **beneficiaries.** (a) The commissioner may allow a partnership with nonresident partners to
 2.39 file a composite return and to pay the tax on behalf of nonresident partners who have no
 2.40 other Minnesota source income. This composite return must include the names, addresses,
 2.41 Social Security numbers, income allocation, and tax liability for the nonresident partners
 2.42 electing to be covered by the composite return.

3.1 (b) The computation of a partner's tax liability must be determined by multiplying the
3.2 income allocated to that partner by the highest rate used to determine the tax liability for
3.3 individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard
3.4 deductions, or personal exemptions are not allowed.

3.5 (c) The partnership must submit a request to use this composite return filing method for
3.6 nonresident partners. The requesting partnership must file a composite return in the form
3.7 prescribed by the commissioner of revenue. The filing of a composite return is considered
3.8 a request to use the composite return filing method.

3.9 (d) The electing partner must not have any Minnesota source income other than the
3.10 income from the partnership, other electing partnerships, and other qualifying entities
3.11 electing to file and pay the pass-through entity tax under subdivision 7a. If it is determined
3.12 that the electing partner has other Minnesota source income, the inclusion of the income
3.13 and tax liability for that partner under this provision will not constitute a return to satisfy
3.14 the requirements of subdivision 1. The tax paid for the individual as part of the composite
3.15 return is allowed as a payment of the tax by the individual on the date on which the composite
3.16 return payment was made. If the electing nonresident partner has no other Minnesota source
3.17 income, filing of the composite return is a return for purposes of subdivision 1.

3.18 (e) This subdivision does not negate the requirement that an individual pay estimated
3.19 tax if the individual's liability would exceed the requirements set forth in section 289A.25.
3.20 The individual's liability to pay estimated tax is, however, satisfied when the partnership
3.21 pays composite estimated tax in the manner prescribed in section 289A.25.

3.22 (f) If an electing partner's share of the partnership's gross income from Minnesota sources
3.23 is less than the filing requirements for a nonresident under this subdivision, the tax liability
3.24 is zero. However, a statement showing the partner's share of gross income must be included
3.25 as part of the composite return.

3.26 (g) The election provided in this subdivision is only available to a partner who has no
3.27 other Minnesota source income and who is either (1) a full-year nonresident individual or
3.28 (2) a trust or estate that does not claim a deduction under either section 651 or 661 of the
3.29 Internal Revenue Code.

3.30 (h) A corporation defined in section 290.9725 and its nonresident shareholders may
3.31 make an election under this paragraph. The provisions covering the partnership apply to
3.32 the corporation and the provisions applying to the partner apply to the shareholder.

3.33 (i) Estates and trusts distributing current income only and the nonresident individual
3.34 beneficiaries of the estates or trusts may make an election under this paragraph. The

4.1 provisions covering the partnership apply to the estate or trust. The provisions applying to
4.2 the partner apply to the beneficiary.

4.3 (j) For the purposes of this subdivision, "income" means the partner's share of federal
4.4 adjusted gross income from the partnership modified by the additions provided in section
4.5 290.0131, subdivisions 8 to 10, 16, ~~and 17,~~ and 19, and the subtractions provided in: (1)
4.6 section 290.0132, subdivisions 9, 27, and 28, to the extent the amount is assignable or
4.7 allocable to Minnesota under section 290.17; and (2) section 290.0132, ~~subdivision~~
4.8 subdivisions 14 and 31. The subtraction allowed under section 290.0132, subdivision 9, is
4.9 only allowed on the composite tax computation to the extent the electing partner would
4.10 have been allowed the subtraction.

4.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
4.12 31, 2021.

4.13 Sec. 3. Minnesota Statutes 2021 Supplement, section 290.01, subdivision 19, is amended
4.14 to read:

4.15 Subd. 19. **Net income.** (a) For a trust or estate taxable under section 290.03, and a
4.16 corporation taxable under section 290.02, the term "net income" means the federal taxable
4.17 income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through
4.18 the date named in this subdivision, incorporating the federal effective dates of changes to
4.19 the Internal Revenue Code and any elections made by the taxpayer in accordance with the
4.20 Internal Revenue Code in determining federal taxable income for federal income tax
4.21 purposes, and with the modifications provided in sections 290.0131 to 290.0136.

4.22 (b) For an individual, the term "net income" means federal adjusted gross income with
4.23 the modifications provided in sections 290.0131, 290.0132, and 290.0135 to 290.0137.

4.24 (c) In the case of a regulated investment company or a fund thereof, as defined in section
4.25 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment
4.26 company taxable income as defined in section 852(b)(2) of the Internal Revenue Code,
4.27 except that:

4.28 (1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal
4.29 Revenue Code does not apply;

4.30 (2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue
4.31 Code must be applied by allowing a deduction for capital gain dividends and exempt-interest
4.32 dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code;
4.33 and

5.1 (3) the deduction for dividends paid must also be applied in the amount of any
 5.2 undistributed capital gains which the regulated investment company elects to have treated
 5.3 as provided in section 852(b)(3)(D) of the Internal Revenue Code.

5.4 (d) The net income of a real estate investment trust as defined and limited by section
 5.5 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust
 5.6 taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

5.7 (e) The net income of a designated settlement fund as defined in section 468B(d) of the
 5.8 Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal
 5.9 Revenue Code.

5.10 (f) The Internal Revenue Code of 1986, as amended through ~~December 31, 2018~~
 5.11 November 15, 2021, applies for taxable years beginning after December 31, 1996, ~~except~~
 5.12 ~~the sections of federal law in section 290.0111 shall also apply.~~

5.13 (g) Except as otherwise provided, references to the Internal Revenue Code in this
 5.14 subdivision and sections 290.0131 to 290.0136 mean the code in effect for purposes of
 5.15 determining net income for the applicable year.

5.16 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
 5.17 the changes incorporated by federal changes are effective retroactively at the same time the
 5.18 changes were effective for federal purposes.

5.19 Sec. 4. Minnesota Statutes 2021 Supplement, section 290.01, subdivision 31, is amended
 5.20 to read:

5.21 Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal
 5.22 Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December~~
 5.23 ~~31, 2018, except the sections of federal law in section 290.0111 shall also apply~~ November
 5.24 15, 2021. Internal Revenue Code also includes any uncodified provision in federal law that
 5.25 relates to provisions of the Internal Revenue Code that are incorporated into Minnesota law.

5.26 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
 5.27 the changes incorporated by federal changes are effective retroactively at the same time the
 5.28 changes were effective for federal purposes.

6.1 Sec. 5. Minnesota Statutes 2020, section 290.0131, is amended by adding a subdivision
6.2 to read:

6.3 Subd. 19. **Meal expenses.** The amount of meal expenses in excess of the 50 percent
6.4 limitation under section 274(n)(1) of the Internal Revenue Code allowed under subsection
6.5 (n), paragraph (2), subparagraph (D), of that section is an addition.

6.6 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
6.7 31, 2021.

6.8 Sec. 6. Minnesota Statutes 2020, section 290.0132, subdivision 18, is amended to read:

6.9 Subd. 18. **Net operating losses.** (a) The amount of the net operating loss allowed under
6.10 section 290.095, subdivision 11, paragraph (c), is a subtraction.

6.11 (b) The unused portion of a net operating loss carryover under section 290.095,
6.12 subdivision 11, paragraph (d), is a subtraction. The subtraction is the lesser of:

6.13 (1) the amount carried into the taxable year minus any subtraction made under this
6.14 section for prior taxable years; or

6.15 (2) 80 percent of Minnesota taxable net income in a single taxable year and determined
6.16 without regard to this subtraction.

6.17 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
6.18 31, 2021.

6.19 Sec. 7. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision
6.20 to read:

6.21 Subd. 31. **Delayed business interest.** (a) For each of the five taxable years beginning
6.22 after December 31, 2021, there is allowed a subtraction equal to one-fifth of the adjustment
6.23 amount, to the extent not already deducted, for the exclusion under section 16, subdivision
6.24 2, clause (10), due to the Coronavirus Aid, Relief and Economic Security Act, Public Law
6.25 116-136, section 2306.

6.26 (b) This subdivision expires for taxable years beginning after December 31, 2026.

6.27 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
6.28 31, 2021.

7.1 Sec. 8. Minnesota Statutes 2020, section 290.0133, is amended by adding a subdivision
7.2 to read:

7.3 Subd. 15. **Meal expenses.** The amount of meal expenses in excess of the 50 percent
7.4 limitation under section 274(n)(1) of the Internal Revenue Code allowed under section
7.5 274(n)(2)(D) of the Internal Revenue Code is an addition.

7.6 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
7.7 31, 2021.

7.8 Sec. 9. Minnesota Statutes 2020, section 290.0134, is amended by adding a subdivision
7.9 to read:

7.10 Subd. 20. **Delayed business interest.** (a) For each of the five taxable years beginning
7.11 after December 31, 2021, there is allowed a subtraction equal to one-fifth of the adjustment
7.12 amount, to the extent not already deducted, for the exclusion under section 16, subdivision
7.13 2, clause (10), due to the Coronavirus Aid, Relief and Economic Security Act, Public Law
7.14 116-136, section 2306.

7.15 (b) This subdivision expires for taxable years beginning after December 31, 2026.

7.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
7.17 31, 2021.

7.18 Sec. 10. Minnesota Statutes 2021 Supplement, section 290.06, subdivision 2c, is amended
7.19 to read:

7.20 Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes
7.21 imposed by this chapter upon married individuals filing joint returns and surviving spouses
7.22 as defined in section 2(a) of the Internal Revenue Code must be computed by applying to
7.23 their taxable net income the following schedule of rates:

7.24 (1) On the first \$38,770, 5.35 percent;

7.25 (2) On all over \$38,770, but not over \$154,020, 6.8 percent;

7.26 (3) On all over \$154,020, but not over \$269,010, 7.85 percent;

7.27 (4) On all over \$269,010, 9.85 percent.

7.28 Married individuals filing separate returns, estates, and trusts must compute their income
7.29 tax by applying the above rates to their taxable income, except that the income brackets
7.30 will be one-half of the above amounts after the adjustment required in subdivision 2d.

8.1 (b) The income taxes imposed by this chapter upon unmarried individuals must be
8.2 computed by applying to taxable net income the following schedule of rates:

8.3 (1) On the first \$26,520, 5.35 percent;

8.4 (2) On all over \$26,520, but not over \$87,110, 6.8 percent;

8.5 (3) On all over \$87,110, but not over \$161,720, 7.85 percent;

8.6 (4) On all over \$161,720, 9.85 percent.

8.7 (c) The income taxes imposed by this chapter upon unmarried individuals qualifying as
8.8 a head of household as defined in section 2(b) of the Internal Revenue Code must be
8.9 computed by applying to taxable net income the following schedule of rates:

8.10 (1) On the first \$32,650, 5.35 percent;

8.11 (2) On all over \$32,650, but not over \$131,190, 6.8 percent;

8.12 (3) On all over \$131,190, but not over \$214,980, 7.85 percent;

8.13 (4) On all over \$214,980, 9.85 percent.

8.14 (d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax
8.15 of any individual taxpayer whose taxable net income for the taxable year is less than an
8.16 amount determined by the commissioner must be computed in accordance with tables
8.17 prepared and issued by the commissioner of revenue based on income brackets of not more
8.18 than \$100. The amount of tax for each bracket shall be computed at the rates set forth in
8.19 this subdivision, provided that the commissioner may disregard a fractional part of a dollar
8.20 unless it amounts to 50 cents or more, in which case it may be increased to \$1.

8.21 (e) An individual who is not a Minnesota resident for the entire year must compute the
8.22 individual's Minnesota income tax as provided in this subdivision. After the application of
8.23 the nonrefundable credits provided in this chapter, the tax liability must then be multiplied
8.24 by a fraction in which:

8.25 (1) the numerator is the individual's Minnesota source federal adjusted gross income as
8.26 defined in section 62 of the Internal Revenue Code and increased by:

8.27 (i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, ~~and~~
8.28 17, and 19, and 290.0137, paragraph (a); and reduced by

8.29 (ii) the Minnesota assignable portion of the subtraction for United States government
8.30 interest under section 290.0132, subdivision 2, the subtractions under sections 290.0132,

9.1 subdivisions 9, 10, 14, 15, 17, 18, ~~and 27,~~ and 31, and 290.0137, paragraph (c), after applying
 9.2 the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

9.3 (2) the denominator is the individual's federal adjusted gross income as defined in section
 9.4 62 of the Internal Revenue Code, increased by:

9.5 (i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, ~~and~~
 9.6 17, and 19, and 290.0137, paragraph (a); and reduced by

9.7 (ii) the subtractions under sections 290.0132, subdivisions 2, 9, 10, 14, 15, 17, 18, ~~and~~
 9.8 27, and 31, and 290.0137, paragraph (c).

9.9 (f) If an individual who is not a Minnesota resident for the entire year is a qualifying
 9.10 owner of a qualifying entity that elects to pay tax as provided in section 289A.08, subdivision
 9.11 7a, paragraph (b), the individual must compute the individual's Minnesota income tax as
 9.12 provided in paragraph (e), and also must include, to the extent attributed to the electing
 9.13 qualifying entity:

9.14 (1) in paragraph (e), clause (1), item (i), and paragraph (e), clause (2), item (i), the
 9.15 addition under section 290.0131, subdivision 5; and

9.16 (2) in paragraph (e), clause (1), item (ii), and paragraph (e), clause (2), item (ii), the
 9.17 subtraction under section 290.0132, subdivision 3.

9.18 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 9.19 31, 2021.

9.20 Sec. 11. Minnesota Statutes 2020, section 290.091, subdivision 2, is amended to read:

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

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

9.25 (1) the taxpayer's federal alternative minimum taxable income as defined in section
 9.26 55(b)(2) of the Internal Revenue Code;

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

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

9.30 (ii) the medical expense deduction;

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

- 10.1 (iv) the impairment-related work expenses of a person with a disability;
- 10.2 (3) for depletion allowances computed under section 613A(c) of the Internal Revenue
10.3 Code, with respect to each property (as defined in section 614 of the Internal Revenue Code),
10.4 to the extent not included in federal alternative minimum taxable income, the excess of the
10.5 deduction for depletion allowable under section 611 of the Internal Revenue Code for the
10.6 taxable year over the adjusted basis of the property at the end of the taxable year (determined
10.7 without regard to the depletion deduction for the taxable year);
- 10.8 (4) to the extent not included in federal alternative minimum taxable income, the amount
10.9 of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue
10.10 Code determined without regard to subparagraph (E);
- 10.11 (5) to the extent not included in federal alternative minimum taxable income, the amount
10.12 of interest income as provided by section 290.0131, subdivision 2;
- 10.13 (6) the amount of addition required by section 290.0131, subdivisions 9, 10, ~~and 16,~~ and
10.14 19;
- 10.15 (7) the deduction allowed under section 199A of the Internal Revenue Code, to the extent
10.16 not included in the addition required under clause (6); and
- 10.17 (8) to the extent not included in federal alternative minimum taxable income, the amount
10.18 of foreign-derived intangible income deducted under section 250 of the Internal Revenue
10.19 Code;
- 10.20 less the sum of the amounts determined under the following:
- 10.21 (i) interest income as defined in section 290.0132, subdivision 2;
- 10.22 (ii) an overpayment of state income tax as provided by section 290.0132, subdivision
10.23 3, to the extent included in federal alternative minimum taxable income;
- 10.24 (iii) the amount of investment interest paid or accrued within the taxable year on
10.25 indebtedness to the extent that the amount does not exceed net investment income, as defined
10.26 in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted
10.27 in computing federal adjusted gross income;
- 10.28 (iv) amounts subtracted from federal taxable or adjusted gross income as provided by
10.29 section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, and 26 to ~~29~~ 33;
- 10.30 (v) the amount of the net operating loss allowed under section 290.095, subdivision 11,
10.31 ~~paragraph~~ paragraphs (c) and (d); and

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

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

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

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

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

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

11.14 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
11.15 31, 2021.

11.16 Sec. 12. Minnesota Statutes 2020, section 290.095, subdivision 11, is amended to read:

11.17 Subd. 11. **Carryback or carryover adjustments.** (a) Except as provided in paragraph
11.18 (c), for individuals, estates, and trusts the amount of a net operating loss that may be carried
11.19 back or carried over shall be the same dollar amount allowable in the determination of
11.20 federal taxable income, provided that, notwithstanding any other provision, estates and
11.21 trusts must apply the following adjustments to the amount of the net operating loss that may
11.22 be carried back or carried over:

11.23 (1) Nonassignable income or losses as required by section 290.17.

11.24 (2) Deductions not allocable to Minnesota under section 290.17.

11.25 (b) The net operating loss carryback or carryover applied as a deduction in the taxable
11.26 year to which the net operating loss is carried back or carried over shall be equal to the net
11.27 operating loss carryback or carryover applied in the taxable year in arriving at federal taxable
11.28 income provided that trusts and estates must apply the following modifications:

11.29 (1) Increase the amount of carryback or carryover applied in the taxable year by the
11.30 amount of losses and interest, taxes and other expenses not assignable or allowable to
11.31 Minnesota incurred in the taxable year.

12.1 (2) Decrease the amount of carryback or carryover applied in the taxable year by the
12.2 amount of income not assignable to Minnesota earned in the taxable year. For estates and
12.3 trusts, the net operating loss carryback or carryover to the next consecutive taxable year
12.4 shall be the net operating loss carryback or carryover as calculated in clause (b) less the
12.5 amount applied in the earlier taxable year(s). No additional net operating loss carryback or
12.6 carryover shall be allowed to estates and trusts if the entire amount has been used to offset
12.7 Minnesota income in a year earlier than was possible on the federal return. However, if a
12.8 net operating loss carryback or carryover was allowed to offset federal income in a year
12.9 earlier than was possible on the Minnesota return, an estate or trust shall still be allowed to
12.10 offset Minnesota income but only if the loss was assignable to Minnesota in the year the
12.11 loss occurred.

12.12 (c) This paragraph does not apply to eligible small businesses that make a valid election
12.13 to carry back their losses for federal purposes under section 172(b)(1)(H) of the Internal
12.14 Revenue Code as amended through March 31, 2009.

12.15 (1) A net operating loss of an individual, estate, or trust that is allowed under this
12.16 subdivision and for which the taxpayer elects to carry back for more than two years under
12.17 section 172(b)(1)(H) of the Internal Revenue Code is a net operating loss carryback to each
12.18 of the two taxable years preceding the loss, and unused portions may be carried forward for
12.19 20 taxable years after the loss.

12.20 (2) The entire amount of the net operating loss for any taxable year must be carried to
12.21 the earliest of the taxable years to which the loss may be carried. The portion of the loss
12.22 which may be carried to each of the other taxable years is the excess, if any, of the amount
12.23 of the loss over the greater of the taxable net income or alternative minimum taxable income
12.24 for each of the taxable years to which the loss may be carried.

12.25 (d) For net operating loss carryovers or carrybacks arising in taxable years beginning
12.26 after December 31, 2017, and before December 31, 2020, a net operating loss carryover or
12.27 carryback is allowed as provided in the Internal Revenue Code as amended through December
12.28 31, 2018, as follows:

12.29 (1) the entire amount of the net operating loss, to the extent not already deducted, must
12.30 be carried to the earliest taxable year and any unused portion may be carried forward for
12.31 20 taxable years after the loss; and

12.32 (2) the portion of the loss which may be carried to each of the other taxable years is the
12.33 excess, if any, of the amount of the loss over the greater of the taxable net income or

13.1 alternative minimum taxable income for each of the taxable years to which the loss may be
13.2 carried.

13.3 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
13.4 after December 31, 2017, and before December 31, 2020.

13.5 Sec. 13. Minnesota Statutes 2021 Supplement, section 290.993, is amended to read:

13.6 **290.993 SPECIAL LIMITED ADJUSTMENT.**

13.7 Subdivision 1. Tax year 2018. (a) For an individual, estate, or trust, or a partnership
13.8 that elects to file a composite return under section 289A.08, subdivision 7, for taxable years
13.9 beginning after December 31, 2017, and before January 1, 2019, the following special rules
13.10 apply:

13.11 (1) an individual income taxpayer may: (i) take the standard deduction; or (ii) make an
13.12 election under section 63(e) of the Internal Revenue Code to itemize, for Minnesota individual
13.13 income tax purposes, regardless of the choice made on their federal return; and

13.14 (2) there is an adjustment to tax equal to the difference between the tax calculated under
13.15 this chapter using the Internal Revenue Code as amended through December 16, 2016, and
13.16 the tax calculated under this chapter using the Internal Revenue Code amended through
13.17 December 31, 2018, before the application of credits. The end result must be zero additional
13.18 tax due or refund.

13.19 (b) The adjustment in ~~paragraph (a), clause (2)~~, this subdivision does not apply to any
13.20 changes due to sections 11012, 13101, 13201, 13202, 13203, 13204, 13205, 13207, 13301,
13.21 13302, 13303, 13313, 13502, 13503, 13801, 14101, 14102, 14211 through 14215, and
13.22 14501 of Public Law 115-97; and section 40411 of Public Law 115-123.

13.23 Subd. 2. Tax years prior to 2022. (a) For all taxpayers, including an entity that elects
13.24 to file a composite return under section 289A.08, subdivision 7, and an entity that elects to
13.25 pay the pass-through entity tax under section 289A.08, subdivision 7a, for taxable years
13.26 beginning after December 31, 2016, and before January 1, 2022, the provisions in this
13.27 subdivision apply.

13.28 (b) There is an adjustment to tax equal to the difference between the amount calculated
13.29 and reported under this chapter incorporating the Internal Revenue Code as amended through
13.30 Laws 2021, First Special Session chapter 14, and the amount calculated under this chapter
13.31 incorporating the Internal Revenue Code as amended through November 15, 2021. For
13.32 taxable years beginning before January 1, 2022, the end result of incorporating the Internal

14.1 Revenue Code as amended through November 15, 2021, must be zero additional tax due
14.2 or refund, except as provided in paragraph (c).

14.3 (c) The adjustment does not apply to changes due to:

14.4 (1) the Taxpayer Certainty and Disaster Relief Act of 2020, Public Law 116-260, section
14.5 114, exclusion of gross income of discharge of qualified principal residence indebtedness;

14.6 (2) the Taxpayer Certainty and Disaster Relief Act of 2020, Public Law 116-260, section
14.7 304(b), special rules for disaster-related personal casualty losses;

14.8 (3) the COVID-related Tax Relief Act of 2020, Public Law 116-260, section 278,
14.9 paragraphs (a) and (d), clarification of tax treatment of certain loan forgiveness and other
14.10 business financial assistance;

14.11 (4) the American Rescue Plan Act, Public Law 117-2, section 9672, tax treatment of
14.12 targeted EIDL advances;

14.13 (5) the American Rescue Plan Act, Public Law 117-2, section 9673, tax treatment of
14.14 restaurant revitalization grants; and

14.15 (6) the American Rescue Plan Act, Public Law 117-2, section 9675, modification of
14.16 treatment of student loan forgiveness.

14.17 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
14.18 before January 1, 2022.

14.19 Sec. 14. Minnesota Statutes 2020, section 290A.03, subdivision 15, is amended to read:

14.20 Subd. 15. **Internal Revenue Code.** "Internal Revenue Code" means the Internal Revenue
14.21 Code of 1986, as amended through ~~December 31, 2018~~ November 15, 2021.

14.22 **EFFECTIVE DATE.** This section is effective for property tax refunds based on property
14.23 taxes payable in 2023 and rent paid in 2022 and thereafter.

14.24 Sec. 15. Minnesota Statutes 2020, section 291.005, subdivision 1, is amended to read:

14.25 Subdivision 1. **Scope.** Unless the context otherwise clearly requires, the following terms
14.26 used in this chapter shall have the following meanings:

14.27 (1) "Commissioner" means the commissioner of revenue or any person to whom the
14.28 commissioner has delegated functions under this chapter.

14.29 (2) "Federal gross estate" means the gross estate of a decedent as required to be valued
14.30 and otherwise determined for federal estate tax purposes under the Internal Revenue Code,

15.1 increased by the value of any property in which the decedent had a qualifying income interest
15.2 for life and for which an election was made under section 291.03, subdivision 1d, for
15.3 Minnesota estate tax purposes, but was not made for federal estate tax purposes.

15.4 (3) "Internal Revenue Code" means the United States Internal Revenue Code of 1986,
15.5 as amended through ~~December 31, 2018~~ November 15, 2021.

15.6 (4) "Minnesota gross estate" means the federal gross estate of a decedent after (a)
15.7 excluding therefrom any property included in the estate which has its situs outside Minnesota,
15.8 and (b) including any property omitted from the federal gross estate which is includable in
15.9 the estate, has its situs in Minnesota, and was not disclosed to federal taxing authorities.

15.10 (5) "Nonresident decedent" means an individual whose domicile at the time of death
15.11 was not in Minnesota.

15.12 (6) "Personal representative" means the executor, administrator or other person appointed
15.13 by the court to administer and dispose of the property of the decedent. If there is no executor,
15.14 administrator or other person appointed, qualified, and acting within this state, then any
15.15 person in actual or constructive possession of any property having a situs in this state which
15.16 is included in the federal gross estate of the decedent shall be deemed to be a personal
15.17 representative to the extent of the property and the Minnesota estate tax due with respect
15.18 to the property.

15.19 (7) "Resident decedent" means an individual whose domicile at the time of death was
15.20 in Minnesota. The provisions of section 290.01, subdivision 7, paragraphs (c) and (d), apply
15.21 to determinations of domicile under this chapter.

15.22 (8) "Situs of property" means, with respect to:

15.23 (i) real property, the state or country in which it is located;

15.24 (ii) tangible personal property, the state or country in which it was normally kept or
15.25 located at the time of the decedent's death or for a gift of tangible personal property within
15.26 three years of death, the state or country in which it was normally kept or located when the
15.27 gift was executed;

15.28 (iii) a qualified work of art, as defined in section 2503(g)(2) of the Internal Revenue
15.29 Code, owned by a nonresident decedent and that is normally kept or located in this state
15.30 because it is on loan to an organization, qualifying as exempt from taxation under section
15.31 501(c)(3) of the Internal Revenue Code, that is located in Minnesota, the situs of the art is
15.32 deemed to be outside of Minnesota, notwithstanding the provisions of item (ii); and

16.1 (iv) intangible personal property, the state or country in which the decedent was domiciled
16.2 at death or for a gift of intangible personal property within three years of death, the state or
16.3 country in which the decedent was domiciled when the gift was executed.

16.4 For a nonresident decedent with an ownership interest in a pass-through entity with
16.5 assets that include real or tangible personal property, situs of the real or tangible personal
16.6 property, including qualified works of art, is determined as if the pass-through entity does
16.7 not exist and the real or tangible personal property is personally owned by the decedent. If
16.8 the pass-through entity is owned by a person or persons in addition to the decedent, ownership
16.9 of the property is attributed to the decedent in proportion to the decedent's capital ownership
16.10 share of the pass-through entity.

16.11 (9) "Pass-through entity" includes the following:

16.12 (i) an entity electing S corporation status under section 1362 of the Internal Revenue
16.13 Code;

16.14 (ii) an entity taxed as a partnership under subchapter K of the Internal Revenue Code;

16.15 (iii) a single-member limited liability company or similar entity, regardless of whether
16.16 it is taxed as an association or is disregarded for federal income tax purposes under Code
16.17 of Federal Regulations, title 26, section 301.7701-3; or

16.18 (iv) a trust to the extent the property is includable in the decedent's federal gross estate;
16.19 but excludes

16.20 (v) an entity whose ownership interest securities are traded on an exchange regulated
16.21 by the Securities and Exchange Commission as a national securities exchange under section
16.22 6 of the Securities Exchange Act, United States Code, title 15, section 78f.

16.23 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
16.24 the changes incorporated by federal changes are effective retroactively at the same time the
16.25 changes were effective for federal purposes.

16.26 Sec. 16. **NONCONFORMITY ADJUSTMENT.**

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

16.29 **(b) For an individual, estate, or trust:**

16.30 **(1) "subtraction" has the meaning given in Minnesota Statutes, section 290.0132,**
16.31 **subdivision 1, and the rules in that subdivision apply for this section; and**

17.1 (2) "addition" has the meaning given in Minnesota Statutes, section 290.0131, subdivision
17.2 1, and the rules in that subdivision apply for this section.

17.3 (c) For a corporation other than an S corporation:

17.4 (1) "subtraction" has the meaning given in Minnesota Statutes, section 290.0134,
17.5 subdivision 1, and the rules in that subdivision apply for this section; and

17.6 (2) "addition" has the meaning given in Minnesota Statutes, section 290.0133, subdivision
17.7 1, and the rules in that subdivision apply for this section.

17.8 (d) "Pass-through entity" means an entity that is not subject to the tax imposed under
17.9 section 290.02, including but not limited to S corporations, partnerships, estates, and trusts
17.10 other than grantor trusts.

17.11 (e) The definitions in Minnesota Statutes, section 290.01, apply for this section.

17.12 Subd. 2. **Calculation of nonconformity adjustment** A taxpayer's nonconformity
17.13 adjustment equals the difference between adjusted gross income, as defined under section
17.14 62 of the Internal Revenue Code for individuals, and federal taxable income as defined
17.15 under section 63 of the Internal Revenue Code for all other taxpayers incorporating the
17.16 Internal Revenue Code as amended through Laws 2021, First Special Session chapter 14,
17.17 and the amount calculated under this chapter incorporating the Internal Revenue Code as
17.18 amended through November 15, 2021, but does not include impacts to state tax credits. The
17.19 nonconformity adjustment is an addition or subtraction to net income but does not include
17.20 the following federal law changes:

17.21 (1) Taxpayer Certainty and Disaster Tax Relief Act of 2019, Public Law 116-94, section
17.22 104, deduction of qualified tuition and related expenses;

17.23 (2) Taxpayer Certainty and Disaster Tax Relief Act of 2019, Public Law 116-94, section
17.24 203, employee retention credit for employers affected by qualified disasters;

17.25 (3) Families First Coronavirus Response Act, Public Law 116-127, section 7001, payroll
17.26 credit for required paid sick leave;

17.27 (4) Families First Coronavirus Response Act, Public Law 116-127, section 7003, payroll
17.28 credit for required paid family leave;

17.29 (5) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
17.30 2204, allowance of partial above the line deduction for charitable contributions;

17.31 (6) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
17.32 2205(a), modification of limitations on charitable contributions during 2020;

- 18.1 (7) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
18.2 2301, employee retention credit for employers subject to closure due to COVID-19;
- 18.3 (8) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
18.4 2303, modifications for net operating losses;
- 18.5 (9) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
18.6 2304, modification of limitation on losses for taxpayers other than corporations;
- 18.7 (10) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
18.8 2306, limitation on business interest;
- 18.9 (11) Taxpayer Certainty and Disaster Tax Relief Act of 2020, Public Law 116-260,
18.10 section 207, extension and modification of employee retention and rehiring credit;
- 18.11 (12) Taxpayer Certainty and Disaster Tax Relief Act of 2020, Public Law 116-260,
18.12 section 210, temporary allowance of full deduction for business meals;
- 18.13 (13) Taxpayer Certainty and Disaster Tax Relief Act of 2020, Public Law 116-260,
18.14 section 212, certain charitable contributions by nonitemizers;
- 18.15 (14) Taxpayer Certainty and Disaster Tax Relief Act of 2020, Public Law 116-260,
18.16 section 213, modification of limitations on charitable contributions;
- 18.17 (15) Taxpayer Certainty and Disaster Tax Relief Act of 2020, Public Law 116-260,
18.18 section 303, employee retention credit for employers affected by qualified disasters;
- 18.19 (16) Taxpayer Certainty and Disaster Tax Relief Act of 2020, Public Law 116-260,
18.20 section 304(a), special rules for qualified disaster relief contributions;
- 18.21 (17) American Rescue Plan Act, Public Law 117-2, section 9501(b), preserving health
18.22 benefits for workers;
- 18.23 (18) American Rescue Plan Act, Public Law 117-2, section 9631, refundability and
18.24 enhancement of child and dependent care tax credit;
- 18.25 (19) American Rescue Plan Act, Public Law 117-2, section 9641, payroll sick and family
18.26 leave credits;
- 18.27 (20) American Rescue Plan Act, Public Law 117-2, section 9651, extension of employee
18.28 retention credit; and
- 18.29 (21) any changes excluded from the special limited adjustment under section 290.993,
18.30 subdivision 2, paragraph (c).

19.1 Subd. 3. **Timing of adjustment for pass-through entities.** Partners, shareholders, or
19.2 beneficiaries who file their returns on a calendar year basis, and who received an addition
19.3 or subtraction from a pass-through entity filing their return on a fiscal year basis, must make
19.4 the addition or subtraction under this section in the taxable year it is received as required
19.5 for federal income tax purposes.

19.6 Subd. 4. **Special limited adjustment addition; individuals, estates, and trusts.** For
19.7 an individual, estate, or trust, the amount of a nonconformity adjustment under subdivision
19.8 2 that increases net income for the taxable year is an addition.

19.9 Subd. 5. **Special limited adjustment subtraction; individuals, estates, and trusts.** For
19.10 an individual, estate, or trust, the amount of a nonconformity adjustment under subdivision
19.11 2 that decreases net income for the taxable year is a subtraction.

19.12 Subd. 6. **Special limited adjustment addition; C corporations.** For a corporation other
19.13 than an S corporation, the amount of a nonconformity adjustment under subdivision 2 that
19.14 increases net income for the taxable year is an addition.

19.15 Subd. 7. **Special limited adjustment subtraction; individuals, estates, and trusts.** For
19.16 a corporation other than an S corporation, the amount of a nonconformity adjustment under
19.17 subdivision 2 that decreases net income for the taxable year is a subtraction.

19.18 Subd. 8. **Nonresident apportionment; alternative minimum tax.** (a) The commissioner
19.19 of revenue must apply each of the subtractions and additions in this section when calculating
19.20 the following amounts:

19.21 (1) the percentage under Minnesota Statutes, section 290.06, subdivision 2c, paragraph
19.22 (e);

19.23 (2) a taxpayer's alternative minimum taxable income under Minnesota Statutes, section
19.24 290.091.

19.25 (b) The commissioner of revenue must consider each of the subtractions and additions
19.26 in this section when calculating "income" as defined in Minnesota Statutes, section 289A.08.

19.27 **EFFECTIVE DATE.** (a) Subdivisions 1 to 7 are effective for taxable years beginning
19.28 after December 31, 2021 and before January 1, 2023, except for a pass-through entity
19.29 covered by subdivision 3, subdivisions 1 to 7 are effective retroactively for the taxable years
19.30 the addition or subtraction is required in that subdivision.

19.31 (b) Subdivision 8 is effective retroactively for any taxable year in which a taxpayer had
19.32 an addition or a subtraction under this section.

20.1 Sec. 17. **REPEALER.**

20.2 Minnesota Statutes 2021 Supplement, section 290.0111, is repealed.

20.3 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
20.4 the changes incorporated by federal changes are effective retroactively at the same time as
20.5 the changes were effective for federal purposes.

20.6 ARTICLE 2

20.7 INDIVIDUAL INCOME AND CORPORATE FRANCHISE TAXES

20.8 Section 1. Minnesota Statutes 2020, section 41B.0391, subdivision 1, is amended to read:

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

20.11 (b) "Agricultural assets" means agricultural land, livestock, facilities, buildings, and
20.12 machinery used for farming in Minnesota.

20.13 (c) "Beginning farmer" means an individual, or a limited liability company owned by
20.14 an individual, who:

20.15 (1) is a resident of Minnesota;

20.16 (2) is seeking entry, or has entered within the last ten years, into farming;

20.17 (3) intends to farm land located within the state borders of Minnesota;

20.18 (4) is not and whose spouse is not a family member of the owner of the agricultural
20.19 assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;

20.20 (5) is not and whose spouse is not a family member of a partner, member, shareholder,
20.21 or trustee of the owner of agricultural assets from whom the beginning farmer is seeking to
20.22 purchase or rent agricultural assets; and

20.23 (6) meets the following eligibility requirements as determined by the authority:

20.24 (i) has a net worth that does not exceed the limit provided under section 41B.03,
20.25 subdivision 3, paragraph (a), clause (2);

20.26 (ii) provides the majority of the day-to-day physical labor and management of the farm;

20.27 (iii) has, by the judgment of the authority, adequate farming experience or demonstrates
20.28 knowledge in the type of farming for which the beginning farmer seeks assistance from the
20.29 authority;

- 21.1 (iv) demonstrates to the authority a profit potential by submitting projected earnings
21.2 statements;
- 21.3 (v) asserts to the satisfaction of the authority that farming will be a significant source
21.4 of income for the beginning farmer;
- 21.5 (vi) is enrolled in or has completed within ten years of their first year of farming a
21.6 financial management program approved by the authority or the commissioner of agriculture;
- 21.7 (vii) agrees to notify the authority if the beginning farmer no longer meets the eligibility
21.8 requirements within the three-year certification period, in which case the beginning farmer
21.9 is no longer eligible for credits under this section; and
- 21.10 (viii) has other qualifications as specified by the authority.
- 21.11 The authority may waive the requirement in item (vi) if the participant requests a waiver
21.12 and has a four-year degree in an agricultural program or related field, reasonable agricultural
21.13 job-related experience, or certification as an adult farm management instructor.
- 21.14 (d) "Family member" means a family member within the meaning of the Internal Revenue
21.15 Code, section 267(c)(4).
- 21.16 (e) "Farm product" means plants and animals useful to humans and includes, but is not
21.17 limited to, forage and sod crops, oilseeds, grain and feed crops, dairy and dairy products,
21.18 poultry and poultry products, livestock, fruits, and vegetables.
- 21.19 (f) "Farming" means the active use, management, and operation of real and personal
21.20 property for the production of a farm product.
- 21.21 (g) "Limited liability company" means a family farm limited liability company, an
21.22 authorized farm limited liability company, or other limited liability company authorized to
21.23 engage in farming and own, acquire, or otherwise obtain an interest in agricultural land
21.24 under section 500.24.
- 21.25 ~~(g)~~ (h) "Owner of agricultural assets" means an individual, trust, or pass-through entity
21.26 that is the owner in fee of agricultural land or has legal title to any other agricultural asset.
21.27 Owner of agricultural assets does not mean an equipment dealer, livestock dealer defined
21.28 in section 17A.03, subdivision 7, or comparable entity that is engaged in the business of
21.29 selling agricultural assets for profit and that is not engaged in farming as its primary business
21.30 activity. An owner of agricultural assets approved and certified by the authority under
21.31 subdivision 4 must notify the authority if the owner no longer meets the definition in this
21.32 paragraph within the three year certification period and is then no longer eligible for credits
21.33 under this section.

22.1 ~~(h)~~ (i) "Resident" has the meaning given in section 290.01, subdivision 7.

22.2 ~~(i)~~ (j) "Share rent agreement" means a rental agreement in which the principal
22.3 consideration given to the owner of agricultural assets is a predetermined portion of the
22.4 production of farm products produced from the rented agricultural assets and which provides
22.5 for sharing production costs or risk of loss, or both.

22.6 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
22.7 31, 2021.

22.8 Sec. 2. Minnesota Statutes 2020, section 41B.0391, subdivision 2, is amended to read:

22.9 Subd. 2. **Tax credit for owners of agricultural assets.** (a) An owner of agricultural
22.10 assets may take a credit against the tax due under chapter 290 for the sale or rental of
22.11 agricultural assets to a beginning farmer in the amount allocated by the authority under
22.12 subdivision 4. An owner of agricultural assets is eligible for allocation of a credit equal to:

22.13 (1) five percent of the lesser of the sale price or the fair market value of the agricultural
22.14 asset, up to a maximum of \$32,000;

22.15 (2) ten percent of the gross rental income in each of the first, second, and third years of
22.16 a rental agreement, up to a maximum of \$7,000 per year; or

22.17 (3) 15 percent of the cash equivalent of the gross rental income in each of the first,
22.18 second, and third years of a share rent agreement, up to a maximum of \$10,000 per year.

22.19 (b) A qualifying rental agreement includes cash rent of agricultural assets or a share rent
22.20 agreement. The agricultural asset must be rented at prevailing community rates as determined
22.21 by the authority.

22.22 (c) The credit may be claimed only after approval and certification by the authority, and
22.23 is limited to the amount stated on the certificate issued under subdivision 4. An owner of
22.24 agricultural assets must apply to the authority for certification and allocation of a credit, in
22.25 a form and manner prescribed by the authority.

22.26 (d) An owner of agricultural assets or beginning farmer may terminate a rental agreement,
22.27 including a share rent agreement, for reasonable cause upon approval of the authority. If a
22.28 rental agreement is terminated without the fault of the owner of agricultural assets, the tax
22.29 credits shall not be retroactively disallowed. In determining reasonable cause, the authority
22.30 must look at which party was at fault in the termination of the agreement. If the authority
22.31 determines the owner of agricultural assets did not have reasonable cause, the owner of
22.32 agricultural assets must repay all credits received as a result of the rental agreement to the

23.1 commissioner of revenue. The repayment is additional income tax for the taxable year in
23.2 which the authority makes its decision or when a final adjudication under subdivision 5,
23.3 paragraph (a), is made, whichever is later.

23.4 (e) The credit is limited to the liability for tax as computed under chapter 290 for the
23.5 taxable year. If the amount of the credit determined under this section for any taxable year
23.6 exceeds this limitation, the excess is a beginning farmer incentive credit carryover according
23.7 to section 290.06, subdivision 37.

23.8 (f) Notwithstanding subdivision 1, paragraph (c), for purposes of the credit for the sale
23.9 of an agricultural asset under paragraph (a), clause (1), the family member definitional
23.10 exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply.

23.11 (g) For a qualifying sale to a family member to qualify for the credit under paragraph
23.12 (a), clause (1), the sale price of the agricultural asset must equal or exceed the assessed
23.13 value of the asset under chapter 273 as of the date of the sale. If there is no assessed value,
23.14 the sale price must equal or exceed 80 percent of the fair market value of the asset as of the
23.15 date of the sale.

23.16 (h) For the purposes of this section, "qualifying sale to a family member" means a sale
23.17 to a beginning farmer in which the beginning farmer or the beginning farmer's spouse is a
23.18 family member of:

23.19 (1) the owner of the agricultural asset; or

23.20 (2) a partner, member, shareholder, or trustee of the owner of the agricultural asset.

23.21 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
23.22 31, 2021.

23.23 Sec. 3. Minnesota Statutes 2020, section 41B.0391, subdivision 4, is amended to read:

23.24 Subd. 4. **Authority duties.** (a) The authority shall:

23.25 (1) approve and certify or recertify beginning farmers as eligible for the program under
23.26 this section;

23.27 (2) approve and certify or recertify owners of agricultural assets as eligible for the tax
23.28 credit under subdivision 2 subject to the allocation limits in paragraph (c);

23.29 (3) provide necessary and reasonable assistance and support to beginning farmers for
23.30 qualification and participation in financial management programs approved by the authority;

24.1 (4) refer beginning farmers to agencies and organizations that may provide additional
24.2 pertinent information and assistance; and

24.3 (5) notwithstanding section 41B.211, the Rural Finance Authority must share information
24.4 with the commissioner of revenue to the extent necessary to administer provisions under
24.5 this subdivision and section 290.06, subdivisions 37 and 38. The Rural Finance Authority
24.6 must annually notify the commissioner of revenue of approval and certification or
24.7 recertification of beginning farmers and owners of agricultural assets under this section.
24.8 For credits under subdivision 2, the notification must include the amount of credit approved
24.9 by the authority and stated on the credit certificate.

24.10 (b) The certification of a beginning farmer or an owner of agricultural assets under this
24.11 section is valid for the year of the certification and the two following years, after which
24.12 time the beginning farmer or owner of agricultural assets must apply to the authority for
24.13 recertification.

24.14 (c) For credits for owners of agricultural assets allowed under subdivision 2, the authority
24.15 must not allocate more than:

24.16 (1) \$5,000,000 for taxable years beginning after December 31, 2017, and before January
24.17 1, 2019, and must not allocate more than;

24.18 (2) \$6,000,000 for taxable years beginning after December 31, 2018, and before January
24.19 1, 2022; and

24.20 (3) \$5,700,000 for taxable years beginning after December 31, 2021.

24.21 (d) The authority must allocate credits on a first-come, first-served basis beginning on
24.22 January 1 of each year, except that recertifications for the second and third years of credits
24.23 under subdivision 2, paragraph (a), clauses (1) and (2), have first priority. Any amount
24.24 authorized but not allocated in any taxable year does not cancel and is added to the allocation
24.25 for the next taxable year.

24.26 (e) \$300,000 in fiscal year 2023 and \$300,000 in fiscal year 2024 are appropriated from
24.27 the general fund to the Rural Finance Authority to develop an online application system
24.28 and administer the credits under this section. The base for the appropriation is \$0 in fiscal
24.29 year 2025 and later.

24.30 (f) To encourage socially disadvantaged farmers and ranchers to apply for and receive
24.31 credits under this section, the authority must promote the availability of this credit to socially
24.32 disadvantaged farmers and ranchers, and must provide application assistance targeted to
24.33 socially disadvantaged farmers and ranchers. For the purposes of this section, "socially

25.1 disadvantaged farmer or rancher" has the meaning given in United States Code, title 7,
25.2 section 2279(a)(5).

25.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
25.4 31, 2021.

25.5 Sec. 4. Minnesota Statutes 2021 Supplement, section 116J.8737, subdivision 5, is amended
25.6 to read:

25.7 Subd. 5. **Credit allowed.** (a) A qualified investor or qualified fund is eligible for a credit
25.8 equal to 25 percent of the qualified investment in a qualified small business. Investments
25.9 made by a pass-through entity qualify for a credit only if the entity is a qualified fund. The
25.10 commissioner must not allocate to qualified investors or qualified funds more than the dollar
25.11 amount in credits allowed for the taxable years listed in paragraph (i). For each taxable year,
25.12 50 percent must be allocated to credits for qualified investments in qualified greater
25.13 Minnesota businesses and minority-owned, women-owned, or veteran-owned qualified
25.14 small businesses in Minnesota. Any portion of a taxable year's credits that is reserved for
25.15 qualified investments in greater Minnesota businesses and minority-owned, women-owned,
25.16 or veteran-owned qualified small businesses in Minnesota that is not allocated by September
25.17 30 of the taxable year is available for allocation to other credit applications beginning on
25.18 October 1. Any portion of a taxable year's credits that is not allocated by the commissioner
25.19 does not cancel and may be carried forward to subsequent taxable years until all credits
25.20 have been allocated.

25.21 (b) The commissioner may not allocate more than a total maximum amount in credits
25.22 for a taxable year to a qualified investor for the investor's cumulative qualified investments
25.23 as an individual qualified investor and as an investor in a qualified fund; for married couples
25.24 filing joint returns the maximum is \$250,000, and for all other filers the maximum is
25.25 \$125,000. The commissioner may not allocate more than a total of \$1,000,000 in credits
25.26 over all taxable years for qualified investments in any one qualified small business.

25.27 (c) The commissioner may not allocate a credit to a qualified investor either as an
25.28 individual qualified investor or as an investor in a qualified fund if, at the time the investment
25.29 is proposed:

25.30 (1) the investor is an officer or principal of the qualified small business; or

25.31 (2) the investor, either individually or in combination with one or more members of the
25.32 investor's family, owns, controls, or holds the power to vote 20 percent or more of the
25.33 outstanding securities of the qualified small business.

26.1 A member of the family of an individual disqualified by this paragraph is not eligible for a
26.2 credit under this section. For a married couple filing a joint return, the limitations in this
26.3 paragraph apply collectively to the investor and spouse. For purposes of determining the
26.4 ownership interest of an investor under this paragraph, the rules under section 267(c) and
26.5 267(e) of the Internal Revenue Code apply.

26.6 (d) Applications for tax credits must be made available on the department's website by
26.7 November 1 of the preceding year.

26.8 (e) Qualified investors and qualified funds must apply to the commissioner for tax credits.
26.9 Tax credits must be allocated to qualified investors or qualified funds in the order that the
26.10 tax credit request applications are filed with the department. The commissioner must approve
26.11 or reject tax credit request applications within 15 days of receiving the application. The
26.12 investment specified in the application must be made within 60 days of the allocation of
26.13 the credits. If the investment is not made within 60 days, the credit allocation is canceled
26.14 and available for reallocation. A qualified investor or qualified fund that fails to invest as
26.15 specified in the application, within 60 days of allocation of the credits, must notify the
26.16 commissioner of the failure to invest within five business days of the expiration of the
26.17 60-day investment period.

26.18 (f) All tax credit request applications filed with the department on the same day must
26.19 be treated as having been filed contemporaneously. If two or more qualified investors or
26.20 qualified funds file tax credit request applications on the same day, and the aggregate amount
26.21 of credit allocation claims exceeds the aggregate limit of credits under this section or the
26.22 lesser amount of credits that remain unallocated on that day, then the credits must be allocated
26.23 among the qualified investors or qualified funds who filed on that day on a pro rata basis
26.24 with respect to the amounts claimed. The pro rata allocation for any one qualified investor
26.25 or qualified fund is the product obtained by multiplying a fraction, the numerator of which
26.26 is the amount of the credit allocation claim filed on behalf of a qualified investor and the
26.27 denominator of which is the total of all credit allocation claims filed on behalf of all
26.28 applicants on that day, by the amount of credits that remain unallocated on that day for the
26.29 taxable year.

26.30 (g) A qualified investor or qualified fund, or a qualified small business acting on their
26.31 behalf, must notify the commissioner when an investment for which credits were allocated
26.32 has been made, and the taxable year in which the investment was made. A qualified fund
26.33 must also provide the commissioner with a statement indicating the amount invested by
26.34 each investor in the qualified fund based on each investor's share of the assets of the qualified
26.35 fund at the time of the qualified investment. After receiving notification that the investment

27.1 was made, the commissioner must issue credit certificates for the taxable year in which the
27.2 investment was made to the qualified investor or, for an investment made by a qualified
27.3 fund, to each qualified investor who is an investor in the fund. The certificate must state
27.4 that the credit is subject to revocation if the qualified investor or qualified fund does not
27.5 hold the investment in the qualified small business for at least three years, consisting of the
27.6 calendar year in which the investment was made and the two following years. The three-year
27.7 holding period does not apply if:

27.8 (1) the investment by the qualified investor or qualified fund becomes worthless before
27.9 the end of the three-year period;

27.10 (2) 80 percent or more of the assets of the qualified small business is sold before the end
27.11 of the three-year period;

27.12 (3) the qualified small business is sold before the end of the three-year period;

27.13 (4) the qualified small business's common stock begins trading on a public exchange
27.14 before the end of the three-year period; or

27.15 (5) the qualified investor dies before the end of the three-year period.

27.16 (h) The commissioner must notify the commissioner of revenue of credit certificates
27.17 issued under this section.

27.18 (i) The credit allowed under this subdivision is effective as follows:

27.19 (1) \$10,000,000 for taxable years beginning after December 31, 2020, and before January
27.20 1, 2022; and

27.21 (2) ~~\$5,000,000~~ \$12,000,000 for taxable years beginning after December 31, 2021, and
27.22 before January 1, 2023.

27.23 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
27.24 after December 31, 2021.

27.25 Sec. 5. Minnesota Statutes 2021 Supplement, section 116U.27, subdivision 1, is amended
27.26 to read:

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

27.29 (b) "Allocation certificate" means a certificate issued by the commissioner to a taxpayer
27.30 upon receipt of an initial application for a credit for a project that has not yet been completed.

27.31 (c) "Application" means the application for a credit under subdivision 4.

28.1 (d) "Commissioner" means the commissioner of employment and economic development.

28.2 (e) "Credit certificate" means a certificate issued by the commissioner upon submission
28.3 of the cost verification report in subdivision 4, paragraph (e).

28.4 (f) "Eligible production costs" means eligible production costs as defined in section
28.5 116U.26, paragraph (b), clause (1), incurred in Minnesota that are directly attributable to
28.6 the production of a film project in Minnesota.

28.7 (g) "Film" has the meaning given in section 116U.26, paragraph (b), clause (2).

28.8 (h) "Project" means a film:

28.9 (1) that includes the promotion of Minnesota;

28.10 (2) for which the taxpayer has expended at least \$1,000,000 in ~~the taxable year~~ a
28.11 consecutive twelve-month period beginning when expenditures are first paid in Minnesota
28.12 for eligible production costs; and

28.13 (3) to the extent practicable, that employs Minnesota residents.

28.14 (i) "Promotion of Minnesota" or "promotion" means visible display of a static or animated
28.15 logo, approved by the commissioner and lasting approximately five seconds, that promotes
28.16 Minnesota within its presentation in the end credits before the below-the-line crew crawl
28.17 for the life of the project.

28.18 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
28.19 after December 31, 2021.

28.20 Sec. 6. Minnesota Statutes 2021 Supplement, section 289A.08, subdivision 7a, is amended
28.21 to read:

28.22 Subd. 7a. **Pass-through entity tax.** (a) For the purposes of this subdivision, the following
28.23 terms have the meanings given:

28.24 (1) "income" has the meaning given in subdivision 7, paragraph (j), modified by the
28.25 addition provided in section 290.0131, subdivision 5, and the subtraction provided in section
28.26 290.0132, subdivision 3, except that the provisions that apply to a partnership apply to a
28.27 qualifying entity and the provisions that apply to a partner apply to a qualifying owner. The
28.28 income of ~~both a resident and~~ qualifying owner of an entity taxed as a partnership under
28.29 the Internal Revenue Code is not subject to allocation outside this state as provided for
28.30 resident individuals under section 290.17, subdivision 1, paragraph (a). The income of a
28.31 nonresident qualifying owner or the income of a qualifying owner of an entity taxed as an
28.32 S corporation including a qualified subchapter S subsidiary organized under section

29.1 1361(b)(3)(B) of the Internal Revenue Code is allocated and assigned to this state as provided
29.2 for nonresident partners and shareholders under sections 290.17, 290.191, and 290.20;

29.3 (2) "qualifying entity" means a partnership, limited liability company taxed as a
29.4 partnership or S corporation, or S corporation including a qualified subchapter S subsidiary
29.5 organized under section 1361(b)(3)(B) of the Internal Revenue Code. Qualifying entity ~~does~~
29.6 ~~not~~ may include a partnership, limited liability company, or corporation that has a ~~partnership,~~
29.7 ~~limited liability company other than a disregarded entity,~~ or corporation as a partner, member,
29.8 or shareholder, provided those entities are excluded from the qualifying entity's tax return;
29.9 the entity is taxed as a partnership, limited liability company, or S corporation; and is not
29.10 a publicly traded partnership, as defined in section 7704 of the Internal Revenue Code, as
29.11 amended through January 1, 2021; and

29.12 (3) "qualifying owner" means:

29.13 (i) a resident or nonresident individual trust or estate that is a partner, member, or
29.14 shareholder of a qualifying entity; ~~or~~

29.15 (ii) ~~a resident or nonresident trust that is a shareholder of a qualifying entity that is an~~
29.16 ~~S corporation~~ an entity taxed as a partnership under the Internal Revenue Code; or

29.17 (iii) a disregarded entity that has a qualifying owner as its single owner.

29.18 (b) For taxable years beginning after December 31, 2020, in which the taxes of a
29.19 qualifying owner are limited under section 164(b)(6)(B) of the Internal Revenue Code, a
29.20 qualifying entity may elect to file a return and pay the pass-through entity tax imposed under
29.21 paragraph (c). The election:

29.22 (1) must be made on or before the due date or extended due date of the qualifying entity's
29.23 pass-through entity tax return;

29.24 (2) may only be made by qualifying owners who collectively hold more than a 50 percent
29.25 ownership interest in the qualifying entity;

29.26 (3) is binding on all qualifying owners who have an ownership interest in the qualifying
29.27 entity; and

29.28 (4) once made is irrevocable for the taxable year.

29.29 (c) Subject to the election in paragraph (b), a pass-through entity tax is imposed on a
29.30 qualifying entity in an amount equal to the sum of the tax liability of each qualifying owner.

30.1 (d) The amount of a qualifying owner's tax liability under paragraph (c) is the amount
30.2 of the qualifying owner's income multiplied by the highest tax rate for individuals under
30.3 section 290.06, subdivision 2c. When making this determination:

30.4 (1) nonbusiness deductions, standard deductions, or personal exemptions are not allowed;
30.5 and

30.6 (2) a credit or deduction is allowed only to the extent allowed to the qualifying owner.

30.7 (e) The amount of each credit and deduction used to determine a qualifying owner's tax
30.8 liability under paragraph (d) must also be used to determine that qualifying owner's income
30.9 tax liability under chapter 290.

30.10 (f) This subdivision does not negate the requirement that a qualifying owner pay estimated
30.11 tax if the qualifying owner's tax liability would exceed the requirements set forth in section
30.12 289A.25. The qualifying owner's liability to pay estimated tax on the qualifying owner's
30.13 tax liability as determined under paragraph (d) is, however, satisfied when the qualifying
30.14 entity pays estimated tax in the manner prescribed in section 289A.25 for composite estimated
30.15 tax.

30.16 (g) A qualifying owner's adjusted basis in the interest in the qualifying entity, and the
30.17 treatment of distributions, is determined as if the election to pay the pass-through entity tax
30.18 under paragraph (b) is not made.

30.19 (h) To the extent not inconsistent with this subdivision, for purposes of this chapter, a
30.20 pass-through entity tax return must be treated as a composite return and a qualifying entity
30.21 filing a pass-through entity tax return must be treated as a partnership filing a composite
30.22 return.

30.23 (i) The provisions of subdivision 17 apply to the election to pay the pass-through entity
30.24 tax under this subdivision.

30.25 (j) If a nonresident qualifying owner of a qualifying entity making the election to file
30.26 and pay the tax under this subdivision has no other Minnesota source income, filing of the
30.27 pass-through entity tax return is a return for purposes of subdivision 1, provided that the
30.28 nonresident qualifying owner must not have any Minnesota source income other than the
30.29 income from the qualifying entity, other electing qualifying entities, and other partnerships
30.30 electing to file a composite return under subdivision 7. If it is determined that the nonresident
30.31 qualifying owner has other Minnesota source income, the inclusion of the income and tax
30.32 liability for that owner under this provision will not constitute a return to satisfy the
30.33 requirements of subdivision 1. The tax paid for the qualifying owner as part of the

31.1 pass-through entity tax return is allowed as a payment of the tax by the qualifying owner
31.2 on the date on which the pass-through entity tax return payment was made.

31.3 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
31.4 after December 31, 2020.

31.5 Sec. 7. Minnesota Statutes 2021 Supplement, section 289A.382, subdivision 2, is amended
31.6 to read:

31.7 **Subd. 2. Reporting and payment requirements for partnerships and tiered**
31.8 **partners.** (a) Except for when an audited partnership makes the election in subdivision 3,
31.9 and except for negative federal adjustments required under federal law taken into account
31.10 by the partnership in the partnership return for the adjustment or other year, all final federal
31.11 adjustments of an audited partnership must comply with paragraph (b) and each direct
31.12 partner of the audited partnership, other than a tiered partner, must comply with paragraph
31.13 (c).

31.14 (b) No later than 90 days after the final determination date, the audited partnership must:

31.15 (1) file a completed federal adjustments report, including all partner-level information
31.16 required under section 289A.12, subdivision 3, with the commissioner;

31.17 (2) notify each of its direct partners of their distributive share of the final federal
31.18 adjustments;

31.19 (3) file an amended composite report for all direct partners who were included in a
31.20 composite return under section 289A.08, subdivision 7, in the reviewed year, and pay the
31.21 additional amount that would have been due had the federal adjustments been reported
31.22 properly as required; ~~and~~

31.23 (4) file amended withholding reports for all direct partners who were or should have
31.24 been subject to nonresident withholding under section 290.92, subdivision 4b, in the reviewed
31.25 year, and pay the additional amount that would have been due had the federal adjustments
31.26 been reported properly as required; and

31.27 (5) file an amended pass-through entity tax report for all direct partners who were
31.28 included in a pass-through entity tax return under section 289A.08, subdivision 7a, in the
31.29 reviewed year, and pay the additional amount that would have been due had the federal
31.30 adjustments been reported properly as required.

32.1 (c) No later than 180 days after the final determination date, each direct partner, other
 32.2 than a tiered partner, that is subject to a tax administered under this chapter, other than the
 32.3 sales tax, must:

32.4 (1) file a federal adjustments report reporting their distributive share of the adjustments
 32.5 reported to them under paragraph (b), clause (2); and

32.6 (2) pay any additional amount of tax due as if the final federal adjustment had been
 32.7 properly reported, plus any penalty and interest due under this chapter, and less any credit
 32.8 for related amounts paid or withheld and remitted on behalf of the direct partner under
 32.9 paragraph (b), clauses (3) and (4).

32.10 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 32.11 after December 31, 2020.

32.12 Sec. 8. Minnesota Statutes 2020, section 290.0131, is amended by adding a subdivision
 32.13 to read:

32.14 Subd. 20. **Dependent flexible spending accounts.** For a taxpayer who claims the credit
 32.15 under section 290.067, or for a married taxpayer filing a separate return whose spouse claims
 32.16 the credit under that section, the amount of dependent care assistance that is excluded from
 32.17 gross income under section 129 of the Internal Revenue Code is an addition.

32.18 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 32.19 31, 2021.

32.20 Sec. 9. Minnesota Statutes 2020, section 290.0132, subdivision 21, is amended to read:

32.21 Subd. 21. **Military service pension; retirement pay.** (a) To the extent included in
 32.22 federal adjusted gross income, compensation received from a pension or other retirement
 32.23 pay from the federal government for service in the military, ~~as~~ is a subtraction. Only the
 32.24 following amounts may be subtracted under this subdivision:

32.25 (1) compensation computed under United States Code, title 10, sections 1401 to 1414,
 32.26 1447 to 1455, and 12733, ~~is a subtraction;~~

32.27 (2) the total amount of a federal employee retirement system pension under United States
 32.28 Code, title 5, chapter 84, multiplied by the taxpayer's military service ratio; and

32.29 (3) the total amount of a civil service retirement system pension under United States
 32.30 Code, title 5, chapter 83, subchapter III, multiplied by the taxpayer's military service ratio.

33.1 (b) The subtraction is limited to individuals who do not claim the credit under section
 33.2 290.0677.

33.3 (c) For purposes of this subdivision, "military service ratio" means:

33.4 (1) in the case of a federal employee retirement system pension, the years of service
 33.5 credited to the taxpayer for military service under United States Code, title 5, section 8411,
 33.6 divided by the total service credited to the taxpayer under that section; and

33.7 (2) in the case of a civil service retirement system pension, the years of service credited
 33.8 to the taxpayer for military service under United States Code, title 5, section 8322, divided
 33.9 by the total service credited to the taxpayer under that section.

33.10 (d) For purposes of calculating the ratio under paragraph (b), the commissioner must
 33.11 consider the number of full years and months credited to the taxpayer, excluding any
 33.12 fractional part of a month, if any.

33.13 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 33.14 after December 31, 2020.

33.15 Sec. 10. Minnesota Statutes 2020, section 290.0132, subdivision 26, is amended to read:

33.16 Subd. 26. **Social Security benefits.** (a) ~~A portion of taxable Social Security benefits is~~
 33.17 ~~allowed as a subtraction. The taxpayer is allowed a subtraction equals equal to the greater~~
 33.18 ~~of the simplified subtraction determined under paragraph (b) or the alternate subtraction~~
 33.19 ~~determined under paragraphs (c), (d), and (e).~~

33.20 (b) A taxpayer's simplified subtraction equals the amount of taxable Social Security
 33.21 benefits. For a taxpayer with adjusted gross income above the phaseout threshold, the
 33.22 subtraction is reduced by ten percent for each \$4,000 of adjusted gross income, or fraction
 33.23 thereof, in excess of the threshold. The phaseout threshold equals:

33.24 (1) \$75,000 for a married taxpayer filing a joint return or surviving spouse;

33.25 (2) \$58,600 for a single or head of household taxpayer; or

33.26 (3) half the amount allowed under clause (1) for a married taxpayer filing a separate
 33.27 return.

33.28 (c) A taxpayer's alternate subtraction equals the lesser of taxable Social Security benefits
 33.29 or a maximum subtraction subject to the limits under paragraphs ~~(b), (c), and (d), (e), and~~
 33.30 ~~(f).~~

34.1 ~~(b)~~ (d) For married taxpayers filing a joint return and surviving spouses, the maximum
34.2 subtraction under paragraph (c) equals ~~\$5,150~~ \$5,450. The maximum subtraction is reduced
34.3 by 20 percent of provisional income over ~~\$78,180~~ \$82,770. In no case is the subtraction
34.4 less than zero.

34.5 ~~(e)~~ (e) For single or head-of-household taxpayers, the maximum subtraction under
34.6 paragraph (c) equals ~~\$4,020~~ \$4,260. The maximum subtraction is reduced by 20 percent of
34.7 provisional income over ~~\$61,080~~ \$64,670. In no case is the subtraction less than zero.

34.8 ~~(d)~~ (f) For married taxpayers filing separate returns, the maximum subtraction under
34.9 paragraph (c) equals one-half the maximum subtraction for joint returns under paragraph
34.10 ~~(b)~~ (d). The maximum subtraction is reduced by 20 percent of provisional income over
34.11 one-half the threshold amount specified in paragraph ~~(b)~~ (d). In no case is the subtraction
34.12 less than zero.

34.13 ~~(e)~~ (g) For purposes of this subdivision, "provisional income" means modified adjusted
34.14 gross income as defined in section 86(b)(2) of the Internal Revenue Code, plus one-half of
34.15 the taxable Social Security benefits received during the taxable year, and "Social Security
34.16 benefits" has the meaning given in section 86(d)(1) of the Internal Revenue Code.

34.17 ~~(f)~~ (h) The commissioner shall adjust the maximum subtraction and threshold amounts
34.18 in paragraphs (b) to ~~(e)~~ (f) as provided in section 270C.22. The statutory year is taxable
34.19 year ~~2019~~ 2022. The ~~maximum subtraction and phaseout~~ threshold amounts as adjusted
34.20 must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount is rounded
34.21 up to the nearest \$10 amount.

34.22 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
34.23 31, 2021.

34.24 Sec. 11. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision
34.25 to read:

34.26 **Subd. 32. Emergency assistance for postsecondary student grants.** (a) An emergency
34.27 grant for postsecondary students is a subtraction.

34.28 (b) For the purposes of this subdivision, "emergency grant for postsecondary students"
34.29 means an emergency grant to a student of an eligible institution, as defined in section
34.30 136A.103, to meet the financial needs of a student that could result in the student not
34.31 completing the term or their program, including but not limited to grants provided under
34.32 Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 24.

34.33 (c) This subdivision expires for taxable years beginning after December 31, 2029.

35.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
35.2 31, 2021, and before January 1, 2030.

35.3 Sec. 12. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision
35.4 to read:

35.5 **Subd. 33. Workforce incentive fund grant payments.** (a) The amount of workforce
35.6 incentive grants received by an eligible worker under section 256.4778 is a subtraction.

35.7 (b) This subdivision expires for taxable years beginning after December 31, 2029.

35.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
35.9 31, 2021, and before January 1, 2030.

35.10 Sec. 13. Minnesota Statutes 2021 Supplement, section 290.06, subdivision 22, is amended
35.11 to read:

35.12 **Subd. 22. Credit for taxes paid to another state.** (a) A taxpayer who is liable for taxes
35.13 based on net income to another state, as provided in paragraphs (b) through (f), upon income
35.14 allocated or apportioned to Minnesota, is entitled to a credit for the tax paid to another state
35.15 if the tax is actually paid in the taxable year or a subsequent taxable year. A taxpayer who
35.16 is a resident of this state pursuant to section 290.01, subdivision 7, paragraph (b), and who
35.17 is subject to income tax as a resident in the state of the individual's domicile is not allowed
35.18 this credit unless the state of domicile does not allow a similar credit.

35.19 (b) For an individual, estate, or trust, the credit is determined by multiplying the tax
35.20 payable under this chapter by the ratio derived by dividing the income subject to tax in the
35.21 other state that is also subject to tax in Minnesota while a resident of Minnesota by the
35.22 taxpayer's federal adjusted gross income, as defined in section 62 of the Internal Revenue
35.23 Code, modified by the addition required by section 290.0131, subdivision 2, and the
35.24 subtraction allowed by section 290.0132, subdivision 2, to the extent the income is allocated
35.25 or assigned to Minnesota under sections 290.081 and 290.17.

35.26 (c) If the taxpayer is an athletic team that apportions all of its income under section
35.27 290.17, subdivision 5, the credit is determined by multiplying the tax payable under this
35.28 chapter by the ratio derived from dividing the total net income subject to tax in the other
35.29 state by the taxpayer's Minnesota taxable income.

35.30 (d)(1) The credit determined under paragraph (b) or (c) shall not exceed the amount of
35.31 tax so paid to the other state on the gross income earned within the other state subject to
35.32 tax under this chapter; and

36.1 (2) the allowance of the credit does not reduce the taxes paid under this chapter to an
36.2 amount less than what would be assessed if the gross income earned within the other state
36.3 were excluded from taxable net income.

36.4 (e) In the case of the tax assessed on a lump-sum distribution under section 290.032, the
36.5 credit allowed under paragraph (a) is the tax assessed by the other state on the lump-sum
36.6 distribution that is also subject to tax under section 290.032, and shall not exceed the tax
36.7 assessed under section 290.032. To the extent the total lump-sum distribution defined in
36.8 section 290.032, subdivision 1, includes lump-sum distributions received in prior years or
36.9 is all or in part an annuity contract, the reduction to the tax on the lump-sum distribution
36.10 allowed under section 290.032, subdivision 2, includes tax paid to another state that is
36.11 properly apportioned to that distribution.

36.12 (f) If a Minnesota resident reported an item of income to Minnesota and is assessed tax
36.13 in such other state on that same income after the Minnesota statute of limitations has expired,
36.14 the taxpayer shall receive a credit for that year under paragraph (a), notwithstanding any
36.15 statute of limitations to the contrary. The claim for the credit must be submitted within one
36.16 year from the date the taxes were paid to the other state. The taxpayer must submit sufficient
36.17 proof to show entitlement to a credit.

36.18 (g) For the purposes of this subdivision, a resident shareholder of a corporation treated
36.19 as an "S" corporation under section 290.9725, must be considered to have paid a tax imposed
36.20 on the shareholder in an amount equal to the shareholder's pro rata share of any net income
36.21 tax paid by the S corporation to another state. For the purposes of the preceding sentence,
36.22 the term "net income tax" means any tax imposed on or measured by a corporation's net
36.23 income.

36.24 (h) For the purposes of this subdivision, a resident partner of an entity taxed as a
36.25 partnership under the Internal Revenue Code must be considered to have paid a tax imposed
36.26 on the partner in an amount equal to the partner's pro rata share of any net income tax paid
36.27 by the partnership to another state. For purposes of the preceding sentence, the term "net
36.28 income" tax means any tax imposed on or measured by a partnership's net income. For
36.29 purposes of this paragraph, "partnership" includes a limited liability company and "partner"
36.30 includes a member of a limited liability company.

36.31 (i) For the purposes of this subdivision, "another state":

36.32 (1) includes:

36.33 (i) the District of Columbia; and

37.1 (ii) a province or territory of Canada; but

37.2 (2) excludes Puerto Rico and the several territories organized by Congress.

37.3 (j) The limitations on the credit in paragraphs (b), (c), and (d), are imposed on a state
37.4 by state basis.

37.5 (k) For a tax imposed by a province or territory of Canada, the tax for purposes of this
37.6 subdivision is the excess of the tax over the amount of the foreign tax credit allowed under
37.7 section 27 of the Internal Revenue Code. In determining the amount of the foreign tax credit
37.8 allowed, the net income taxes imposed by Canada on the income are deducted first. Any
37.9 remaining amount of the allowable foreign tax credit reduces the provincial or territorial
37.10 tax that qualifies for the credit under this subdivision.

37.11 (l)(1) The credit allowed to a qualifying individual under this section for tax paid to a
37.12 qualifying state equals the credit calculated under paragraphs (b) and (d), plus the amount
37.13 calculated by multiplying:

37.14 (i) the difference between the preliminary credit and the credit calculated under paragraphs
37.15 (b) and (d), by

37.16 (ii) the ratio derived by dividing the income subject to tax in the qualifying state that
37.17 consists of compensation for performance of personal or professional services by the total
37.18 amount of income subject to tax in the qualifying state.

37.19 (2) If the amount of the credit that a qualifying individual is eligible to receive under
37.20 clause (1) for tax paid to a qualifying state exceeds the tax due under this chapter before
37.21 the application of the credit calculated under clause (1), the commissioner shall refund the
37.22 excess to the qualifying individual. An amount sufficient to pay the refunds required by this
37.23 subdivision is appropriated to the commissioner from the general fund.

37.24 (3) For purposes of this paragraph, "preliminary credit" means the credit that a qualifying
37.25 individual is eligible to receive under paragraphs (b) and (d) for tax paid to a qualifying
37.26 state without regard to the limitation in paragraph (d), clause (2); "qualifying individual"
37.27 means a Minnesota resident under section 290.01, subdivision 7, paragraph (a), who received
37.28 compensation during the taxable year for the performance of personal or professional services
37.29 within a qualifying state; and "qualifying state" means a state with which an agreement
37.30 under section 290.081 is not in effect for the taxable year but was in effect for a taxable
37.31 year beginning before January 1, 2010.

37.32 (m) For purposes of this subdivision, a resident sole member of a disregarded limited
37.33 liability company must be considered to have paid a tax imposed on the sole member in an

38.1 amount equal to the net income tax paid by the disregarded limited liability company to
 38.2 another state. For the purposes of this paragraph, the term "disregarded limited liability
 38.3 company" means a limited liability company that is disregarded as an entity separate from
 38.4 its owner as defined in Code of Federal Regulations, title 26, section 301.7701; and "net
 38.5 income" tax means any tax imposed on or measured by a disregarded limited liability
 38.6 company's net income.

38.7 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 38.8 31, 2021.

38.9 Sec. 14. Minnesota Statutes 2020, section 290.067, is amended to read:

38.10 **290.067 DEPENDENT GREAT START CHILD CARE AND DEPENDENT CARE**
 38.11 **CREDIT.**

38.12 Subdivision 1. **Amount of credit.** (a) A taxpayer may take as a credit against the tax
 38.13 due from the taxpayer and a spouse, if any, under this chapter an amount equal to the
 38.14 ~~dependent care credit for which the taxpayer is eligible pursuant to the provisions of section~~
 38.15 ~~21 of the Internal Revenue Code except that in determining whether the child qualified as~~
 38.16 ~~a dependent, income received as a Minnesota family investment program grant or allowance~~
 38.17 ~~to or on behalf of the child must not be taken into account in determining whether the child~~
 38.18 ~~received more than half of the child's support from the taxpayer~~ the taxpayer's eligible
 38.19 dependent care expenses, as determined under subdivisions 1a and 1b, multiplied by the
 38.20 taxpayer's credit percentage, as determined under subdivision 1c.

38.21 ~~(b) If a child who has not attained the age of six years at the close of the taxable year is~~
 38.22 ~~cared for at a licensed family day care home operated by the child's parent, the taxpayer is~~
 38.23 ~~deemed to have paid employment-related expenses. If the child is 16 months old or younger~~
 38.24 ~~at the close of the taxable year, the amount of expenses deemed to have been paid equals~~
 38.25 ~~the maximum limit for one qualified individual under section 21(e) and (d) of the Internal~~
 38.26 ~~Revenue Code. If the child is older than 16 months of age but has not attained the age of~~
 38.27 ~~six years at the close of the taxable year, the amount of expenses deemed to have been paid~~
 38.28 ~~equals the amount the licensee would charge for the care of a child of the same age for the~~
 38.29 ~~same number of hours of care.~~

38.30 ~~(c) If a married couple:~~

38.31 ~~(1) has a child who has not attained the age of one year at the close of the taxable year;~~

38.32 ~~(2) files a joint tax return for the taxable year; and~~

39.1 ~~(3) does not participate in a dependent care assistance program as defined in section 129~~
 39.2 ~~of the Internal Revenue Code, in lieu of the actual employment related expenses paid for~~
 39.3 ~~that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of (i)~~
 39.4 ~~the combined earned income of the couple or (ii) the amount of the maximum limit for one~~
 39.5 ~~qualified individual under section 21(e) and (d) of the Internal Revenue Code will be deemed~~
 39.6 ~~to be the employment related expense paid for that child. The earned income limitation of~~
 39.7 ~~section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These~~
 39.8 ~~deemed amounts apply regardless of whether any employment related expenses have been~~
 39.9 ~~paid.~~

39.10 ~~(d) If the taxpayer is not required and does not file a federal individual income tax return~~
 39.11 ~~for the tax year, no credit is allowed for any amount paid to any person unless:~~

39.12 ~~(1) the name, address, and taxpayer identification number of the person are included on~~
 39.13 ~~the return claiming the credit; or~~

39.14 ~~(2) if the person is an organization described in section 501(c)(3) of the Internal Revenue~~
 39.15 ~~Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name~~
 39.16 ~~and address of the person are included on the return claiming the credit.~~

39.17 ~~In the case of a failure to provide the information required under the preceding sentence,~~
 39.18 ~~the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence~~
 39.19 ~~in attempting to provide the information required.~~

39.20 ~~(e) (b) In the case of a nonresident, part-year resident, or a person who has earned income~~
 39.21 ~~not subject to tax under this chapter including earned income excluded pursuant to section~~
 39.22 ~~290.0132, subdivision 10, the credit determined under section 21 of the Internal Revenue~~
 39.23 ~~Code this section must be allocated based on the ratio by which the earned income of the~~
 39.24 ~~claimant and the claimant's spouse from Minnesota sources bears to the total earned income~~
 39.25 ~~of the claimant and the claimant's spouse using the percentage calculated in section 290.06,~~
 39.26 ~~subdivision 2c, paragraph (e).~~

39.27 ~~(c) For the purposes of this section, the following terms have the meanings given:~~

39.28 ~~(1) "employment-related expenses" has the meaning given in section 21(b)(2) of the~~
 39.29 ~~Internal Revenue Code;~~

39.30 ~~(2) "qualifying individual" has the meaning given in section 21(b)(1) of the Internal~~
 39.31 ~~Revenue Code, except that in determining whether the child qualified as a dependent, income~~
 39.32 ~~received as a Minnesota family investment program grant or allowance to or on behalf of~~

40.1 the child must not be taken into account in determining whether the child received more
40.2 than half of the child's support from the taxpayer; and

40.3 (3) "young child" means a qualifying individual who had not attained the age of five by
40.4 December 31 of the taxable year.

40.5 ~~(f) For residents of Minnesota, the subtractions for military pay under section 290.0132,~~
40.6 ~~subdivisions 11 and 12, are not considered "earned income not subject to tax under this~~
40.7 ~~chapter."~~

40.8 ~~(g) For residents of Minnesota, the exclusion of combat pay under section 112 of the~~
40.9 ~~Internal Revenue Code is not considered "earned income not subject to tax under this~~
40.10 ~~chapter."~~

40.11 ~~(h) For taxpayers with federal adjusted gross income in excess of \$52,230, the credit is~~
40.12 ~~equal to the lesser of the credit otherwise calculated under this subdivision, or the amount~~
40.13 ~~equal to \$600 minus five percent of federal adjusted gross income in excess of \$52,230 for~~
40.14 ~~taxpayers with one qualified individual, or \$1,200 minus five percent of federal adjusted~~
40.15 ~~gross income in excess of \$52,230 for taxpayers with two or more qualified individuals,~~
40.16 ~~but in no case is the credit less than zero.~~

40.17 Subd. 1a. **Eligible dependent care expenses.** (a) A taxpayer's eligible dependent care
40.18 expenses equals the amount of employment-related expenses incurred by the taxable year,
40.19 subject to the limitations in paragraphs (b) and (c).

40.20 (b) Except as provided in subdivision 1b, a taxpayer's eligible dependent care expenses
40.21 are limited to:

40.22 (1) \$3,000 if there was one qualifying individual with respect to the taxpayer; or

40.23 (2) \$6,000 if there were two or more qualifying individuals with respect to the taxpayer.

40.24 Subd. 1b. **Special rules for tax years 2022 to 2028.** For taxable years beginning after
40.25 December 31, 2021, and before January 1, 2029, for a taxpayer with a young child, the limit
40.26 in paragraph (b) is increased as follows:

40.27 (1) for a taxpayer with one young child with respect to the taxpayer, the limit is increased
40.28 by \$3,000;

40.29 (2) for a taxpayer with two young children with respect to the taxpayer, the limit is
40.30 increased by \$6,000; or

40.31 (3) for a taxpayer with three or more young children with respect to the taxpayer, the
40.32 limit is increased by \$9,000.

41.1 Subd. 1c. **Credit percentage.** (a) The credit percentage equals 50 percent, subject to
41.2 the reductions in paragraphs (b) and (c).

41.3 (b) A taxpayer's credit percentage is reduced by one percentage point for each \$2,000,
41.4 or fraction thereof, by which the taxpayer's adjusted gross income exceeds \$125,000, until
41.5 the credit percentage equals 20 percent.

41.6 (c) For a taxpayer with adjusted gross income in excess of \$400,000, the credit percentage
41.7 equals 20 percent, reduced by one percentage point for each \$2,000, or fraction thereof, by
41.8 which the taxpayer's adjusted gross income exceeds \$400,000.

41.9 (d) For a married taxpayer filing a separate return, the credit percentage must be calculated
41.10 under paragraphs (a) to (c), except the adjusted gross income thresholds are one-half the
41.11 amounts for other filers, as adjusted for inflation under subdivision 2b.

41.12 Subd. 2b. **Inflation adjustment.** The commissioner shall annually adjust the dollar
41.13 amount of the income threshold at which the ~~maximum~~ credit percentage begins to be
41.14 reduced under subdivision 1c as provided in section 270C.22. The statutory year is taxable
41.15 year ~~2019~~ 2022.

41.16 Subd. 2c. **Deemed expenses.** (a) If a child who has not attained the age of six years at
41.17 the close of the taxable year is cared for at a licensed family day care home operated by the
41.18 child's parent, the taxpayer is deemed to have paid employment-related expenses. The
41.19 amount of expenses deemed to have been paid equals the amount the licensee would charge
41.20 for the care of a child of the same age for the same number of hours of care.

41.21 (b) If a married couple:

41.22 (1) has a child who has not attained the age of one year at the close of the taxable year;
41.23 and

41.24 (2) does not participate in a dependent care assistance program as defined in section 129
41.25 of the Internal Revenue Code; then in lieu of the actual employment-related expenses paid
41.26 for that child under or the deemed amount under paragraph (a), the amount deemed to be
41.27 the employment-related expense paid for that child equals the lesser of:

41.28 (i) the combined earned income of the couple; or

41.29 (ii) the amount of the maximum limit for one qualified individual under subdivision 1a,
41.30 as increased by subdivision 1b.

42.1 The earned income limitation of section 21(d) of the Internal Revenue Code shall not apply
42.2 to this deemed amount. These deemed amounts apply regardless of whether any
42.3 employment-related expenses have been paid.

42.4 Subd. 2d. **Identifying information required.** (a) No credit is allowed for any amount
42.5 paid to any person unless:

42.6 (1) the name, address, and taxpayer identification number of the person are included on
42.7 the return claiming the credit; or

42.8 (2) if the person is an organization described in section 501(c)(3) of the Internal Revenue
42.9 Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name
42.10 and address of the person are included on the return claiming the credit.

42.11 (b) The rule in section 21(e)(10) of the Internal Revenue Code applies for the credit
42.12 under this section.

42.13 **Subd. 3. Credit to be refundable.** If the amount of credit which a claimant would be
42.14 eligible to receive pursuant to this subdivision exceeds the claimant's tax liability under
42.15 chapter 290, the excess amount of the credit shall be refunded to the claimant by the
42.16 commissioner of revenue. An amount sufficient to pay the refunds required by this section
42.17 is appropriated to the commissioner from the general fund.

42.18 **Subd. 4. Right to file claim.** The right to file a claim under this section shall be personal
42.19 to the claimant and shall not survive death, but such right may be exercised on behalf of a
42.20 claimant by the claimant's legal guardian or attorney-in-fact. When a claimant dies after
42.21 having filed a timely claim the amount thereof shall be disbursed to another member of the
42.22 household as determined by the commissioner of revenue. If the claimant was the only
42.23 member of a household, the claim may be paid to the claimant's personal representative,
42.24 but if neither is appointed and qualified within two years of the filing of the claim, the
42.25 amount of the claim shall escheat to the state.

42.26 **Subd. 5. Employment-related expenses.** For the purposes of determining
42.27 employment-related expenses, the provisions of sections 21(d) and 21(e)(6) of the Internal
42.28 Revenue Code apply.

42.29 **Subd. 6. Rules for married couples filing separate returns.** A married taxpayer filing
42.30 a separate return may claim the credit under this section, but only one spouse may claim
42.31 the credit.

42.32 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
42.33 31, 2021.

43.1 Sec. 15. Minnesota Statutes 2021 Supplement, section 290.0671, subdivision 1, is amended
43.2 to read:

43.3 Subdivision 1. **Credit allowed.** (a) An individual who is a resident of Minnesota is
43.4 allowed a credit against the tax imposed by this chapter equal to a percentage of earned
43.5 income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the
43.6 Internal Revenue Code, except that:

43.7 (1) a taxpayer with no qualifying children who has attained the age of 19, but not attained
43.8 age 65 before the close of the taxable year and is otherwise eligible for a credit under section
43.9 32 of the Internal Revenue Code may also receive a credit; ~~and~~

43.10 (2) a taxpayer who is otherwise eligible for a credit under section 32 of the Internal
43.11 Revenue Code remains eligible for the credit even if the taxpayer's earned income or adjusted
43.12 gross income exceeds the income limitation under section 32 of the Internal Revenue Code;
43.13 and

43.14 (3) the requirements of section 32(m) of the Internal Revenue Code do not apply.

43.15 (b) For individuals with no qualifying children, the credit equals 3.9 percent of the first
43.16 \$7,150 of earned income. The credit is reduced by 2.0 percent of earned income or adjusted
43.17 gross income, whichever is greater, in excess of the phaseout threshold, but in no case is
43.18 the credit less than zero.

43.19 (c) For individuals with one qualifying child, the credit equals 9.35 percent of the first
43.20 \$11,950 of earned income. The credit is reduced by 6.0 percent of earned income or adjusted
43.21 gross income, whichever is greater, in excess of the phaseout threshold, but in no case is
43.22 the credit less than zero.

43.23 (d) For individuals with two qualifying children, the credit equals 11 percent of the first
43.24 \$19,600 of earned income. The credit is reduced by 10.5 percent of earned income or adjusted
43.25 gross income, whichever is greater, in excess of the phaseout threshold, but in no case is
43.26 the credit less than zero.

43.27 (e) For individuals with three or more qualifying children, the credit equals 12.5 percent
43.28 of the first \$20,000 of earned income. The credit is reduced by 10.5 percent of earned income
43.29 or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in
43.30 no case is the credit less than zero.

43.31 (f) For a part-year resident, the credit must be allocated based on the percentage calculated
43.32 under section 290.06, subdivision 2c, paragraph (e).

44.1 (g) For a person who was a resident for the entire tax year and has earned income not
44.2 subject to tax under this chapter, including income excluded under section 290.0132,
44.3 subdivision 10, the credit must be allocated based on the ratio of federal adjusted gross
44.4 income reduced by the earned income not subject to tax under this chapter over federal
44.5 adjusted gross income. For purposes of this paragraph, the following clauses are not
44.6 considered "earned income not subject to tax under this chapter":

44.7 (1) the subtractions for military pay under section 290.0132, subdivisions 11 and 12;

44.8 (2) the exclusion of combat pay under section 112 of the Internal Revenue Code; and

44.9 (3) income derived from an Indian reservation by an enrolled member of the reservation
44.10 while living on the reservation.

44.11 (h) For the purposes of this section, the phaseout threshold equals:

44.12 (1) \$14,570 for married taxpayers filing joint returns with no qualifying children;

44.13 (2) \$8,730 for all other taxpayers with no qualifying children;

44.14 (3) \$28,610 for married taxpayers filing joint returns with one qualifying child;

44.15 (4) \$22,770 for all other taxpayers with one qualifying child;

44.16 (5) \$32,840 for married taxpayers filing joint returns with two qualifying children;

44.17 (6) \$27,000 for all other taxpayers with two qualifying children;

44.18 (7) \$33,140 for married taxpayers filing joint returns with three or more qualifying
44.19 children; and

44.20 (8) \$27,300 for all other taxpayers with three or more qualifying children.

44.21 (i) The commissioner shall construct tables showing the amount of the credit at various
44.22 income levels and make them available to taxpayers. The tables shall follow the schedule
44.23 contained in this subdivision, except that the commissioner may graduate the transition
44.24 between income brackets.

44.25 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
44.26 31, 2021.

44.27 Sec. 16. Minnesota Statutes 2020, section 290.0674, subdivision 2, is amended to read:

44.28 Subd. 2. **Limitations.** (a) For claimants with adjusted gross income not greater than
44.29 ~~\$33,500~~ \$70,000, the maximum credit allowed for a family is \$1,000 multiplied by the
44.30 number of qualifying children in kindergarten through grade 12 in the family. The maximum

45.1 credit for families with one qualifying child in kindergarten through grade 12 is reduced by
45.2 \$1 for each \$4 of ~~household~~ adjusted gross income over ~~\$33,500~~ \$70,000, and the maximum
45.3 credit for families with two or more qualifying children in kindergarten through grade 12
45.4 is reduced by \$2 for each \$4 of ~~household~~ adjusted gross income over ~~\$33,500~~ \$70,000,
45.5 but in no case is the credit less than zero.

45.6 (b) In the case of a married claimant, a credit is not allowed unless a joint income tax
45.7 return is filed.

45.8 (c) For a nonresident or part-year resident, the credit determined under subdivision 1
45.9 and the maximum credit amount in paragraph (a) must be allocated using the percentage
45.10 calculated in section 290.06, subdivision 2c, paragraph (e).

45.11 (d) The commissioner shall annually adjust the household income limitation in paragraph
45.12 (a) as provided in section 270C.22. The statutory year is 2022.

45.13 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
45.14 31, 2021.

45.15 Sec. 17. Minnesota Statutes 2020, section 290.0681, subdivision 2, is amended to read:

45.16 Subd. 2. **Credit or grant allowed; certified historic structure.** (a) A credit is allowed
45.17 against the tax imposed under this chapter equal to not more than 100 percent of the credit
45.18 allowed under section 47(a) of the Internal Revenue Code for a project. ~~The credit is payable~~
45.19 ~~in five equal yearly installments beginning with the year the project is placed in service.~~
45.20 Notwithstanding the provisions of section 47(a) of the Internal Revenue Code that require
45.21 the federal credit to be allocated ratably over a five-year period, the full amount of the credit
45.22 under this section is allowed in the taxable year in which the qualified rehabilitated building
45.23 is placed in service. To qualify for the credit:

45.24 (1) the project must receive Part 3 certification and be placed in service during the taxable
45.25 year; and

45.26 (2) the taxpayer must be allowed the federal credit and be issued a credit certificate for
45.27 the taxable year as provided in subdivision 4.

45.28 (b) The commissioner of administration may pay a grant in lieu of the credit. The grant
45.29 equals 90 percent of the credit that would be allowed for the project. The grant is payable
45.30 ~~in five equal yearly installments beginning with~~ in the year the project is placed in service.

45.31 (c) In lieu of the credit under paragraph (a), an insurance company may claim a credit
45.32 against the insurance premiums tax imposed under chapter 297I.

46.1 **EFFECTIVE DATE.** This section is effective for credit certificates issued after June
46.2 30, 2022, and applies retroactively for applications for allocation certificates submitted after
46.3 December 31, 2017.

46.4 Sec. 18. Minnesota Statutes 2020, section 290.0681, subdivision 3, is amended to read:

46.5 Subd. 3. **Applications; allocations.** (a) To qualify for a credit or grant under this section,
46.6 the developer of a project must apply to the office before the rehabilitation begins. The
46.7 application must contain the information and be in the form prescribed by the office. The
46.8 office may collect a fee for application of up to 0.5 percent of qualified rehabilitation
46.9 expenditures, up to \$40,000, based on estimated qualified rehabilitation expenditures, to
46.10 offset costs associated with personnel and administrative expenses related to administering
46.11 the credit and preparing the economic impact report in subdivision 9. Application fees are
46.12 deposited in the account. The application must indicate if the application is for a credit or
46.13 a grant in lieu of the credit or a combination of the two and designate the taxpayer qualifying
46.14 for the credit or the recipient of the grant.

46.15 (b) Upon approving an application for credit, the office shall issue allocation certificates
46.16 that:

46.17 (1) verify eligibility for the credit or grant;

46.18 (2) state the amount of credit or grant anticipated with the project, with the credit amount
46.19 equal to 100 percent and the grant amount equal to 90 percent of the federal credit anticipated
46.20 in the application;

46.21 (3) state that the credit or grant allowed may increase or decrease if the federal credit
46.22 the project receives at the time it is placed in service is different than the amount anticipated
46.23 at the time the allocation certificate is issued; and

46.24 (4) state the fiscal year in which the credit or grant is allocated, and that the taxpayer or
46.25 grant recipient is entitled to receive ~~one-fifth~~ of the total amount of either the credit or the
46.26 grant at the time the project is placed in service, provided that date is within three calendar
46.27 years following the issuance of the allocation certificate.

46.28 (c) The office, in consultation with the commissioner, shall determine if the project is
46.29 eligible for a credit or a grant under this section and must notify the developer in writing
46.30 of its determination. Eligibility for the credit is subject to review and audit by the
46.31 commissioner.

46.32 (d) The federal credit recapture and repayment requirements under section 50 of the
46.33 Internal Revenue Code do not apply to the credit allowed under this section.

47.1 (e) Any decision of the office under paragraph (c) may be challenged as a contested case
47.2 under chapter 14. The contested case proceeding must be initiated within 45 days of the
47.3 date of written notification by the office.

47.4 **EFFECTIVE DATE.** This section is effective for credit certificates issued after June
47.5 30, 2022, and applies retroactively for applications for allocation certificates submitted after
47.6 December 31, 2017.

47.7 Sec. 19. Minnesota Statutes 2020, section 290.0681, subdivision 4, is amended to read:

47.8 Subd. 4. **Credit certificates; grants.** (a)(1) The developer of a project for which the
47.9 office has issued an allocation certificate must notify the office when the project is placed
47.10 in service. Upon verifying that the project has been placed in service, and was allowed a
47.11 federal credit, the office must issue a credit certificate to the taxpayer designated in the
47.12 application or must issue a grant to the recipient designated in the application. The credit
47.13 certificate must state the amount of the credit.

47.14 (2) The credit amount equals the federal credit allowed for the project.

47.15 (3) The grant amount equals 90 percent of the federal credit allowed for the project.

47.16 (b) The recipient of a credit certificate may assign the certificate to another taxpayer
47.17 before the ~~first one-fifth~~ payment is claimed, which is then allowed the credit under this
47.18 section or section 297I.20, subdivision 3. An assignment is not valid unless the assignee
47.19 notifies the commissioner within 30 days of the date that the assignment is made. The
47.20 commissioner shall prescribe the forms necessary for notifying the commissioner of the
47.21 assignment of a credit certificate and for claiming a credit by assignment.

47.22 (c) Credits passed through to partners, members, shareholders, or owners pursuant to
47.23 subdivision 5 are not an assignment of a credit certificate under this subdivision.

47.24 (d) A grant agreement between the office and the recipient of a grant may allow the
47.25 grant to be issued to another individual or entity.

47.26 **EFFECTIVE DATE.** This section is effective for credit certificates issued after June
47.27 30, 2022, and applies retroactively for applications for allocation certificates submitted after
47.28 December 31, 2017.

48.1 Sec. 20. Minnesota Statutes 2021 Supplement, section 290.0681, subdivision 10, is amended
48.2 to read:

48.3 Subd. 10. **Sunset.** This section expires after fiscal year ~~2022~~ 2030, except that the office's
48.4 authority to issue credit certificates under subdivision 4 based on allocation certificates that
48.5 were issued before ~~fiscal year 2023~~ 2031 remains in effect through ~~2025~~ calendar year 2033,
48.6 and the reporting requirements in subdivision 9 remain in effect through the year following
48.7 the year in which all allocation certificates have either been canceled or resulted in issuance
48.8 of credit certificates, or ~~2026~~ 2034, whichever is earlier.

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

48.10 Sec. 21. Minnesota Statutes 2021 Supplement, section 290.0682, is amended by adding
48.11 a subdivision to read:

48.12 Subd. 3. **Credit refundable; appropriation.** (a) If the amount of credit which a claimant
48.13 is eligible to receive under this section exceeds the claimant's tax liability under this chapter,
48.14 the commissioner shall refund the excess to the claimant.

48.15 (b) An amount sufficient to pay the refunds required by this section is appropriated to
48.16 the commissioner from the general fund.

48.17 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
48.18 31, 2021.

48.19 Sec. 22. Minnesota Statutes 2021 Supplement, section 290.0682, is amended by adding
48.20 a subdivision to read:

48.21 Subd. 4. **Special rules for tax years 2022 to 2028.** For taxable years beginning after
48.22 December 31, 2021, and before January 1, 2029, the maximum credit under subdivision 2,
48.23 paragraph (b), clause (4), is \$1,400.

48.24 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
48.25 31, 2021, and before January 1, 2029.

48.26 Sec. 23. Minnesota Statutes 2020, section 290.0685, subdivision 1, is amended to read:

48.27 Subdivision 1. **Credit allowed.** (a) An eligible individual is allowed a credit against the
48.28 tax imposed by this chapter equal to \$2,000 for each ~~birth for which a certificate of birth~~
48.29 ~~resulting in stillbirth has been issued under section 144.2151~~ stillbirth. The credit under this
48.30 section is allowed only in the taxable year in which the stillbirth occurred ~~and if the child~~

49.1 ~~would have been a dependent of the taxpayer as defined in section 152 of the Internal~~
49.2 ~~Revenue Code.~~

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

49.5 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
49.6 after December 31, 2015.

49.7 Sec. 24. Minnesota Statutes 2020, section 290.0685, is amended by adding a subdivision
49.8 to read:

49.9 Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the
49.10 meanings given, unless the context clearly indicates otherwise.

49.11 (b) "Certificate of birth" means the printed certificate of birth resulting in stillbirth issued
49.12 under section 144.2151 or for a birth occurring in another state or country a similar certificate
49.13 issued under that state's or country's law.

49.14 (c) "Eligible individual" means an individual who is:

49.15 (1)(i) a resident; or

49.16 (ii) the nonresident spouse of a resident who is a member of armed forces of the United
49.17 States or the United Nations; and

49.18 (2)(i) the individual who gave birth resulting in stillbirth and is listed as a parent on the
49.19 certificate of birth;

49.20 (ii) if no individual meets the requirements of clause (i) for a stillbirth that occurs in this
49.21 state, then the first parent listed on the certificate of birth resulting in still birth; or

49.22 (iii) the individual who gave birth resulting in stillbirth for a birth outside of this state
49.23 for which no certificate of birth was issued.

49.24 (d) "Stillbirth" means a birth for which a fetal death report would be required under
49.25 section 144.222, subdivision 1, if the birth occurred in this state.

49.26 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
49.27 after December 31, 2015.

49.28 Sec. 25. Minnesota Statutes 2021 Supplement, section 290A.03, subdivision 3, is amended
49.29 to read:

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

- 50.1 (1) federal adjusted gross income as defined in the Internal Revenue Code; and
- 50.2 (2) the sum of the following amounts to the extent not included in clause (1):
- 50.3 (i) all nontaxable income;
- 50.4 (ii) the amount of a passive activity loss that is not disallowed as a result of section 469,
- 50.5 paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss
- 50.6 carryover allowed under section 469(b) of the Internal Revenue Code;
- 50.7 (iii) an amount equal to the total of any discharge of qualified farm indebtedness of a
- 50.8 solvent individual excluded from gross income under section 108(g) of the Internal Revenue
- 50.9 Code;
- 50.10 (iv) cash public assistance and relief;
- 50.11 (v) any pension or annuity (including railroad retirement benefits, all payments received
- 50.12 under the federal Social Security Act, Supplemental Security Income, and veterans benefits),
- 50.13 which was not exclusively funded by the claimant or spouse, or which was funded exclusively
- 50.14 by the claimant or spouse and which funding payments were excluded from federal adjusted
- 50.15 gross income in the years when the payments were made;
- 50.16 (vi) interest received from the federal or a state government or any instrumentality or
- 50.17 political subdivision thereof;
- 50.18 (vii) workers' compensation;
- 50.19 (viii) nontaxable strike benefits;
- 50.20 (ix) the gross amounts of payments received in the nature of disability income or sick
- 50.21 pay as a result of accident, sickness, or other disability, whether funded through insurance
- 50.22 or otherwise;
- 50.23 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of
- 50.24 1986, as amended through December 31, 1995;
- 50.25 (xi) contributions made by the claimant to an individual retirement account, including
- 50.26 a qualified voluntary employee contribution; simplified employee pension plan;
- 50.27 self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of
- 50.28 the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal
- 50.29 Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for
- 50.30 the claimant and spouse;
- 50.31 (xii) to the extent not included in federal adjusted gross income, distributions received
- 50.32 by the claimant or spouse from a traditional or Roth style retirement account or plan;

- 51.1 (xiii) nontaxable scholarship or fellowship grants;
- 51.2 (xiv) alimony received to the extent not included in the recipient's income;
- 51.3 (xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue
51.4 Code;
- 51.5 (xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue
51.6 Code; and
- 51.7 (xvii) the amount deducted for certain expenses of elementary and secondary school
51.8 teachers under section 62(a)(2)(D) of the Internal Revenue Code.
- 51.9 In the case of an individual who files an income tax return on a fiscal year basis, the
51.10 term "federal adjusted gross income" shall mean federal adjusted gross income reflected in
51.11 the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced
51.12 by the amount of a net operating loss carryback or carryforward or a capital loss carryback
51.13 or carryforward allowed for the year.
- 51.14 (b) "Income" does not include:
- 51.15 (1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a) and 102;
- 51.16 (2) amounts of any pension or annuity which was exclusively funded by the claimant
51.17 or spouse and which funding payments were not excluded from federal adjusted gross
51.18 income in the years when the payments were made;
- 51.19 (3) to the extent included in federal adjusted gross income, amounts contributed by the
51.20 claimant or spouse to a traditional or Roth style retirement account or plan, but not to exceed
51.21 the retirement base amount reduced by the amount of contributions excluded from federal
51.22 adjusted gross income, but not less than zero;
- 51.23 (4) surplus food or other relief in kind supplied by a governmental agency;
- 51.24 (5) relief granted under this chapter;
- 51.25 (6) child support payments received under a temporary or final decree of dissolution or
51.26 legal separation;
- 51.27 (7) restitution payments received by eligible individuals and excludable interest as
51.28 defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001,
51.29 Public Law 107-16;
- 51.30 (8) alimony paid; ~~or~~
- 51.31 (9) veterans disability compensation paid under title 38 of the United States Code; and

52.1 (10) workforce incentive grant payments under section 256.4778.

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

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

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

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

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

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

52.8 (6) if the claimant or claimant's spouse had a disability or attained the age of 65 on or

52.9 before December 31 of the year for which the taxes were levied or rent paid, the exemption

52.10 amount.

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

52.12 (1) "exemption amount" means the exemption amount under section 290.0121,

52.13 subdivision 1, paragraph (b), for the taxable year for which the income is reported;

52.14 (2) "retirement base amount" means the deductible amount for the taxable year for the

52.15 claimant and spouse under section 219(b)(5)(A) of the Internal Revenue Code, adjusted for

52.16 inflation as provided in section 219(b)(5)(C) of the Internal Revenue Code, without regard

52.17 to whether the claimant or spouse claimed a deduction; and

52.18 (3) "traditional or Roth style retirement account or plan" means retirement plans under

52.19 sections 401, 403, 408, 408A, and 457 of the Internal Revenue Code.

52.20 **EFFECTIVE DATE.** This section is effective beginning with refunds based on rent

52.21 paid in 2022 and property taxes payable in 2023.

52.22 **Sec. 26. SPECIAL PROVISIONS FOR CERTAIN ALLOCATION CERTIFICATES;**

52.23 **CREDIT FOR HISTORIC STRUCTURE REHABILITATION.**

52.24 For an allocation certificate issued pursuant to an application submitted after December

52.25 31, 2017, for a project receiving a credit certificate issued after June 30, 2022, the allocation

52.26 certificate is deemed to state that the taxpayer or grant recipient is entitled to receive the

52.27 full amount of the credit or grant at the time the project is placed in service.

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

53.1 **Sec. 27. TEMPORARY INDIVIDUAL INCOME TAX SUBTRACTION;**
53.2 **UNEMPLOYMENT INSURANCE BENEFITS.**

53.3 (a) For the purposes of this section the following terms having the meanings given:

53.4 (1) "adjusted gross income" has the meaning given in Minnesota Statutes, section 290.01,
53.5 subdivision 21a;

53.6 (2) "Internal Revenue Code" has the meaning given in Minnesota Statutes, section
53.7 290.01, subdivision 31;

53.8 (3) "subtraction" has the meaning given in Minnesota Statutes, section 290.0132,
53.9 subdivision 1;

53.10 (4) "taxable year" has the meaning given in Minnesota Statutes, section 290.01,
53.11 subdivision 9; and

53.12 (5) "unemployment compensation" has the meaning given in section 85(b) of the Internal
53.13 Revenue Code.

53.14 (b) For taxable years beginning after December 31, 2020, and before January 1, 2022,
53.15 an individual taxpayer is allowed a subtraction equal to the amount of unemployment
53.16 compensation received in the taxable year, subject to the limit in paragraphs (c) and (d).

53.17 (c) The subtraction is limited to \$10,200, except for a married taxpayer filing a joint
53.18 return the subtraction is limited to \$10,200 in unemployment compensation received by
53.19 each spouse.

53.20 (d) The limit in paragraph (c) is reduced by five percent of adjusted gross income in
53.21 excess of:

53.22 (1) \$150,000 for a joint return; or

53.23 (2) \$75,000 for all other filers.

53.24 In no case is the limit less than \$0.

53.25 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
53.26 after December 31, 2020, and before January 1, 2022.

53.27 **Sec. 28. INCOME TAX REBATES FOR PARENTS OF QUALIFYING CHILDREN.**

53.28 **Subdivision 1. Definitions.** (a) For the purposes of this section, "qualifying child" has
53.29 the meaning given in section 24(c) of the Internal Revenue Code, but disregarding section
53.30 9611(a)(i)(2) of Public Law 117-2.

54.1 (b) The definitions in Minnesota Statutes, section 290.01, apply to this section.

54.2 Subd. 2. **Credit allowed.** (a) An individual income taxpayer is allowed a credit against
54.3 the taxes imposed in Minnesota Statutes, sections 290.03 and 290.091. The credit equals
54.4 \$325 multiplied by the number of individuals who were a qualifying child of the taxpayer
54.5 for the taxable year.

54.6 (b) The credit under this section is reduced by ten percent of adjusted gross income in
54.7 excess of:

54.8 (1) \$140,000 for a married taxpayer filing a joint return; or

54.9 (2) \$70,000 for all other filers.

54.10 Subd. 3. **Part-year residents.** For an individual who was a resident of Minnesota for
54.11 less than the entire taxable year, the credit equals the amount determined under subdivision
54.12 2 for their filing status, multiplied by the percentage determined pursuant to Minnesota
54.13 Statutes, section 290.06, subdivision 2c, paragraph (e).

54.14 Subd. 4. **Credit refundable; appropriation.** (a) If the amount of credit which a claimant
54.15 is eligible to receive under this section exceeds the claimant's liability for tax, the
54.16 commissioner shall refund the excess to the claimant.

54.17 (b) An amount sufficient to pay the refunds required by this section is appropriated to
54.18 the commissioner from the general fund.

54.19 Subd. 5. **Distribution of credit payments; filing process for taxpayers without tax**
54.20 **liability.** (a) To the extent feasible, the commissioner of revenue must automatically adjust
54.21 the return of any taxpayer who filed a return for a taxable year in which the credit under
54.22 this section applies. If a taxpayer is eligible for a refund as a result of the credit under this
54.23 section, to the extent feasible, the commissioner must distribute the refund via direct deposit
54.24 to the taxpayer's bank account, check, or any other mechanism the commissioner deems
54.25 appropriate.

54.26 (b) The commissioner of revenue must establish a simplified filing process through
54.27 which a taxpayer who does not have an individual income tax filing requirement may file
54.28 a return for the taxable years in which the credit is available. The filing process and forms
54.29 may be in the form or manner determined by the commissioner, but must be designed to
54.30 reduce the complexity of the filing process and the time needed to file for individuals without
54.31 an income tax liability for the taxable year.

55.1 Subd. 6. **Recapture of payments forbidden.** The commissioner of revenue must not
 55.2 apply, and must not certify to another agency to apply, a payment resulting from the credit
 55.3 under this section to any unpaid tax or nontax debt owed by an individual.

55.4 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 55.5 after December 31, 2020, and before January 1, 2022.

55.6 Sec. 29. **REPEALER.**

55.7 Minnesota Statutes 2020, section 290.0674, subdivision 2a, is repealed.

55.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 55.9 31, 2021.

55.10 **ARTICLE 3**

55.11 **SALES AND USE TAXES**

55.12 Section 1. Minnesota Statutes 2020, section 38.27, subdivision 4, is amended to read:

55.13 Subd. 4. **Use of a portion of county fair revenues.** A county agricultural society must
 55.14 annually determine the amount of sales tax savings attributable to section 297A.70,
 55.15 subdivision 21. ~~If the county agricultural society owns its own fairgrounds, it, and~~ must use
 55.16 the amount equal to the sales tax savings to maintain, improve, or expand society-owned
 55.17 buildings and facilities on the fairgrounds; ~~otherwise it must transfer this amount to the~~
 55.18 ~~owner of the fairgrounds. An owner that receives a transfer of money under this subdivision~~
 55.19 ~~must use the transferred amount to maintain, improve, and expand entity-owned buildings~~
 55.20 ~~and facilities on the county fairgrounds.~~

55.21 **EFFECTIVE DATE.** This section is effective the day following final enactment for
 55.22 the most recent annual tax savings determined prior to enactment.

55.23 Sec. 2. **[240A.15] AMATEUR SPORTS ACCOUNT.**

55.24 An amateur sports account is established in the special revenue fund and consists of
 55.25 money deposited under section 297A.94, paragraph (k). Money in the account, including
 55.26 interest, is appropriated to the commission for the promotion and development of amateur
 55.27 sports as provided in section 240A.04. Money in the account does not cancel and is available
 55.28 until spent.

55.29 **EFFECTIVE DATE.** This section is effective July 1, 2022.

56.1 Sec. 3. Minnesota Statutes 2020, section 297A.61, subdivision 12, is amended to read:

56.2 Subd. 12. **Farm machinery.** (a) "Farm machinery" means new or used machinery,
56.3 equipment, implements, accessories, and contrivances used directly and principally in
56.4 agricultural production of tangible personal property intended to be sold ultimately at retail
56.5 including, but not limited to:

56.6 (1) machinery for the preparation, seeding, or cultivation of soil for growing agricultural
56.7 crops;

56.8 (2) barn cleaners, milking systems, grain dryers, feeding systems including stationary
56.9 feed bunks, fencing material, and similar installations, whether or not the equipment is
56.10 installed by the seller and becomes part of the real property; and

56.11 (3) irrigation equipment sold for exclusively agricultural use, including pumps, pipe
56.12 fittings, valves, sprinklers, and other equipment necessary to the operation of an irrigation
56.13 system when sold as part of an irrigation system, whether or not the equipment is installed
56.14 by the seller and becomes part of the real property.

56.15 (b) Farm machinery does not include:

56.16 (1) repair or replacement parts;

56.17 (2) tools, shop equipment, grain bins, ~~fencing material~~, communication equipment, and
56.18 other farm supplies;

56.19 (3) motor vehicles taxed under chapter 297B;

56.20 (4) snowmobiles or snow blowers;

56.21 (5) lawn mowers except those used in the production of sod for sale, or garden-type
56.22 tractors or garden tillers; or

56.23 (6) machinery, equipment, implements, accessories, and contrivances used directly in
56.24 the production of horses not raised for slaughter, fur-bearing animals, or research animals.

56.25 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
56.26 made after June 30, 2021.

56.27 Sec. 4. Minnesota Statutes 2020, section 297A.68, subdivision 25, is amended to read:

56.28 Subd. 25. **Sale of property used in a trade or business.** (a) The sale of tangible personal
56.29 property primarily used in a trade or business is exempt if the sale is not made in the normal
56.30 course of business of selling that kind of property and if one of the following conditions is
56.31 satisfied:

57.1 (1) the sale occurs in a transaction subject to or described in section 118, 331, 332, 336,
57.2 337, 338, 351, 355, 368, 721, 731, 1031, or 1033 of the Internal Revenue Code, as amended
57.3 through December 16, 2016;

57.4 (2) the sale is between members of a controlled group as defined in section 1563(a) of
57.5 the Internal Revenue Code;

57.6 (3) the sale is between a sole member of a disregarded limited liability company and the
57.7 disregarded limited liability company;

57.8 ~~(3)~~ (4) the sale is a sale of farm machinery;

57.9 ~~(4)~~ (5) the sale is a farm auction sale;

57.10 ~~(5)~~ (6) the sale is a sale of substantially all of the assets of a trade or business; or

57.11 ~~(6)~~ (7) the total amount of gross receipts from the sale of trade or business property made
57.12 during the calendar month of the sale and the preceding 11 calendar months does not exceed
57.13 \$1,000.

57.14 The use, storage, distribution, or consumption of tangible personal property acquired as
57.15 a result of a sale exempt under this subdivision is also exempt.

57.16 (b) For purposes of this subdivision, the following terms have the meanings given.

57.17 (1) "Disregarded limited liability company" means a limited liability company that is
57.18 disregarded as an entity separate from its owner as defined in Code of Federal Regulations,
57.19 title 26, section 301.7701.

57.20 ~~(1)~~ (2) A "farm auction" is a public auction conducted by a licensed auctioneer if
57.21 substantially all of the property sold consists of property used in the trade or business of
57.22 farming and property not used primarily in a trade or business.

57.23 ~~(2)~~ (3) "Trade or business" includes the assets of a separate division, branch, or
57.24 identifiable segment of a trade or business if, before the sale, the income and expenses
57.25 attributable to the separate division, branch, or identifiable segment could be separately
57.26 ascertained from the books of account or record (the lease or rental of an identifiable segment
57.27 does not qualify for the exemption).

57.28 ~~(3)~~ (4) A "sale of substantially all of the assets of a trade or business" must occur as a
57.29 single transaction or a series of related transactions within the 12-month period beginning
57.30 on the date of the first sale of assets intended to qualify for the exemption provided in
57.31 paragraph (a), clause (5).

58.1 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
58.2 30, 2022.

58.3 Sec. 5. Minnesota Statutes 2020, section 297A.68, is amended by adding a subdivision to
58.4 read:

58.5 Subd. 35b. **Fiber and conduit; broadband and Internet access.** Fiber and conduit
58.6 purchased or leased for use directly by a broadband or Internet service provider, primarily
58.7 in the provision of broadband or Internet access services that are ultimately to be sold at
58.8 retail, are exempt.

58.9 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
58.10 made after June 30, 2017.

58.11 Sec. 6. Minnesota Statutes 2020, section 297A.68, is amended by adding a subdivision to
58.12 read:

58.13 Subd. 46. **Food service establishment equipment.** (a) The purpose of the exemption
58.14 provided by this subdivision is to create parity between the treatment of capital equipment
58.15 used in the manufacturing industry and food service equipment used for the production of
58.16 prepared food and beverages. The goal is to provide the same exemption for equipment
58.17 used by food service establishments in the production of prepared food and furnishing of
58.18 beverages, as is provided for capital equipment pursuant to subdivision 5.

58.19 (b) Food service equipment purchased or leased for use in this state by a food service
58.20 establishment in the production of prepared food or furnishing of beverages, up to the point
58.21 the prepared food or beverage is ready for delivery or service to the customer, is exempt.

58.22 (c) For purposes of this subdivision, the following terms have the meanings given:

58.23 (1) "catering service" means a business that prepares food and beverages for service in
58.24 support of an event with a predetermined guest list such as a reception, party, luncheon,
58.25 conference, ceremony, or trade show;

58.26 (2) "food service equipment" means machinery, equipment, fixtures, and supplies used
58.27 by a food service establishment that are integral to the production of prepared food or the
58.28 furnishing of beverages and that meet the standards imposed under Minnesota Rules, chapter
58.29 4626. Food service equipment:

58.30 (i) includes cooking utensils, serving utensils, ovens, grills, coolers, microwave ovens,
58.31 freezers, refrigerators and refrigerator stations, holding cabinets, deep fryers, condiment
58.32 stations, dishwashers, steamers, coffee machines, ice machines, water heaters, sinks, faucets,

59.1 food warmers and warming trays, tabletop chaffing equipment, buffets and buffet equipment,
 59.2 self-service condiment equipment, self-service beverage equipment, beer dispensing systems,
 59.3 equipment needed for bar service, and any other item that is integral to the production of
 59.4 prepared food or the furnishing of beverages; and

59.5 (ii) excludes items used by customers such as linens, paper napkins, glasses, cups, mugs,
 59.6 utensils, tables, and chairs. Also excluded are delivery vehicles or any motor vehicles
 59.7 purchased by a food service establishment;

59.8 (3) "food service establishment" means a restaurant as defined in section 157.15,
 59.9 subdivision 12, a mobile food unit as defined in section 157.15, subdivision 9, or a catering
 59.10 service as defined in this paragraph;

59.11 (4) "furnishing of beverages" means the production of beverages, including alcoholic
 59.12 beverages, by a bartender, server, caterer, or other person employed by a food service
 59.13 establishment;

59.14 (5) "prepared food" has the meaning given in section 297A.61, subdivision 31; and

59.15 (6) "production" means an operation or series of operations where ingredients are changed
 59.16 in form, composition, or condition that results in the creation of prepared food or a beverage.

59.17 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
 59.18 30, 2022.

59.19 Sec. 7. Minnesota Statutes 2020, section 297A.70, subdivision 21, is amended to read:

59.20 Subd. 21. **County agricultural society sales at county fairs.** (a) The following sales
 59.21 by a county agricultural society during a regularly scheduled county fair are exempt. For
 59.22 purposes of this subdivision, sales include:

59.23 (1) admissions to and parking at the county fairgrounds;

59.24 (2) admissions to separately ticketed events run by the county agricultural society; and

59.25 (3) concessions and other sales made by employees or volunteers of the county
 59.26 agricultural society on the county fairgrounds.

59.27 ~~This~~ (b) The exemption under paragraph (a) does not apply to sales or for events by a
 59.28 ~~county agricultural society~~ held at a time other than at the time of the regularly scheduled
 59.29 county fair, or events not held on the county fairgrounds.

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

60.1 Sec. 8. Minnesota Statutes 2020, section 297A.71, subdivision 51, is amended to read:

60.2 Subd. 51. **Properties destroyed by fire.** (a) Building materials and supplies used or
60.3 consumed in, and equipment incorporated into, the construction or replacement of real
60.4 property affected by, and capital equipment to replace equipment destroyed in, the fire on
60.5 March 11, 2018, in the city of Mazeppa are exempt. The tax must be imposed and collected
60.6 as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner
60.7 provided in section 297A.75. For purposes of this subdivision, "capital equipment" includes
60.8 durable equipment used in a restaurant for food storage, preparation, and serving.

60.9 (b) The exemption under this subdivision applies to sales and purchases made after
60.10 March 11, 2018, and before January 1, ~~2022~~ 2024.

60.11 **EFFECTIVE DATE.** This section is effective retroactively from March 11, 2018.

60.12 Sec. 9. Minnesota Statutes 2021 Supplement, section 297A.71, subdivision 52, is amended
60.13 to read:

60.14 Subd. 52. **Construction; certain local government facilities.** (a) Materials and supplies
60.15 used in and equipment incorporated into the construction, reconstruction, upgrade, expansion,
60.16 or remodeling of the following local government owned facilities are exempt:

60.17 (1) a new fire station, which includes firefighting, emergency management, public safety
60.18 training, and other public safety facilities in the city of Monticello if materials, supplies,
60.19 and equipment are purchased after January 31, 2019, and before January 1, 2022;

60.20 (2) a new fire station, which includes firefighting and public safety training facilities
60.21 and public safety facilities, in the city of Inver Grove Heights if materials, supplies, and
60.22 equipment are purchased after June 30, 2018, and before January 1, 2021;

60.23 (3) a fire station and police station, including access roads, lighting, sidewalks, and
60.24 utility components, on or adjacent to the property on which the fire station or police station
60.25 are located that are necessary for safe access to and use of those buildings, in the city of
60.26 Minnetonka if materials, supplies, and equipment are purchased after May 23, 2019, and
60.27 before January 1, 2022;

60.28 (4) the school building in Independent School District No. 414, Minneota, if materials,
60.29 supplies, and equipment are purchased after January 1, 2018, and before January 1, 2021;

60.30 (5) a fire station in the city of Mendota Heights, if materials, supplies, and equipment
60.31 are purchased after December 31, 2018, and before January 1, 2021; ~~and~~

61.1 (6) a Dakota County law enforcement collaboration center, also known as the Safety
61.2 and Mental Health Alternative Response Training (SMART) Center, if materials, supplies,
61.3 and equipment are purchased after June 30, 2019, and before July 1, 2021;

61.4 (7) new construction, upgrades, and remodeling to the Itasca County courts and
61.5 courthouse in conjunction and coordination with the new construction of a correctional
61.6 facility, if materials, supplies, and equipment are purchased after April 30, 2021, and before
61.7 January 1, 2025;

61.8 (8) the North Metro Regional Public Safety Training Facility in Maple Grove, if materials,
61.9 supplies, and equipment are purchased after August 31, 2021, and before December 31,
61.10 2023; and

61.11 (9) the following projects in Wayzata if materials, supplies, and equipment are purchased
61.12 after March 31, 2020, and before January 1, 2025:

61.13 (i) expansion and remodeling of Depot Park;

61.14 (ii) construction of community docks for purposes of access from Lake Minnetonka;

61.15 (iii) construction of a lakeside boardwalk of approximately 1,500 lineal feet;

61.16 (iv) shoreline restoration, including installation of native plants, trees, and natural habitat;

61.17 (v) restoration of Section Foreman House, including installation of a learning center to
61.18 provide indoor and outdoor classroom and community space;

61.19 (vi) construction of Eco Park, including shoreline restoration and marsh and water quality
61.20 improvement, a pier extension of the lakeside boardwalk, and creation of eco-living
61.21 classrooms;

61.22 (vii) construction of a public plaza with a restroom, 9/11 memorial, interactive water
61.23 display, and gathering space;

61.24 (viii) construction of a regional multiuse trail; and

61.25 (ix) construction of railroad crossings.

61.26 (b) The tax must be imposed and collected as if the rate under section 297A.62,
61.27 subdivision 1, applied and then refunded in the manner provided in section 297A.75.

61.28 (c) The total refund for the project listed in paragraph (a), clause (3), must not exceed
61.29 \$850,000.

61.30 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
61.31 made during the periods indicated in paragraph (a), clauses (7) to (9).

62.1 Sec. 10. Minnesota Statutes 2020, section 297A.71, is amended by adding a subdivision
62.2 to read:

62.3 Subd. 54. **Building materials; farm fencing material.** Materials and supplies used or
62.4 consumed in, and equipment incorporated into, the construction or improvement of farm
62.5 fencing material that is not exempt under section 297A.61, subdivision 12, are exempt.

62.6 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
62.7 made after June 30, 2021.

62.8 Sec. 11. Minnesota Statutes 2020, section 297A.71, is amended by adding a subdivision
62.9 to read:

62.10 Subd. 55. **Construction materials purchased by contractors; exemption for certain**
62.11 **entities.** (a) Materials and supplies used or consumed in and equipment incorporated into
62.12 the construction, reconstruction, repair, maintenance, or improvement of buildings or
62.13 facilities used principally by the following entities are exempt if the materials, supplies, and
62.14 equipment are purchased after June 30, 2021, and before January 1, 2023:

62.15 (1) school districts, as defined under section 297A.70, subdivision 2, paragraph (c);

62.16 (2) local governments, as defined under section 297A.70, subdivision 2, paragraph (d);

62.17 (3) hospitals and nursing homes owned and operated by political subdivisions of the
62.18 state, as described under section 297A.70, subdivision 2, paragraph (a), clause (3);

62.19 (4) county law libraries under chapter 134A and public libraries, regional public library
62.20 systems, and multicounty, multitype library systems, as defined in section 134.001;

62.21 (5) nonprofit groups, as defined under section 297A.70, subdivision 4;

62.22 (6) hospitals, outpatient surgical centers, and critical access dental providers, as defined
62.23 under section 297A.70, subdivision 7; and

62.24 (7) nursing homes and boarding care homes, as defined under section 297A.70,
62.25 subdivision 18.

62.26 (b) Materials and supplies used or consumed in and equipment incorporated into the
62.27 construction, reconstruction, repair, maintenance, or improvement of public infrastructure
62.28 of any kind, including but not limited to roads, bridges, culverts, drinking water facilities,
62.29 and wastewater facilities, purchased by a contractor, subcontractor, or builder as part of a
62.30 contract with the following entities are exempt if the materials, supplies, and equipment are
62.31 purchased after June 30, 2021, and before January 1, 2023:

63.1 (1) school districts, as defined under section 297A.70, subdivision 2, paragraph (c); or

63.2 (2) local governments, as defined under section 297A.70, subdivision 2, paragraph (d).

63.3 (c) The tax on purchases exempt under this subdivision must be imposed and collected
 63.4 as if the rate under section 297A.62, subdivision 1, applied, and then refunded in the manner
 63.5 provided in section 297A.75. Refunds for eligible purchases must not be issued after June
 63.6 30, 2023.

63.7 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
 63.8 made after June 30, 2021, and before January 1, 2023.

63.9 Sec. 12. Minnesota Statutes 2020, section 297A.71, is amended by adding a subdivision
 63.10 to read:

63.11 Subd. 56. **Construction materials purchased by contractors; exemption for certain**
 63.12 **projects at the Minneapolis-St. Paul International Airport.** (a) Materials and supplies
 63.13 used in, and equipment incorporated into, the construction, reconstruction, repair,
 63.14 maintenance, or improvement of public infrastructure at the Minneapolis-St. Paul
 63.15 International Airport purchased by a contractor or subcontractor for the following projects
 63.16 are exempt if purchased after June 30, 2021, and before January 1, 2023:

63.17 (1) security improvements to the rental automobile quick turnaround facility at Terminal
 63.18 1;

63.19 (2) replacing air handling units at Terminal 1 and Terminal 2;

63.20 (3) improvements to the C concourse loading dock at Terminal 1;

63.21 (4) lighting upgrades to LED;

63.22 (5) restroom upgrades at Terminal 1;

63.23 (6) renovation of mechanical rooms in Terminal 1, a MAC storage facility, and a liquid
 63.24 deicer storage facility;

63.25 (7) a new trades storage facility;

63.26 (8) a new liquid deicer storage facility; and

63.27 (9) Terminal 1 passenger arrivals and departures replacement, rehabilitation, and
 63.28 operational improvements.

63.29 (b) The tax on purchases exempt under this subdivision must be imposed and collected
 63.30 as if the rate under section 297A.62, subdivision 1, applied, and then refunded in the manner
 63.31 provided in section 297A.75. Refunds for eligible purchases must not be made after June

64.1 30, 2023. The exemption allowed under this subdivision only applies to sales and purchases
64.2 for which an exemption is not claimed under subdivision 55.

64.3 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
64.4 made after June 30, 2021, and before January 1, 2023.

64.5 Sec. 13. Minnesota Statutes 2021 Supplement, section 297A.75, subdivision 1, is amended
64.6 to read:

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

64.10 (1) building materials for an agricultural processing facility exempt under section
64.11 297A.71, subdivision 13;

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

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

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

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

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

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

64.22 (8) equipment and materials used for the generation, transmission, and distribution of
64.23 electrical energy and an aerial camera package exempt under section 297A.68, subdivision
64.24 37;

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

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

64.29 (11) materials, supplies, and equipment for construction, improvement, or expansion of
64.30 a biopharmaceutical manufacturing facility exempt under section 297A.71, subdivision 45;

65.1 (12) enterprise information technology equipment and computer software for use in a
 65.2 qualified data center exempt under section 297A.68, subdivision 42;

65.3 (13) materials, supplies, and equipment for qualifying capital projects under section
 65.4 297A.71, subdivision 44, paragraph (a), clause (1), and paragraph (b);

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

65.7 (15) items and services purchased under a business subsidy agreement for use or
 65.8 consumption primarily in greater Minnesota exempt under section 297A.68, subdivision
 65.9 44;

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

65.12 (17) building materials, equipment, and supplies for qualifying capital projects under
 65.13 section 297A.71, subdivision 52; ~~and~~

65.14 (18) building materials, equipment, and supplies for constructing, remodeling, expanding,
 65.15 or improving a fire station, police station, or related facilities exempt under section 297A.71,
 65.16 subdivision 53-₂;

65.17 (19) building construction or reconstruction materials, supplies, and equipment exempt
 65.18 under section 297A.71, subdivision 55; and

65.19 (20) building construction or reconstruction materials, supplies, and equipment purchased
 65.20 for qualifying projects at the Minneapolis-St. Paul International Airport under section
 65.21 297A.71, subdivision 56.

65.22 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
 65.23 made after June 30, 2021.

65.24 Sec. 14. Minnesota Statutes 2021 Supplement, section 297A.75, subdivision 2, is amended
 65.25 to read:

65.26 Subd. 2. **Refund; eligible persons.** Upon application on forms prescribed by the
 65.27 commissioner, a refund equal to the tax paid on the gross receipts of the exempt items must
 65.28 be paid to the applicant. Only the following persons may apply for the refund:

65.29 (1) for subdivision 1, clauses (1), (2), and (14), the applicant must be the purchaser;

65.30 (2) for subdivision 1, clause (3), the applicant must be the governmental subdivision;

66.1 (3) for subdivision 1, clause (4), the applicant must be the recipient of the benefits
66.2 provided in United States Code, title 38, chapter 21;

66.3 (4) for subdivision 1, clause (5), the applicant must be the owner of the homestead
66.4 property;

66.5 (5) for subdivision 1, clause (6), the owner of the qualified low-income housing project;

66.6 (6) for subdivision 1, clause (7), the applicant must be a municipal electric utility or a
66.7 joint venture of municipal electric utilities;

66.8 (7) for subdivision 1, clauses (8), (11), (12), and (15), the owner of the qualifying
66.9 business;

66.10 (8) for subdivision 1, clauses (9), (10), (13), (17), and (18), the applicant must be the
66.11 governmental entity that owns or contracts for the project or facility; ~~and~~

66.12 (9) for subdivision 1, clause (16), the applicant must be the owner or developer of the
66.13 building or project;

66.14 (10) for subdivision 1, clause (19), the applicant must be the entity:

66.15 (i) listed in section 297A.71, subdivision 55, paragraph (a), that principally uses the
66.16 building or facility; or

66.17 (ii) listed in section 297A.71, subdivision 55, paragraph (b), that contracts with a
66.18 contractor, subcontractor, or builder for the public infrastructure project; and

66.19 (11) for subdivision 1, clause (20), the applicant must be an airport commission.

66.20 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
66.21 made after June 30, 2021.

66.22 Sec. 15. Minnesota Statutes 2021 Supplement, section 297A.75, subdivision 3, is amended
66.23 to read:

66.24 Subd. 3. **Application.** (a) The application must include sufficient information to permit
66.25 the commissioner to verify the tax paid. If the tax was paid by a contractor, subcontractor,
66.26 or builder, under subdivision 1, clauses (3) to (13) or (15) to ~~(18)~~ (20), the contractor,
66.27 subcontractor, or builder must furnish to the refund applicant a statement including the cost
66.28 of the exempt items and the taxes paid on the items unless otherwise specifically provided
66.29 by this subdivision. The provisions of sections 289A.40 and 289A.50 apply to refunds under
66.30 this section.

67.1 (b) An applicant may not file more than two applications per calendar year for refunds
67.2 for taxes paid on capital equipment exempt under section 297A.68, subdivision 5.

67.3 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
67.4 made after June 30, 2021.

67.5 Sec. 16. Minnesota Statutes 2020, section 297A.94, is amended to read:

67.6 **297A.94 DEPOSIT OF REVENUES.**

67.7 (a) Except as provided in this section, the commissioner shall deposit the revenues,
67.8 including interest and penalties, derived from the taxes imposed by this chapter in the state
67.9 treasury and credit them to the general fund.

67.10 (b) The commissioner shall deposit taxes in the Minnesota agricultural and economic
67.11 account in the special revenue fund if:

67.12 (1) the taxes are derived from sales and use of property and services purchased for the
67.13 construction and operation of an agricultural resource project; and

67.14 (2) the purchase was made on or after the date on which a conditional commitment was
67.15 made for a loan guaranty for the project under section 41A.04, subdivision 3.

67.16 The commissioner of management and budget shall certify to the commissioner the date on
67.17 which the project received the conditional commitment. The amount deposited in the loan
67.18 guaranty account must be reduced by any refunds and by the costs incurred by the Department
67.19 of Revenue to administer and enforce the assessment and collection of the taxes.

67.20 (c) The commissioner shall deposit the revenues, including interest and penalties, derived
67.21 from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3,
67.22 paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

67.23 (1) first to the general obligation special tax bond debt service account in each fiscal
67.24 year the amount required by section 16A.661, subdivision 3, paragraph (b); and

67.25 (2) after the requirements of clause (1) have been met, the balance to the general fund.

67.26 (d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit
67.27 in the state treasury the revenues collected under section 297A.64, subdivision 1, including
67.28 interest and penalties and minus refunds, and credit them to the highway user tax distribution
67.29 fund.

67.30 (e) The commissioner shall deposit the revenues, including interest and penalties,
67.31 collected under section 297A.64, subdivision 5, in the state treasury and credit them to the

68.1 general fund. By July 15 of each year the commissioner shall transfer to the highway user
68.2 tax distribution fund an amount equal to the excess fees collected under section 297A.64,
68.3 subdivision 5, for the previous calendar year.

68.4 (f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit
68.5 of revenues under paragraph (d), the commissioner shall deposit into the state treasury and
68.6 credit to the highway user tax distribution fund an amount equal to the estimated revenues
68.7 derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or
68.8 rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The
68.9 commissioner shall estimate the amount of sales tax revenue deposited under this paragraph
68.10 based on the amount of revenue deposited under paragraph (d).

68.11 (g) Starting after July 1, 2017, the commissioner shall deposit an amount of the
68.12 remittances monthly into the state treasury and credit them to the highway user tax
68.13 distribution fund as a portion of the estimated amount of taxes collected from the sale and
68.14 purchase of motor vehicle repair parts in that month. For the remittances between July 1,
68.15 2017, and June 30, 2019, the monthly deposit amount is \$2,628,000. For remittances in
68.16 each subsequent fiscal year, the monthly deposit amount is \$12,137,000. For purposes of
68.17 this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11,
68.18 and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories,
68.19 and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle
68.20 maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor
68.21 vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph,
68.22 "tire" means any tire of the type used on highway vehicles, if wholly or partially made of
68.23 rubber and if marked according to federal regulations for highway use.

68.24 (h) 72.43 percent of the revenues, including interest and penalties, transmitted to the
68.25 commissioner under section 297A.65, must be deposited by the commissioner in the state
68.26 treasury as follows:

68.27 (1) 50 percent of the receipts must be deposited in the heritage enhancement account in
68.28 the game and fish fund, and may be spent only on activities that improve, enhance, or protect
68.29 fish and wildlife resources, including conservation, restoration, and enhancement of land,
68.30 water, and other natural resources of the state;

68.31 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
68.32 be spent only for state parks and trails;

68.33 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
68.34 be spent only on metropolitan park and trail grants;

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

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

69.6 (i) The revenue dedicated under paragraph (h) may not be used as a substitute for
69.7 traditional sources of funding for the purposes specified, but the dedicated revenue shall
69.8 supplement traditional sources of funding for those purposes. Land acquired with money
69.9 deposited in the game and fish fund under paragraph (h) must be open to public hunting
69.10 and fishing during the open season, except that in aquatic management areas or on lands
69.11 where angling easements have been acquired, fishing may be prohibited during certain times
69.12 of the year and hunting may be prohibited. At least 87 percent of the money deposited in
69.13 the game and fish fund for improvement, enhancement, or protection of fish and wildlife
69.14 resources under paragraph (h) must be allocated for field operations.

69.15 (j) The commissioner must deposit the revenues, including interest and penalties minus
69.16 any refunds, derived from the sale of items regulated under section 624.20, subdivision 1,
69.17 that may be sold to persons 18 years old or older and that are not prohibited from use by
69.18 the general public under section 624.21, in the state treasury and credit:

69.19 (1) 25 percent to the volunteer fire assistance grant account established under section
69.20 88.068;

69.21 (2) 25 percent to the fire safety account established under section 297I.06, subdivision
69.22 3; and

69.23 (3) the remainder to the general fund.

69.24 For purposes of this paragraph, the percentage of total sales and use tax revenue derived
69.25 from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be
69.26 sold to persons 18 years old or older and are not prohibited from use by the general public
69.27 under section 624.21, is a set percentage of the total sales and use tax revenues collected in
69.28 the state, with the percentage determined under Laws 2017, First Special Session chapter
69.29 1, article 3, section 39.

69.30 (k) Beginning in 2023, by June 30, the commissioner shall deposit revenues, including
69.31 interest and penalties, derived from taxes on sales and purchases made at the National Sports
69.32 Center in Blaine, in the amateur sports account in the special revenue fund.

70.1 ~~(k)~~ (l) The revenues deposited under paragraphs (a) to ~~(j)~~ (k) do not include the revenues,
70.2 including interest and penalties, generated by the sales tax imposed under section 297A.62,
70.3 subdivision 1a, which must be deposited as provided under the Minnesota Constitution,
70.4 article XI, section 15.

70.5 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
70.6 30, 2022.

70.7 Sec. 17. Laws 2017, First Special Session chapter 1, article 3, section 26, the effective
70.8 date, is amended to read:

70.9 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
70.10 30, 2017, and before July 1, ~~2027~~ 2030.

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

70.12 Sec. 18. **REFUNDS; FIBER AND CONDUIT.**

70.13 Notwithstanding limitations on claims for refund under Minnesota Statutes, section
70.14 289A.40, requests for refunds of purchases exempt under Minnesota Statutes, section
70.15 297A.68, subdivision 35b, made after July 1, 2017, and before July 1, 2022, must be
70.16 submitted by December 31, 2022. Only the broadband or Internet service provider may
70.17 apply for a refund. The application must include sufficient information to permit the
70.18 commissioner to verify the tax paid. If the tax was paid by a contractor, subcontractor, or
70.19 builder, the contractor, subcontractor, or builder must furnish to the broadband or Internet
70.20 service provider a statement including the cost of the exempt items and the taxes paid on
70.21 the items. An amount sufficient to pay the refunds is appropriated to the commissioner from
70.22 the general fund. The provisions of Minnesota Statutes, section 297A.75, subdivision 4,
70.23 apply to refunds issued under this section.

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

70.25 Sec. 19. **SPECIAL EXEMPTIONS; CONSTRUCTION SALES AND USE TAX.**

70.26 (a) The following provisions of Minnesota Statutes, section 297A.71, subdivision 55,
70.27 do not apply to a special exemption:

70.28 (1) paragraph (a), limiting the exemption to purchases of materials, supplies, and
70.29 equipment after June 30, 2021, and before January 1, 2023;

70.30 (2) paragraph (b), limiting the exemption to purchases of materials, supplies, and
70.31 equipment after June 30, 2021, and before January 1, 2023; and

71.1 (3) paragraph (c), prohibiting refunds from being issued after June 30, 2023.

71.2 (b) Any provision of Minnesota Statutes, sections 297A.71, subdivision 55, and 297A.75,
 71.3 subdivisions 1, 2, and 3, inconsistent with a provision in a special exemption, do not apply
 71.4 to the special exemption.

71.5 (c) For purposes of this section, "special exemption" means one of the following
 71.6 exemptions provided in this article:

71.7 (1) the exemption for Duluth Public Schools in section 21;

71.8 (2) the exemption for Ely Public Schools in section 23;

71.9 (3) the exemption for Hibbing Public Schools in section 24;

71.10 (4) the exemption for Rock Ridge Public Schools in section 25;

71.11 (5) the exemption for Chisholm Public Schools in section 20;

71.12 (6) the exemption for Nashwauk-Keewatin Public Schools in section 22;

71.13 (7) the exemption for Northland Learning Center in section 26;

71.14 (8) the exemption for Northern Lights Academy in section 27;

71.15 (9) the exemption for Itasca County in section 9;

71.16 (10) the exemption for Maple Grove in section 9;

71.17 (11) the exemption for Wayzata in section 9; and

71.18 (12) the exemption for the public infrastructure project at the Minneapolis-St. Paul
 71.19 International Airport in section 12.

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

71.21 **Sec. 20. CHISHOLM PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**
 71.22 **CONSTRUCTION MATERIALS.**

71.23 **Subdivision 1. Exemption; refund.** (a) Materials and supplies used in and equipment
 71.24 incorporated into the construction and renovation projects for Chisholm Elementary School,
 71.25 Chisholm High School, and Vaughan Steffensrud School in Independent School District
 71.26 No. 695, Chisholm Public Schools, are exempt from sales and use tax imposed under
 71.27 Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after
 71.28 December 31, 2021, and before January 1, 2025.

71.29 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
 71.30 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects

72.1 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
 72.2 purchases must not be issued until after June 30, 2022.

72.3 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
 72.4 is appropriated from the general fund to the commissioner of revenue.

72.5 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2022, and
 72.6 applies to sales and purchases made after December 31, 2021, and before January 1, 2025.

72.7 Sec. 21. **DULUTH PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**
 72.8 **CONSTRUCTION MATERIALS.**

72.9 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
 72.10 incorporated into the construction of an administrative building and a transportation facility
 72.11 in Independent School District No. 709, Duluth Public Schools, are exempt from sales and
 72.12 use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and
 72.13 equipment are purchased after June 30, 2021, and before January 1, 2025.

72.14 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
 72.15 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
 72.16 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
 72.17 purchases must not be issued until after June 30, 2022.

72.18 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
 72.19 is appropriated from the general fund to the commissioner of revenue.

72.20 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2021, and
 72.21 applies to sales and purchases made after June 30, 2021, and before January 1, 2025.

72.22 Sec. 22. **NASHWAUK-KEEWATIN PUBLIC SCHOOLS; SALES TAX EXEMPTION**
 72.23 **FOR CONSTRUCTION MATERIALS.**

72.24 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
 72.25 incorporated into the construction of a new school building and attached community wellness
 72.26 center to replace Keewatin Elementary School and the Nashwauk High School in Independent
 72.27 School District No. 319, Nashwauk-Keewatin Public Schools, are exempt from sales and
 72.28 use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and
 72.29 equipment are purchased after December 31, 2021, and before January 1, 2025.

72.30 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
 72.31 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects

73.1 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
73.2 purchases must not be issued until after June 30, 2022.

73.3 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
73.4 is appropriated from the general fund to the commissioner of revenue.

73.5 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2022, and
73.6 applies to sales and purchases made after December 31, 2021, and before January 1, 2025.

73.7 Sec. 23. **ELY PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**
73.8 **CONSTRUCTION MATERIALS.**

73.9 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
73.10 incorporated into the following projects in Independent School District No. 696, Ely Public
73.11 Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter
73.12 297A, if materials, supplies, and equipment are purchased after May 1, 2019, and before
73.13 January 1, 2024:

73.14 (1) renovations to the elementary school building and high school building; and

73.15 (2) construction of a building that connects the elementary school and high school
73.16 buildings, containing classrooms, a common area, gymnasium, and administrative offices.

73.17 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
73.18 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
73.19 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
73.20 purchases must not be issued until after June 30, 2022.

73.21 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
73.22 is appropriated from the general fund to the commissioner of revenue.

73.23 **EFFECTIVE DATE.** This section is effective retroactively from May 2, 2019, and
73.24 applies to sales and purchases made after May 1, 2019, and before January 1, 2024.

73.25 Sec. 24. **HIBBING PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**
73.26 **CONSTRUCTION MATERIALS.**

73.27 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
73.28 incorporated into the following projects in the city of Hibbing are exempt from sales and
73.29 use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and
73.30 equipment are purchased after May 1, 2019, and before January 1, 2025:

74.1 (1) the addition of an Early Childhood Family Education Center to an existing elementary
74.2 school; and

74.3 (2) improvements to an existing athletic facility in Independent School District No. 701,
74.4 Hibbing Public Schools.

74.5 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
74.6 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
74.7 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
74.8 purchases must not be issued until after June 30, 2022.

74.9 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
74.10 is appropriated from the general fund to the commissioner of revenue.

74.11 **EFFECTIVE DATE.** This section is effective retroactively from May 2, 2019, and
74.12 applies to sales and purchases made after May 1, 2019, and before January 1, 2025.

74.13 Sec. 25. **ROCK RIDGE PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**
74.14 **CONSTRUCTION MATERIALS.**

74.15 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
74.16 incorporated into the construction of two new elementary school buildings and a new high
74.17 school building in Independent School District No. 2909, Rock Ridge Public Schools, are
74.18 exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials,
74.19 supplies, and equipment are purchased after May 1, 2019, and before January 1, 2024.

74.20 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
74.21 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
74.22 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
74.23 purchases must not be issued until after June 30, 2022.

74.24 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
74.25 is appropriated from the general fund to the commissioner of revenue.

74.26 **EFFECTIVE DATE.** This section is effective retroactively from May 2, 2019, and
74.27 applies to sales and purchases made after May 1, 2019, and before January 1, 2024.

74.28 Sec. 26. **NORTHLAND LEARNING CENTER; SALES TAX EXEMPTION FOR**
74.29 **CONSTRUCTION MATERIALS.**

74.30 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
74.31 incorporated into the renovation and addition to the James Madison Building for Northland

75.1 Learning Center, No. 6076, are exempt from sales and use tax imposed under Minnesota
75.2 Statutes, chapter 297A, if materials, supplies, and equipment are purchased after December
75.3 31, 2021, and before January 1, 2025.

75.4 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
75.5 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
75.6 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
75.7 purchases must not be issued until after June 30, 2022.

75.8 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
75.9 is appropriated from the general fund to the commissioner of revenue.

75.10 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2022, and
75.11 applies to sales and purchases made after December 31, 2021, and before January 1, 2025.

75.12 Sec. 27. **NORTHERN LIGHTS ACADEMY; SALES TAX EXEMPTION FOR**
75.13 **CONSTRUCTION MATERIALS.**

75.14 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
75.15 incorporated into the construction of a new building for special education cooperative No.
75.16 6096, Northern Lights Academy, are exempt from sales and use tax imposed under Minnesota
75.17 Statutes, chapter 297A, if materials, supplies, and equipment are purchased after December
75.18 31, 2021, and before January 1, 2025.

75.19 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
75.20 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
75.21 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
75.22 purchases must not be issued until after June 30, 2022.

75.23 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
75.24 is appropriated from the general fund to the commissioner of revenue.

75.25 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2022, and
75.26 applies to sales and purchases made after December 31, 2021, and before January 1, 2025.

75.27 **ARTICLE 4**
75.28 **PROPERTY TAXES**

75.29 Section 1. Minnesota Statutes 2020, section 123B.595, subdivision 3, is amended to read:

75.30 Subd. 3. **Intermediate districts and other cooperative units.** (a) Upon approval through
75.31 the adoption of a resolution by each member district school board of an intermediate district

76.1 or other cooperative ~~units~~ unit under section 123A.24, subdivision 2, or a joint powers
 76.2 district under section 471.59, and the approval of the commissioner of education, a school
 76.3 district may include in its authority under this section a proportionate share of the long-term
 76.4 maintenance costs of the intermediate district ~~or,~~ cooperative unit, or joint powers district.
 76.5 The cooperative unit or joint powers district may issue bonds to finance the project costs
 76.6 or levy for the costs; using long-term maintenance revenue transferred from member districts
 76.7 to make debt service payments or pay project costs or, for leased facilities, pay the portion
 76.8 of lease costs attributable to the amortized cost of long-term facilities maintenance projects
 76.9 completed by the landlord. Authority under this subdivision is in addition to the authority
 76.10 for individual district projects under subdivision 1.

76.11 (b) The resolution adopted under paragraph (a) may specify which member districts will
 76.12 share the project costs under this subdivision, except that debt service payments for bonds
 76.13 issued by a cooperative unit or joint powers district to finance long-term maintenance project
 76.14 costs must be the responsibility of all member districts.

76.15 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2024 and later.

76.16 Sec. 2. Minnesota Statutes 2021 Supplement, section 126C.10, subdivision 2e, is amended
 76.17 to read:

76.18 Subd. 2e. **Local optional revenue.** (a) For fiscal year 2021 and later, local optional
 76.19 revenue for a school district equals the sum of the district's first tier local optional revenue
 76.20 and second tier local optional revenue. A district's first tier local optional revenue equals
 76.21 \$300 times the adjusted pupil units of the district for that school year. A district's second
 76.22 tier local optional revenue equals \$424 times the adjusted pupil units of the district for that
 76.23 school year.

76.24 (b) For fiscal year 2021 and later, a district's local optional levy equals the sum of the
 76.25 first tier local optional levy and the second tier local optional levy.

76.26 (c) For fiscal years 2022 and 2023, a district's first tier local optional levy equals the
 76.27 district's first tier local optional revenue times the lesser of one or the ratio of the district's
 76.28 referendum market value per resident pupil unit to \$880,000. For fiscal year 2024 and later,
 76.29 a district's first tier local optional levy equals the district's first tier local optional revenue
 76.30 times the lesser of one or the ratio of the district's referendum market value per resident
 76.31 pupil unit to 170 percent of the local optional revenue equalizing factor defined in paragraph
 76.32 (d).

77.1 (d) A district's local optional revenue equalizing factor equals the quotient derived by
 77.2 dividing the referendum market value of all school districts in the state for the year before
 77.3 the year the levy is certified by the total number of resident pupil units in all school districts
 77.4 in the state in the year before the year the levy is certified.

77.5 ~~(d)~~ (e) For fiscal year 2022, a district's second tier local optional levy equals the district's
 77.6 second tier local optional revenue times the lesser of one or the ratio of the district's
 77.7 referendum market value per resident pupil unit to \$510,000. For fiscal year 2023, a district's
 77.8 second tier local optional levy equals the district's second tier local optional revenue times
 77.9 the lesser of one or the ratio of the district's referendum market value per resident pupil unit
 77.10 to \$548,842. For fiscal year 2024 and later, a district's second tier local optional levy equals
 77.11 the district's second tier local optional revenue times the lesser of one or the ratio of the
 77.12 district's referendum market value per resident pupil unit to \$510,000.

77.13 ~~(e)~~ (f) The local optional levy must be spread on referendum market value. A district
 77.14 may levy less than the permitted amount.

77.15 ~~(f)~~ (g) A district's local optional aid equals its local optional revenue minus its local
 77.16 optional levy. If a district's actual levy for first or second tier local optional revenue is less
 77.17 than its maximum levy limit for that tier, its aid must be proportionately reduced.

77.18 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2024 and later.

77.19 Sec. 3. Minnesota Statutes 2020, section 126C.40, subdivision 1, is amended to read:

77.20 Subdivision 1. **To lease building or land.** (a) When an independent or a special school
 77.21 district or a group of independent or special school districts finds it economically
 77.22 advantageous to rent or lease a building or land for any instructional purposes or for school
 77.23 storage or furniture repair, and it determines that the operating capital revenue authorized
 77.24 under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the
 77.25 commissioner for permission to make an additional capital expenditure levy for this purpose.
 77.26 An application for permission to levy under this subdivision must contain financial
 77.27 justification for the proposed levy, the terms and conditions of the proposed lease, and a
 77.28 description of the space to be leased and its proposed use.

77.29 (b) The criteria for approval of applications to levy under this subdivision must include:
 77.30 the reasonableness of the price, the appropriateness of the space to the proposed activity,
 77.31 the feasibility of transporting pupils to the leased building or land, conformity of the lease
 77.32 to the laws and rules of the state of Minnesota, and the appropriateness of the proposed
 77.33 lease to the space needs and the financial condition of the district. The commissioner must

78.1 not authorize a levy under this subdivision in an amount greater than the cost to the district
78.2 of renting or leasing a building or land for approved purposes. The proceeds of this levy
78.3 must not be used for custodial or other maintenance services. A district may not levy under
78.4 this subdivision for the purpose of leasing or renting a district-owned building or site to
78.5 itself.

78.6 (c) For agreements finalized after July 1, 1997, a district may not levy under this
78.7 subdivision for the purpose of leasing: (1) a newly constructed building used primarily for
78.8 regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed
78.9 building addition or additions used primarily for regular kindergarten, elementary, or
78.10 secondary instruction that contains more than 20 percent of the square footage of the
78.11 previously existing building.

78.12 (d) Notwithstanding paragraph (b), a district may levy under this subdivision for the
78.13 purpose of leasing or renting a district-owned building or site to itself only if the amount is
78.14 needed by the district to make payments required by a lease purchase agreement, installment
78.15 purchase agreement, or other deferred payments agreement authorized by law, and the levy
78.16 meets the requirements of paragraph (c). A levy authorized for a district by the commissioner
78.17 under this paragraph may be in the amount needed by the district to make payments required
78.18 by a lease purchase agreement, installment purchase agreement, or other deferred payments
78.19 agreement authorized by law, provided that any agreement include a provision giving the
78.20 school districts the right to terminate the agreement annually without penalty.

78.21 (e) The total levy under this subdivision for a district for any year must not exceed \$212
78.22 times the adjusted pupil units for the fiscal year to which the levy is attributable.

78.23 (f) For agreements for which a review and comment have been submitted to the
78.24 Department of Education after April 1, 1998, the term "instructional purpose" as used in
78.25 this subdivision excludes expenditures on stadiums.

78.26 (g) The commissioner of education may authorize a school district to exceed the limit
78.27 in paragraph (e) if the school district petitions the commissioner for approval. The
78.28 commissioner shall grant approval to a school district to exceed the limit in paragraph (e)
78.29 for not more than five years if the district meets the following criteria:

78.30 (1) the school district has been experiencing pupil enrollment growth in the preceding
78.31 five years;

78.32 (2) the purpose of the increased levy is in the long-term public interest;

78.33 (3) the purpose of the increased levy promotes collocation of government services; and

79.1 (4) the purpose of the increased levy is in the long-term interest of the district by avoiding
79.2 over construction of school facilities.

79.3 (h) A school district that is a member of an intermediate school district or other
79.4 cooperative unit under section 123A.24, subdivision 2, or a joint powers district under
79.5 section 471.59 may include in its authority under this section the costs associated with leases
79.6 of administrative and classroom space for ~~intermediate school district~~ programs of the
79.7 intermediate school district or other cooperative unit under section 123A.24, subdivision
79.8 2, or joint powers district under section 471.59. This authority must not exceed \$65 times
79.9 the adjusted pupil units of the member districts. This authority is in addition to any other
79.10 authority authorized under this section. The intermediate school district, other cooperative
79.11 unit, or joint powers district may specify which member districts will levy for lease costs
79.12 under this paragraph.

79.13 (i) In addition to the allowable capital levies in paragraph (a), for taxes payable in 2012
79.14 to 2023, a district that is a member of the "Technology and Information Education Systems"
79.15 data processing joint board, that finds it economically advantageous to enter into a lease
79.16 agreement to finance improvements to a building and land for a group of school districts
79.17 or special school districts for staff development purposes, may levy for its portion of lease
79.18 costs attributed to the district within the total levy limit in paragraph (e). The total levy
79.19 authority under this paragraph shall not exceed \$632,000.

79.20 (j) Notwithstanding paragraph (a), a district may levy under this subdivision for the
79.21 purpose of leasing administrative space if the district can demonstrate to the satisfaction of
79.22 the commissioner that the lease cost for the administrative space is no greater than the lease
79.23 cost for instructional space that the district would otherwise lease. The commissioner must
79.24 deny this levy authority unless the district passes a resolution stating its intent to lease
79.25 instructional space under this section if the commissioner does not grant authority under
79.26 this paragraph. The resolution must also certify that the lease cost for administrative space
79.27 under this paragraph is no greater than the lease cost for the district's proposed instructional
79.28 lease.

79.29 (k) Notwithstanding paragraph (a), a district may levy under this subdivision for the
79.30 district's proportionate share of deferred maintenance expenditures for a district-owned
79.31 building or site leased to a cooperative unit under section 123A.24, subdivision 2, or a joint
79.32 powers district under section 471.59 for any instructional purposes or for school storage.

79.33 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2024 and later.

80.1 Sec. 4. Minnesota Statutes 2020, section 272.01, subdivision 2, is amended to read:

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

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

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

80.13 (2) except as provided in paragraph (c), property of an airport owned by a city, town,
80.14 county, or group thereof which is:

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

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

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

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

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

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

80.26 (4) except as provided in paragraph (d), property constituting or used as a passenger
80.27 check-in area or ticket sale counter, boarding area, or luggage claim area in connection with
80.28 a public airport ~~but not the airports owned or operated by the Metropolitan Airports~~
80.29 ~~Commission or cities of over 50,000 population or an airport authority therein. Real estate~~
80.30 ~~owned by a municipality in connection with the operation of a public airport and leased or~~
80.31 ~~used for agricultural purposes is not exempt;~~

81.1 (5) property leased, loaned, or otherwise made available to a private individual,
81.2 corporation, or association under a cooperative farming agreement made pursuant to section
81.3 97A.135; or

81.4 (6) property leased, loaned, or otherwise made available to a private individual,
81.5 corporation, or association under section 272.68, subdivision 4.

81.6 (c) The exception from taxation provided in paragraph (b), clause (2), does not apply
81.7 to:

81.8 (1) property located at an airport owned or operated by:

81.9 (i) the Metropolitan Airports Commission; or

81.10 (ii) a city of over 50,000 population according to the most recent federal census or such
81.11 a city's airport authority, except that, when calculating the tax imposed by this subdivision
81.12 for property taxes payable in 2023 through 2030, the net tax capacity of such property is
81.13 reduced by 50 percent if it is owned or operated by a city over 50,000 but under 150,000
81.14 in population according to the most recent federal census or such a city's airport authority;
81.15 or

81.16 (2) hangars leased by a private individual, association, or corporation in connection with
81.17 a business conducted for profit other than an aviation-related business.

81.18 (d) The exception from taxation provided in paragraph (b), clause (4), does not apply
81.19 to:

81.20 (1) the property described in paragraph (b), clause (4), at airports that are owned or
81.21 operated by:

81.22 (i) the Metropolitan Airports Commission; or

81.23 (ii) a city of over 50,000 population or an airport authority therein, except that, when
81.24 calculating the tax imposed by this subdivision for property taxes payable in 2023 through
81.25 2030, the net tax capacity of such property is reduced by 50 percent if it is owned or operated
81.26 by a city over 50,000 but under 150,000 in population according to the most recent federal
81.27 census or such a city's airport authority; or

81.28 (2) real estate owned by a municipality in connection with the operation of a public
81.29 airport and leased or used for agricultural purposes.

81.30 ~~(e)~~ (e) Taxes imposed by this subdivision are payable as in the case of personal property
81.31 taxes and shall be assessed to the lessees or users of real or personal property in the same
81.32 manner as taxes assessed to owners of real or personal property, except that such taxes shall

82.1 not become a lien against the property. When due, the taxes shall constitute a debt due from
 82.2 the lessee or user to the state, township, city, county, and school district for which the taxes
 82.3 were assessed and shall be collected in the same manner as personal property taxes. If
 82.4 property subject to the tax imposed by this subdivision is leased or used jointly by two or
 82.5 more persons, each lessee or user shall be jointly and severally liable for payment of the
 82.6 tax.

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

82.12 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
 82.13 in 2023.

82.14 Sec. 5. Minnesota Statutes 2020, section 272.02, subdivision 24, is amended to read:

82.15 Subd. 24. **Solar energy generating systems.** Personal property consisting of solar energy
 82.16 generating systems, as defined in section 272.0295, is exempt. If the real property upon
 82.17 which a solar energy generating system is located is used primarily for solar energy
 82.18 production subject to the production tax under section 272.0295, the real property shall be
 82.19 classified as class 3a. If the real property upon which a solar energy generating system is
 82.20 located is not used primarily for solar energy production subject to the production tax under
 82.21 section 272.0295, the real property shall be classified without regard to the system. If a
 82.22 parcel contains more than one solar energy generating system that cannot be combined with
 82.23 the nameplate capacity of another solar energy generating system for the purposes of the
 82.24 production tax under section 272.0295 but the capacity of the systems are in aggregate over
 82.25 one megawatt, the real property upon which the systems are located shall be classified as
 82.26 class 3a.

82.27 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
 82.28 in 2023 and thereafter.

82.29 Sec. 6. Minnesota Statutes 2020, section 272.02, subdivision 98, is amended to read:

82.30 Subd. 98. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

82.31 (1) was classified as 3a under section 273.13, subdivision 24, for taxes payable in 2013;

83.1 (2) is located in a city of the first class with a population greater than 300,000 as of the
83.2 2010 federal census;

83.3 (3) was on January 2, 2012, and is for the current assessment owned by a federally
83.4 recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota;
83.5 and

83.6 (4) is used exclusively for tribal purposes or institutions of purely public charity as
83.7 defined in subdivision 7.

83.8 (b) For purposes of this subdivision, a "tribal purpose" means a public purpose as defined
83.9 in subdivision 8 and includes noncommercial tribal government activities. Property that
83.10 qualifies for the exemption under this subdivision is limited to no more than two contiguous
83.11 parcels and structures that do not exceed in the aggregate 20,000 square feet. Property
83.12 acquired for single-family housing, market-rate apartments, agriculture, or forestry does
83.13 not qualify for this exemption. The exemption created by this subdivision expires with taxes
83.14 payable in ~~2024~~ 2030.

83.15 (c) Property exempt under this section is exempt from the requirements of section
83.16 272.025.

83.17 **EFFECTIVE DATE.** This section is effective for taxes payable in 2022.

83.18 Sec. 7. Minnesota Statutes 2020, section 272.02, is amended by adding a subdivision to
83.19 read:

83.20 Subd. 105. **Elderly living facility.** (a) An elderly living facility is exempt from taxation
83.21 if it meets all of the following requirements:

83.22 (1) the facility is located in a city of the first class with a population of fewer than
83.23 110,000;

83.24 (2) the facility is owned and operated by a nonprofit organization organized under section
83.25 501(c)(3) of the Internal Revenue Code;

83.26 (3) construction of the facility was completed between January 1, 1963, and January 1,
83.27 1964;

83.28 (4) the facility is an assisted living facility licensed by the state of Minnesota;

83.29 (5) residents of the facility must be (i) at least 55 years of age, or (ii) disabled; and

83.30 (6) at least 30 percent of the units in the facility are occupied by persons whose annual
83.31 income does not exceed 50 percent of the median family income for the area.

84.1 (b) The exemption created by this subdivision expires with taxes payable in 2030.

84.2 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023
84.3 and thereafter.

84.4 Sec. 8. Minnesota Statutes 2020, section 272.02, is amended by adding a subdivision to
84.5 read:

84.6 Subd. 106. **Energy storage systems.** (a) Real or personal property consisting of an
84.7 energy storage system is exempt. For the purposes of this subdivision, "energy storage
84.8 system" has the meaning given in section 216B.2422, subdivision 1, paragraph (f). The land
84.9 on which the property is located remains taxable and must be classified as class 3a under
84.10 section 273.13, subdivision 24.

84.11 (b) Any taxpayer requesting an exemption under this subdivision must file an application
84.12 with the commissioner of revenue. The commissioner must prescribe the content, format,
84.13 and manner of the application pursuant to section 270C.30, except that a "law administered
84.14 by the commissioner" includes the property tax laws. If an application is made by electronic
84.15 means, the taxpayer's signature is defined pursuant to section 270C.304, except that a "law
84.16 administered by the commissioner" includes the property tax laws.

84.17 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2022.
84.18 For assessment year 2022, an exemption application under this section must be filed with
84.19 the commissioner of revenue by July 1, 2022.

84.20 Sec. 9. Minnesota Statutes 2020, section 272.025, subdivision 1, is amended to read:

84.21 Subdivision 1. **Statement of exemption.** (a) Except in the case of property owned by
84.22 the state of Minnesota or any political subdivision thereof, a taxpayer claiming an exemption
84.23 from taxation on property described in section 272.02 must file a statement of exemption
84.24 with the assessor of the assessment district in which the property is located. By January 2,
84.25 2018, and each third year thereafter, the commissioner of revenue shall publish on its website
84.26 a list of the exemptions for which a taxpayer claiming an exemption must file a statement
84.27 of exemption. The commissioner's requirement that a taxpayer file a statement of exemption
84.28 pursuant to this subdivision shall not be considered a rule and is not subject to the
84.29 Administrative Procedure Act, chapter 14.

84.30 (b) A taxpayer claiming an exemption from taxation on property described in section
84.31 272.02, subdivision 10 or 106, must file a statement of exemption with the commissioner

85.1 of revenue, on or before February 15 of each year for which the taxpayer claims an
85.2 exemption.

85.3 (c) In case of sickness, absence or other disability or for good cause, the assessor or the
85.4 commissioner may extend the time for filing the statement of exemption for a period not to
85.5 exceed 60 days.

85.6 (d) The commissioner of revenue shall prescribe the content, format, and manner of the
85.7 statement of exemption pursuant to section 270C.30, except that a "law administered by
85.8 the commissioner" includes the property tax laws.

85.9 (e) If a statement is made by electronic means, the taxpayer's signature is defined pursuant
85.10 to section 270C.304, except that a "law administered by the commissioner" includes the
85.11 property tax laws.

85.12 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023
85.13 and thereafter.

85.14 Sec. 10. Minnesota Statutes 2021 Supplement, section 272.0295, subdivision 2, is amended
85.15 to read:

85.16 Subd. 2. **Definitions.** (a) For the purposes of this section, the term "solar energy
85.17 generating system" means a set of devices whose primary purpose is to produce electricity
85.18 by means of any combination of collecting, transferring, or converting solar generated
85.19 energy.

85.20 (b) The total size of a solar energy generating system under this subdivision shall be
85.21 determined according to this paragraph. Unless the systems are interconnected with different
85.22 distribution systems, the nameplate capacity of a solar energy generating system shall be
85.23 combined with the nameplate capacity of any other solar energy generating system that:

85.24 (1) is constructed within the same 12-month period as the solar energy generating system;
85.25 and

85.26 (2) exhibits characteristics at the time of development of being a single development,
85.27 including but not limited to ownership structure, an umbrella sales arrangement, shared
85.28 interconnection, revenue-sharing arrangements, and common debt or equity financing.

85.29 In the case of a dispute, the commissioner of commerce shall determine the total size of the
85.30 system and shall draw all reasonable inferences in favor of combining the systems. In
85.31 determining the total size of the system, the commissioner of commerce shall determine
85.32 that a solar energy generating system with an application for an interconnection agreement

86.1 submitted on or after September 25, 2015, pursuant to section 216B.1641, with the public
86.2 utility subject to section 116C.779, is considered to be a solar energy generating system
86.3 with a capacity of one megawatt alternating current or less and is exempt from the tax
86.4 imposed by this section.

86.5 For the purposes of making a determination under this paragraph, the original construction
86.6 date of an existing solar energy conversion system is not changed if the system is replaced,
86.7 repaired, or otherwise maintained or altered.

86.8 (c) In making a determination under paragraph (b), the commissioner of commerce may
86.9 determine that two solar energy generating systems are under common ownership when the
86.10 underlying ownership structure contains similar persons or entities, even if the ownership
86.11 shares differ between the two systems. Solar energy generating systems are not under
86.12 common ownership solely because the same person or entity provided equity financing for
86.13 the systems.

86.14 **EFFECTIVE DATE.** This section is effective for reports filed beginning in 2023.

86.15 Sec. 11. Minnesota Statutes 2021 Supplement, section 273.11, subdivision 12, is amended
86.16 to read:

86.17 Subd. 12. **Community land trusts.** (a) A community land trust, as defined under chapter
86.18 462A, is (i) a community-based nonprofit corporation organized under chapter 317A, which
86.19 qualifies for tax exempt status under 501(c)(3), or (ii) a "city" as defined in section 462C.02,
86.20 subdivision 6, which has received funding from the Minnesota housing finance agency for
86.21 purposes of the community land trust program. The Minnesota Housing Finance Agency
86.22 shall set the criteria for community land trusts.

86.23 (b) Before the community land trust can rent or sell a unit to an applicant, the community
86.24 land trust shall verify to the satisfaction of the administering agency or the city that the
86.25 family income of each person or family applying for a unit in the community land trust
86.26 building is within the income criteria provided in section 462A.30, subdivision 9. The
86.27 administering agency or the city shall verify to the satisfaction of the county assessor that
86.28 the occupant meets the income criteria under section 462A.30, subdivision 9. The property
86.29 tax benefits under paragraph (c) shall be granted only to property owned or rented by persons
86.30 or families within the qualifying income limits. The family income criteria and verification
86.31 is only necessary at the time of initial occupancy in the property.

86.32 (c) A unit which is owned by the occupant and used as a homestead by the occupant
86.33 qualifies for homestead treatment as class 1a under section 273.13, subdivision 22 unless

87.1 the unit meets the requirements of section 273.13, subdivision 25, paragraph (e), clause (2),
87.2 in which case the unit shall be classified as 4d(2). A unit which is rented by the occupant
87.3 and used as a homestead by the occupant shall be class 4a or 4b property, under section
87.4 273.13, subdivision 25, whichever is applicable. Any remaining portion of the property not
87.5 used for residential purposes shall be classified by the assessor in the appropriate class based
87.6 upon the use of that portion of the property owned by the community land trust. The land
87.7 upon which the building is located shall be assessed at the same classification rate as the
87.8 units within the building, provided that if the building contains some units assessed as class
87.9 1a or class 4d and some units assessed as class 4a or 4b, the market value of the land will
87.10 be assessed in the same proportions as the value of the building.

87.11 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
87.12 in 2023 and thereafter.

87.13 Sec. 12. Minnesota Statutes 2020, section 273.124, subdivision 3a, is amended to read:

87.14 Subd. 3a. **Manufactured home park cooperative.** (a) When a manufactured home park
87.15 is owned by a corporation or association organized under chapter 308A or 308B, and each
87.16 person who owns a share or shares in the corporation or association is entitled to occupy a
87.17 lot within the park, the corporation or association may claim homestead treatment for the
87.18 park. Each lot must be designated by legal description or number, and each lot is limited to
87.19 not more than one-half acre of land.

87.20 (b) The manufactured home park shall be entitled to homestead treatment if all of the
87.21 following criteria are met:

87.22 (1) the occupant or the cooperative corporation or association is paying the ad valorem
87.23 property taxes and any special assessments levied against the land and structure either
87.24 directly, or indirectly through dues to the corporation or association; and

87.25 (2) the corporation or association organized under chapter 308A or 308B is wholly
87.26 owned by persons having a right to occupy a lot owned by the corporation or association.

87.27 (c) A charitable corporation, organized under the laws of Minnesota with no outstanding
87.28 stock, and granted a ruling by the Internal Revenue Service for 501(c)(3) tax-exempt status,
87.29 qualifies for homestead treatment with respect to a manufactured home park if its members
87.30 hold residential participation warrants entitling them to occupy a lot in the manufactured
87.31 home park.

87.32 (d) "Homestead treatment" under this subdivision means the classification rate provided
87.33 for class 4c property classified under section 273.13, subdivision 25, paragraph (d), clause

88.1 (5), ~~item (ii)~~, and the homestead market value exclusion under section 273.13, subdivision
88.2 35, does not apply.

88.3 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
88.4 in 2024 and thereafter.

88.5 Sec. 13. Minnesota Statutes 2020, section 273.124, subdivision 6, is amended to read:

88.6 Subd. 6. **Leasehold cooperatives.** When one or more dwellings or one or more buildings
88.7 which each contain several dwelling units is owned by a nonprofit corporation subject to
88.8 the provisions of chapter 317A and qualifying under section 501(c)(3) or 501(c)(4) of the
88.9 Internal Revenue Code, or a limited partnership which corporation or partnership operates
88.10 the property in conjunction with a cooperative association, and has received public financing,
88.11 homestead treatment may be claimed by the cooperative association on behalf of the members
88.12 of the cooperative for each dwelling unit occupied by a member of the cooperative. The
88.13 cooperative association must provide the assessor with the Social Security numbers or
88.14 individual tax identification numbers of those members. To qualify for the treatment provided
88.15 by this subdivision, the following conditions must be met:

88.16 (a) the cooperative association must be organized under chapter 308A or 308B and all
88.17 voting members of the board of directors must be resident tenants of the cooperative and
88.18 must be elected by the resident tenants of the cooperative;

88.19 (b) the cooperative association must have a lease for occupancy of the property for a
88.20 term of at least 20 years, which permits the cooperative association, while not in default on
88.21 the lease, to participate materially in the management of the property, including material
88.22 participation in establishing budgets, setting rent levels, and hiring and supervising a
88.23 management agent;

88.24 (c) to the extent permitted under state or federal law, the cooperative association must
88.25 have a right under a written agreement with the owner to purchase the property if the owner
88.26 proposes to sell it; if the cooperative association does not purchase the property it is offered
88.27 for sale, the owner may not subsequently sell the property to another purchaser at a price
88.28 lower than the price at which it was offered for sale to the cooperative association unless
88.29 the cooperative association approves the sale;

88.30 (d) a minimum of 40 percent of the cooperative association's members must have incomes
88.31 at or less than 60 percent of area median gross income as determined by the United States
88.32 Secretary of Housing and Urban Development under section 142(d)(2)(B) of the Internal

89.1 Revenue Code. For purposes of this clause, "member income" means the income of a member
89.2 existing at the time the member acquires cooperative membership;

89.3 (e) if a limited partnership owns the property, it must include as the managing general
89.4 partner a nonprofit organization operating under the provisions of chapter 317A and
89.5 qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code and the limited
89.6 partnership agreement must provide that the managing general partner have sufficient powers
89.7 so that it materially participates in the management and control of the limited partnership;

89.8 (f) prior to becoming a member of a leasehold cooperative described in this subdivision,
89.9 a person must have received notice that (1) describes leasehold cooperative property in plain
89.10 language, including but not limited to the effects of classification under this subdivision on
89.11 rents, property taxes and tax credits or refunds, and operating expenses, and (2) states that
89.12 copies of the articles of incorporation and bylaws of the cooperative association, the lease
89.13 between the owner and the cooperative association, a sample sublease between the
89.14 cooperative association and a tenant, and, if the owner is a partnership, a copy of the limited
89.15 partnership agreement, can be obtained upon written request at no charge from the owner,
89.16 and the owner must send or deliver the materials within seven days after receiving any
89.17 request;

89.18 (g) if a dwelling unit of a building was occupied on the 60th day prior to the date on
89.19 which the unit became leasehold cooperative property described in this subdivision, the
89.20 notice described in paragraph (f) must have been sent by first class mail to the occupant of
89.21 the unit at least 60 days prior to the date on which the unit became leasehold cooperative
89.22 property. For purposes of the notice under this paragraph, the copies of the documents
89.23 referred to in paragraph (f) may be in proposed version, provided that any subsequent
89.24 material alteration of those documents made after the occupant has requested a copy shall
89.25 be disclosed to any occupant who has requested a copy of the document. Copies of the
89.26 articles of incorporation and certificate of limited partnership shall be filed with the secretary
89.27 of state after the expiration of the 60-day period unless the change to leasehold cooperative
89.28 status does not proceed;

89.29 (h) the county attorney of the county in which the property is located must certify to the
89.30 assessor that the property meets the requirements of this subdivision;

89.31 (i) the public financing received must be from at least one of the following sources:

89.32 (1) tax increment financing proceeds used for the acquisition or rehabilitation of the
89.33 building or interest rate write-downs relating to the acquisition of the building;

90.1 (2) government issued bonds exempt from taxes under section 103 of the Internal Revenue
90.2 Code, the proceeds of which are used for the acquisition or rehabilitation of the building;

90.3 (3) programs under section 221(d)(3), 202, or 236, of Title II of the National Housing
90.4 Act;

90.5 (4) rental housing program funds under Section 8 of the United States Housing Act of
90.6 1937, as amended, or the market rate family graduated payment mortgage program funds
90.7 administered by the Minnesota Housing Finance Agency that are used for the acquisition
90.8 or rehabilitation of the building;

90.9 (5) low-income housing credit under section 42 of the Internal Revenue Code;

90.10 (6) public financing provided by a local government used for the acquisition or
90.11 rehabilitation of the building, including grants or loans from (i) federal community
90.12 development block grants; (ii) HOME block grants; or (iii) residential rental bonds issued
90.13 under chapter 474A; or

90.14 (7) other rental housing program funds provided by the Minnesota Housing Finance
90.15 Agency for the acquisition or rehabilitation of the building;

90.16 (j) at the time of the initial request for homestead classification or of any transfer of
90.17 ownership of the property, the governing body of the municipality in which the property is
90.18 located must hold a public hearing and make the following findings:

90.19 (1) that the granting of the homestead treatment of the apartment's units will facilitate
90.20 safe, clean, affordable housing for the cooperative members that would otherwise not be
90.21 available absent the homestead designation;

90.22 (2) that the owner has presented information satisfactory to the governing body showing
90.23 that the savings garnered from the homestead designation of the units will be used to reduce
90.24 tenant's rents or provide a level of furnishing or maintenance not possible absent the
90.25 designation; and

90.26 (3) that the requirements of paragraphs (b), (d), and (i) have been met.

90.27 Homestead treatment must be afforded to units occupied by members of the cooperative
90.28 association and the units must be assessed as provided in subdivision 3, provided that any
90.29 unit not so occupied shall be classified and assessed pursuant to the appropriate class. No
90.30 more than three acres of land may, for assessment purposes, be included with each dwelling
90.31 unit that qualifies for homestead treatment under this subdivision.

91.1 When dwelling units no longer qualify under this subdivision, the current owner must
 91.2 notify the assessor within 60 days. Failure to notify the assessor within 60 days shall result
 91.3 in the loss of benefits under this subdivision for taxes payable in the year that the failure is
 91.4 discovered. For these purposes, "benefits under this subdivision" means the difference in
 91.5 the net tax capacity of the units which no longer qualify as computed under this subdivision
 91.6 and as computed under the otherwise applicable law, times the local tax rate applicable to
 91.7 the building for that taxes payable year. Upon discovery of a failure to notify, the assessor
 91.8 shall inform the auditor of the difference in net tax capacity for the building or buildings in
 91.9 which units no longer qualify, and the auditor shall calculate the benefits under this
 91.10 subdivision. Such amount, plus a penalty equal to 100 percent of that amount, shall then be
 91.11 demanded of the building's owner. The property owner may appeal the county's determination
 91.12 by serving copies of a petition for review with county officials as provided in section 278.01
 91.13 and filing a proof of service as provided in section 278.01 with the Minnesota Tax Court
 91.14 within 60 days of the date of the notice from the county. The appeal shall be governed by
 91.15 the Tax Court procedures provided in chapter 271, for cases relating to the tax laws as
 91.16 defined in section 271.01, subdivision 5; disregarding sections 273.125, subdivision 5, and
 91.17 278.03, but including section 278.05, subdivision 2. If the amount of the benefits under this
 91.18 subdivision and penalty are not paid within 60 days, and if no appeal has been filed, the
 91.19 county auditor shall certify the amount of the benefit and penalty to the succeeding year's
 91.20 tax list to be collected as part of the property taxes on the affected buildings.

91.21 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
 91.22 filed in 2022 and thereafter.

91.23 Sec. 14. Minnesota Statutes 2021 Supplement, section 273.124, subdivision 13, is amended
 91.24 to read:

91.25 Subd. 13. **Homestead application.** (a) A person who meets the homestead requirements
 91.26 under subdivision 1 must file a homestead application with the county assessor to initially
 91.27 obtain homestead classification.

91.28 (b) The commissioner shall prescribe the content, format, and manner of the homestead
 91.29 application required to be filed under this chapter pursuant to section 270C.30. The
 91.30 application must clearly inform the taxpayer that this application must be signed by all
 91.31 owners who occupy the property or by the qualifying relative and returned to the county
 91.32 assessor in order for the property to receive homestead treatment.

91.33 (c) Every property owner applying for homestead classification must furnish to the
 91.34 county assessor the Social Security number or individual tax identification number of each

92.1 occupant who is listed as an owner of the property on the deed of record, the name and
92.2 address of each owner who does not occupy the property, and the name and Social Security
92.3 number or individual tax identification number of the spouse of each occupying owner. The
92.4 application must be signed by each owner who occupies the property and by each owner's
92.5 spouse who occupies the property, or, in the case of property that qualifies as a homestead
92.6 under subdivision 1, paragraph (c), by the qualifying relative.

92.7 If a property owner occupies a homestead, the property owner's spouse may not claim
92.8 another property as a homestead unless the property owner and the property owner's spouse
92.9 file with the assessor an affidavit or other proof required by the assessor stating that the
92.10 property qualifies as a homestead under subdivision 1, paragraph (e).

92.11 Owners or spouses occupying residences owned by their spouses and previously occupied
92.12 with the other spouse, either of whom fail to include the other spouse's name and Social
92.13 Security number or individual tax identification number on the homestead application or
92.14 provide the affidavits or other proof requested, will be deemed to have elected to receive
92.15 only partial homestead treatment of their residence. The remainder of the residence will be
92.16 classified as nonhomestead residential. When an owner or spouse's name and Social Security
92.17 number or individual tax identification number appear on homestead applications for two
92.18 separate residences and only one application is signed, the owner or spouse will be deemed
92.19 to have elected to homestead the residence for which the application was signed.

92.20 (d) If residential real estate is occupied and used for purposes of a homestead by a relative
92.21 of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for
92.22 the property to receive homestead status, a homestead application must be filed with the
92.23 assessor. The Social Security number or individual tax identification number of each relative
92.24 occupying the property and the name and Social Security number or individual tax
92.25 identification number of the spouse of a relative occupying the property shall be required
92.26 on the homestead application filed under this subdivision. If a different relative of the owner
92.27 subsequently occupies the property, the owner of the property must notify the assessor
92.28 within 30 days of the change in occupancy. The Social Security number or individual tax
92.29 identification number of a relative occupying the property or the spouse of a relative
92.30 occupying the property is private data on individuals as defined by section 13.02, subdivision
92.31 12, but may be disclosed to the commissioner of revenue, or, for the purposes of proceeding
92.32 under the Revenue Recapture Act to recover personal property taxes owing, to the county
92.33 treasurer.

92.34 (e) The homestead application shall also notify the property owners that if the property
92.35 is granted homestead status for any assessment year, that same property shall remain

93.1 classified as homestead until the property is sold or transferred to another person, or the
93.2 owners, the spouse of the owner, or the relatives no longer use the property as their
93.3 homestead. Upon the sale or transfer of the homestead property, a certificate of value must
93.4 be timely filed with the county auditor as provided under section 272.115. Failure to notify
93.5 the assessor within 30 days that the property has been sold, transferred, or that the owner,
93.6 the spouse of the owner, or the relative is no longer occupying the property as a homestead,
93.7 shall result in the penalty provided under this subdivision and the property will lose its
93.8 current homestead status.

93.9 (f) If a homestead application has not been filed with the county by December 31, the
93.10 assessor shall classify the property as nonhomestead for the current assessment year for
93.11 taxes payable in the following year, provided that the owner may be entitled to receive the
93.12 homestead classification by proper application under section 375.192.

93.13 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
93.14 filed in 2022 and thereafter.

93.15 Sec. 15. Minnesota Statutes 2020, section 273.124, subdivision 13a, is amended to read:

93.16 Subd. 13a. **Occupant list.** At the request of the commissioner, each county must give
93.17 the commissioner a list that includes the name and Social Security number or individual
93.18 tax identification number of each occupant of homestead property who is the property owner,
93.19 property owner's spouse, qualifying relative of a property owner, or a spouse of a qualifying
93.20 relative. The commissioner shall use the information provided on the lists as appropriate
93.21 under the law, including for the detection of improper claims by owners, or relatives of
93.22 owners, under chapter 290A.

93.23 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
93.24 filed in 2022 and thereafter.

93.25 Sec. 16. Minnesota Statutes 2020, section 273.124, subdivision 13c, is amended to read:

93.26 Subd. 13c. **Property lists.** In addition to lists of homestead properties, the commissioner
93.27 may ask the counties to furnish lists of all properties and the record owners. The Social
93.28 Security numbers, individual tax identification numbers, and federal identification numbers
93.29 that are maintained by a county or city assessor for property tax administration purposes,
93.30 and that may appear on the lists retain their classification as private or nonpublic data; but
93.31 may be viewed, accessed, and used by the county auditor or treasurer of the same county
93.32 for the limited purpose of assisting the commissioner in the preparation of microdata samples
93.33 under section 270C.12. The commissioner shall use the information provided on the lists

94.1 as appropriate under the law, including for the detection of improper claims by owners, or
94.2 relatives of owners, under chapter 290A.

94.3 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
94.4 filed in 2022 and thereafter.

94.5 Sec. 17. Minnesota Statutes 2020, section 273.124, subdivision 13d, is amended to read:

94.6 Subd. 13d. **Homestead data.** On or before April 30 each year beginning in 2007, each
94.7 county must provide the commissioner with the following data for each parcel of homestead
94.8 property by electronic means as defined in section 289A.02, subdivision 8:

94.9 (1) the property identification number assigned to the parcel for purposes of taxes payable
94.10 in the current year;

94.11 (2) the name and Social Security number or individual tax identification number of each
94.12 occupant of homestead property who is the property owner or qualifying relative of a property
94.13 owner, and the spouse of the property owner who occupies homestead property or spouse
94.14 of a qualifying relative of a property owner who occupies homestead property;

94.15 (3) the classification of the property under section 273.13 for taxes payable in the current
94.16 year and in the prior year;

94.17 (4) an indication of whether the property was classified as a homestead for taxes payable
94.18 in the current year because of occupancy by a relative of the owner or by a spouse of a
94.19 relative;

94.20 (5) the property taxes payable as defined in section 290A.03, subdivision 13, for the
94.21 current year and the prior year;

94.22 (6) the market value of improvements to the property first assessed for tax purposes for
94.23 taxes payable in the current year;

94.24 (7) the assessor's estimated market value assigned to the property for taxes payable in
94.25 the current year and the prior year;

94.26 (8) the taxable market value assigned to the property for taxes payable in the current
94.27 year and the prior year;

94.28 (9) whether there are delinquent property taxes owing on the homestead;

94.29 (10) the unique taxing district in which the property is located; and

94.30 (11) such other information as the commissioner decides is necessary.

95.1 The commissioner shall use the information provided on the lists as appropriate under
95.2 the law, including for the detection of improper claims by owners, or relatives of owners,
95.3 under chapter 290A.

95.4 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
95.5 filed in 2022 and thereafter.

95.6 Sec. 18. Minnesota Statutes 2021 Supplement, section 273.124, subdivision 14, is amended
95.7 to read:

95.8 Subd. 14. **Agricultural homesteads; special provisions.** (a) Real estate of less than ten
95.9 acres that is the homestead of its owner must be classified as class 2a under section 273.13,
95.10 subdivision 23, paragraph (a), if:

95.11 (1) the parcel on which the house is located is contiguous on at least two sides to (i)
95.12 agricultural land, (ii) land owned or administered by the United States Fish and Wildlife
95.13 Service, or (iii) land administered by the Department of Natural Resources on which in lieu
95.14 taxes are paid under sections 477A.11 to 477A.14 or section 477A.17;

95.15 (2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20
95.16 acres;

95.17 (3) the noncontiguous land is located not farther than four townships or cities, or a
95.18 combination of townships or cities from the homestead; and

95.19 (4) the agricultural use value of the noncontiguous land and farm buildings is equal to
95.20 at least 50 percent of the market value of the house, garage, and one acre of land.

95.21 Homesteads initially classified as class 2a under the provisions of this paragraph shall
95.22 remain classified as class 2a, irrespective of subsequent changes in the use of adjoining
95.23 properties, as long as the homestead remains under the same ownership, the owner owns a
95.24 noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use
95.25 value qualifies under clause (4). Homestead classification under this paragraph is limited
95.26 to property that qualified under this paragraph for the 1998 assessment.

95.27 (b)(i) Agricultural property shall be classified as the owner's homestead, to the same
95.28 extent as other agricultural homestead property, if all of the following criteria are met:

95.29 (1) the agricultural property consists of at least 40 acres including undivided government
95.30 lots and correctional 40's;

95.31 (2) the owner, the owner's spouse, or a grandchild, child, sibling, ~~or~~ parent, grandparent,
95.32 stepparent, stepchild, uncle, aunt, nephew, or niece of the owner or of the owner's spouse,

96.1 is actively farming the agricultural property, either on the person's own behalf as an individual
96.2 or on behalf of a partnership operating a family farm, family farm corporation, joint family
96.3 farm venture, or limited liability company of which the person is a partner, shareholder, or
96.4 member;

96.5 (3) both the owner of the agricultural property and the person who is actively farming
96.6 the agricultural property under clause (2), are Minnesota residents;

96.7 (4) neither the owner nor the spouse of the owner claims another agricultural homestead
96.8 in Minnesota; and

96.9 (5) neither the owner nor the person actively farming the agricultural property lives
96.10 farther than four townships or cities, or a combination of four townships or cities, from the
96.11 agricultural property, except that if the owner or the owner's spouse is required to live in
96.12 employer-provided housing, the owner or owner's spouse, whichever is actively farming
96.13 the agricultural property, may live more than four townships or cities, or combination of
96.14 four townships or cities from the agricultural property.

96.15 The relationship under this paragraph may be either by blood or marriage.

96.16 (ii) Property containing the residence of an owner who owns qualified property under
96.17 clause (i) shall be classified as part of the owner's agricultural homestead, if that property
96.18 is also used for noncommercial storage or drying of agricultural crops.

96.19 (iii) As used in this paragraph, "agricultural property" means class 2a property and any
96.20 class 2b property that is contiguous to and under the same ownership as the class 2a property.

96.21 (c) Noncontiguous land shall be included as part of a homestead under section 273.13,
96.22 subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached
96.23 land is located in the same township or city, or not farther than four townships or cities or
96.24 combination thereof from the homestead. Any taxpayer of these noncontiguous lands must
96.25 notify the county assessor that the noncontiguous land is part of the taxpayer's homestead,
96.26 and, if the homestead is located in another county, the taxpayer must also notify the assessor
96.27 of the other county.

96.28 (d) Agricultural land used for purposes of a homestead and actively farmed by a person
96.29 holding a vested remainder interest in it must be classified as a homestead under section
96.30 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other
96.31 dwellings on the land used for purposes of a homestead by persons holding vested remainder
96.32 interests who are actively engaged in farming the property, and up to one acre of the land

97.1 surrounding each homestead and reasonably necessary for the use of the dwelling as a home,
97.2 must also be assessed class 2a.

97.3 (e) Agricultural land and buildings that were class 2a homestead property under section
97.4 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as
97.5 agricultural homesteads for subsequent assessments if:

97.6 (1) the property owner abandoned the homestead dwelling located on the agricultural
97.7 homestead as a result of the April 1997 floods;

97.8 (2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or
97.9 Wilkin;

97.10 (3) the agricultural land and buildings remain under the same ownership for the current
97.11 assessment year as existed for the 1997 assessment year and continue to be used for
97.12 agricultural purposes;

97.13 (4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles
97.14 of one of the parcels of agricultural land that is owned by the taxpayer; and

97.15 (5) the owner notifies the county assessor that the relocation was due to the 1997 floods,
97.16 and the owner furnishes the assessor any information deemed necessary by the assessor in
97.17 verifying the change in dwelling. Further notifications to the assessor are not required if the
97.18 property continues to meet all the requirements in this paragraph and any dwellings on the
97.19 agricultural land remain uninhabited.

97.20 (f) Agricultural land and buildings that were class 2a homestead property under section
97.21 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified
97.22 agricultural homesteads for subsequent assessments if:

97.23 (1) the property owner abandoned the homestead dwelling located on the agricultural
97.24 homestead as a result of damage caused by a March 29, 1998, tornado;

97.25 (2) the property is located in the county of Blue Earth, Brown, Cottonwood, LeSueur,
97.26 Nicollet, Nobles, or Rice;

97.27 (3) the agricultural land and buildings remain under the same ownership for the current
97.28 assessment year as existed for the 1998 assessment year;

97.29 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of
97.30 one of the parcels of agricultural land that is owned by the taxpayer; and

97.31 (5) the owner notifies the county assessor that the relocation was due to a March 29,
97.32 1998, tornado, and the owner furnishes the assessor any information deemed necessary by

98.1 the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the
98.2 owner must notify the assessor by December 1, 1998. Further notifications to the assessor
98.3 are not required if the property continues to meet all the requirements in this paragraph and
98.4 any dwellings on the agricultural land remain uninhabited.

98.5 (g) Agricultural property of a family farm corporation, joint family farm venture, family
98.6 farm limited liability company, or partnership operating a family farm as described under
98.7 subdivision 8 shall be classified homestead, to the same extent as other agricultural homestead
98.8 property, if all of the following criteria are met:

98.9 (1) the property consists of at least 40 acres including undivided government lots and
98.10 correctional 40's;

98.11 (2) a shareholder, member, or partner of that entity is actively farming the agricultural
98.12 property;

98.13 (3) that shareholder, member, or partner who is actively farming the agricultural property
98.14 is a Minnesota resident;

98.15 (4) neither that shareholder, member, or partner, nor the spouse of that shareholder,
98.16 member, or partner claims another agricultural homestead in Minnesota; and

98.17 (5) that shareholder, member, or partner does not live farther than four townships or
98.18 cities, or a combination of four townships or cities, from the agricultural property.

98.19 Homestead treatment applies under this paragraph even if:

98.20 (i) the shareholder, member, or partner of that entity is actively farming the agricultural
98.21 property on the shareholder's, member's, or partner's own behalf; or

98.22 (ii) the family farm is operated by a family farm corporation, joint family farm venture,
98.23 partnership, or limited liability company other than the family farm corporation, joint family
98.24 farm venture, partnership, or limited liability company that owns the land, provided that:

98.25 (A) the shareholder, member, or partner of the family farm corporation, joint family
98.26 farm venture, partnership, or limited liability company that owns the land who is actively
98.27 farming the land is a shareholder, member, or partner of the family farm corporation, joint
98.28 family farm venture, partnership, or limited liability company that is operating the farm;
98.29 and

98.30 (B) more than half of the shareholders, members, or partners of each family farm
98.31 corporation, joint family farm venture, partnership, or limited liability company are persons

99.1 or spouses of persons who are a qualifying relative under section 273.124, subdivision 1,
99.2 paragraphs (c) and (d).

99.3 Homestead treatment applies under this paragraph for property leased to a family farm
99.4 corporation, joint farm venture, limited liability company, or partnership operating a family
99.5 farm if legal title to the property is in the name of an individual who is a member, shareholder,
99.6 or partner in the entity.

99.7 (h) To be eligible for the special agricultural homestead under this subdivision, an initial
99.8 full application must be submitted to the county assessor where the property is located.
99.9 Owners and the persons who are actively farming the property shall be required to complete
99.10 only a one-page abbreviated version of the application in each subsequent year provided
99.11 that none of the following items have changed since the initial application:

99.12 (1) the day-to-day operation, administration, and financial risks remain the same;

99.13 (2) the owners and the persons actively farming the property continue to live within the
99.14 four townships or city criteria and are Minnesota residents;

99.15 (3) the same operator of the agricultural property is listed with the Farm Service Agency;

99.16 (4) a Schedule F or equivalent income tax form was filed for the most recent year;

99.17 (5) the property's acreage is unchanged; and

99.18 (6) none of the property's acres have been enrolled in a federal or state farm program
99.19 since the initial application.

99.20 The owners and any persons who are actively farming the property must include the
99.21 appropriate Social Security numbers or individual tax identification numbers, and sign and
99.22 date the application. If any of the specified information has changed since the full application
99.23 was filed, the owner must notify the assessor, and must complete a new application to
99.24 determine if the property continues to qualify for the special agricultural homestead. The
99.25 commissioner of revenue shall prepare a standard reapplication form for use by the assessors.

99.26 (i) Agricultural land and buildings that were class 2a homestead property under section
99.27 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified
99.28 agricultural homesteads for subsequent assessments if:

99.29 (1) the property owner abandoned the homestead dwelling located on the agricultural
99.30 homestead as a result of damage caused by the August 2007 floods;

99.31 (2) the property is located in the county of Dodge, Fillmore, Houston, Olmsted, Steele,
99.32 Wabasha, or Winona;

100.1 (3) the agricultural land and buildings remain under the same ownership for the current
100.2 assessment year as existed for the 2007 assessment year;

100.3 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of
100.4 one of the parcels of agricultural land that is owned by the taxpayer; and

100.5 (5) the owner notifies the county assessor that the relocation was due to the August 2007
100.6 floods, and the owner furnishes the assessor any information deemed necessary by the
100.7 assessor in verifying the change in homestead dwelling. For taxes payable in 2009, the
100.8 owner must notify the assessor by December 1, 2008. Further notifications to the assessor
100.9 are not required if the property continues to meet all the requirements in this paragraph and
100.10 any dwellings on the agricultural land remain uninhabited.

100.11 (j) Agricultural land and buildings that were class 2a homestead property under section
100.12 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as
100.13 agricultural homesteads for subsequent assessments if:

100.14 (1) the property owner abandoned the homestead dwelling located on the agricultural
100.15 homestead as a result of the March 2009 floods;

100.16 (2) the property is located in the county of Marshall;

100.17 (3) the agricultural land and buildings remain under the same ownership for the current
100.18 assessment year as existed for the 2008 assessment year and continue to be used for
100.19 agricultural purposes;

100.20 (4) the dwelling occupied by the owner is located in Minnesota and is within 50 miles
100.21 of one of the parcels of agricultural land that is owned by the taxpayer; and

100.22 (5) the owner notifies the county assessor that the relocation was due to the 2009 floods,
100.23 and the owner furnishes the assessor any information deemed necessary by the assessor in
100.24 verifying the change in dwelling. Further notifications to the assessor are not required if the
100.25 property continues to meet all the requirements in this paragraph and any dwellings on the
100.26 agricultural land remain uninhabited.

100.27 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
100.28 filed in 2022 and thereafter.

100.29 Sec. 19. Minnesota Statutes 2020, section 273.1245, subdivision 1, is amended to read:

100.30 Subdivision 1. **Private or nonpublic data.** The following data are private or nonpublic
100.31 data as defined in section 13.02, subdivisions 9 and 12, when they are submitted to a county
100.32 or local assessor under section 273.124, 273.13, or another section, to support a claim for

101.1 the property tax homestead classification under section 273.13, or other property tax
101.2 classification or benefit:

101.3 (1) Social Security numbers;

101.4 (2) individual tax identification numbers;

101.5 ~~(2)~~ (3) copies of state or federal income tax returns; and

101.6 ~~(3)~~ (4) state or federal income tax return information, including the federal income tax
101.7 schedule F.

101.8 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
101.9 filed in 2022 and thereafter.

101.10 Sec. 20. Minnesota Statutes 2021 Supplement, section 273.13, subdivision 23, is amended
101.11 to read:

101.12 Subd. 23. **Class 2.** (a) An agricultural homestead consists of class 2a agricultural land
101.13 that is homesteaded, along with any class 2b rural vacant land that is contiguous to the class
101.14 2a land under the same ownership. The market value of the house and garage and immediately
101.15 surrounding one acre of land has the same classification rates as class 1a or 1b property
101.16 under subdivision 22. The value of the remaining land including improvements up to the
101.17 first tier valuation limit of agricultural homestead property has a classification rate of 0.5
101.18 percent of market value. The remaining property over the first tier has a classification rate
101.19 of one percent of market value. For purposes of this subdivision, the "first tier valuation
101.20 limit of agricultural homestead property" and "first tier" means the limit certified under
101.21 section 273.11, subdivision 23.

101.22 (b) Class 2a agricultural land consists of parcels of property, or portions thereof, that
101.23 are agricultural land and buildings. Class 2a property has a classification rate of one percent
101.24 of market value, unless it is part of an agricultural homestead under paragraph (a). Class 2a
101.25 property must also include any property that would otherwise be classified as 2b, but is
101.26 interspersed with class 2a property, including but not limited to sloughs, wooded wind
101.27 shelters, acreage abutting ditches, ravines, rock piles, land subject to a setback requirement,
101.28 and other similar land that is impractical for the assessor to value separately from the rest
101.29 of the property or that is unlikely to be able to be sold separately from the rest of the property.

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

102.1 (c) Class 2b rural vacant land consists of parcels of property, or portions thereof, that
102.2 are unplatted real estate, rural in character and not used for agricultural purposes, including
102.3 land used for growing trees for timber, lumber, and wood and wood products, that is not
102.4 improved with a structure. The presence of a minor, ancillary nonresidential structure as
102.5 defined by the commissioner of revenue does not disqualify the property from classification
102.6 under this paragraph. Any parcel of 20 acres or more improved with a structure that is not
102.7 a minor, ancillary nonresidential structure must be split-classified, and ten acres must be
102.8 assigned to the split parcel containing the structure. If a parcel of 20 acres or more is enrolled
102.9 in the sustainable forest management incentive program under chapter 290C, the number
102.10 of acres assigned to the split parcel improved with a structure that is not a minor, ancillary
102.11 nonresidential structure must equal three acres or the number of acres excluded from the
102.12 sustainable forest incentive act covenant due to the structure, whichever is greater. Class
102.13 2b property has a classification rate of one percent of market value unless it is part of an
102.14 agricultural homestead under paragraph (a), or qualifies as class 2c under paragraph (d).

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

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

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

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

103.1 "Agricultural purposes" as used in this section means the raising, cultivation, drying, or
103.2 storage of agricultural products for sale, or the storage of machinery or equipment used in
103.3 support of agricultural production by the same farm entity. For a property to be classified
103.4 as agricultural based only on the drying or storage of agricultural products, the products
103.5 being dried or stored must have been produced by the same farm entity as the entity operating
103.6 the drying or storage facility. "Agricultural purposes" also includes (i) enrollment in a local
103.7 conservation program or the Reinvest in Minnesota program under sections 103F.501 to
103.8 103F.535 or the federal Conservation Reserve Program as contained in Public Law 99-198
103.9 or a similar state or federal conservation program if the property was classified as agricultural
103.10 (A) under this subdivision for taxes payable in 2003 because of its enrollment in a qualifying
103.11 program and the land remains enrolled or (B) in the year prior to its enrollment, or (ii) use
103.12 of land, not to exceed three acres, to provide environmental benefits such as buffer strips,
103.13 old growth forest restoration or retention, or retention ponds to prevent soil erosion. For
103.14 purposes of this section, a "local conservation program" means a program administered by
103.15 a town, statutory or home rule charter city, or county, including a watershed district, water
103.16 management organization, or soil and water conservation district, in which landowners
103.17 voluntarily enroll land and receive incentive payments equal to at least \$50 per acre in
103.18 exchange for use or other restrictions placed on the land. In order for property to qualify
103.19 under the local conservation program provision, a taxpayer must apply to the assessor by
103.20 February 1 of the assessment year and must submit the information required by the assessor,
103.21 including but not limited to a copy of the program requirements, the specific agreement
103.22 between the land owner and the local agency, if applicable, and a map of the conservation
103.23 area. Agricultural classification shall not be based upon the market value of any residential
103.24 structures on the parcel or contiguous parcels under the same ownership.

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

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

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

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

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

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

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

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

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

104.15 Classification under this subdivision is not determinative for qualifying under section
104.16 273.111.

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

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

104.22 (1) livestock; dairy animals; dairy products; poultry and poultry products; fur-bearing
104.23 animals; horticultural and nursery stock; fruit of all kinds; vegetables; forage; grains;
104.24 hemp; bees; and apiary products by the owner;

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

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

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

105.1 (5) game birds and waterfowl bred and raised (i) on a game farm licensed under section
105.2 97A.105, provided that the annual licensing report to the Department of Natural Resources,
105.3 which must be submitted annually by March 30 to the assessor, indicates that at least 500
105.4 birds were raised or used for breeding stock on the property during the preceding year and
105.5 that the owner provides a copy of the owner's most recent schedule F; or (ii) for use on a
105.6 shooting preserve licensed under section 97A.115;

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

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

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

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

105.14 (1) wholesale and retail sales;

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

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

105.17 (4) office facilities for the support of the activities enumerated in clauses (1), (2), and
105.18 (3), the assessor shall classify the part of the parcel used for agricultural purposes as class
105.19 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use.
105.20 The grading, sorting, and packaging of raw agricultural products for first sale is considered
105.21 an agricultural purpose. A greenhouse or other building where horticultural or nursery
105.22 products are grown that is also used for the conduct of retail sales must be classified as
105.23 agricultural if it is primarily used for the growing of horticultural or nursery products from
105.24 seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products.
105.25 Use of a greenhouse or building only for the display of already grown horticultural or nursery
105.26 products does not qualify as an agricultural purpose.

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

105.31 (l) Class 2d airport landing area consists of a landing area or public access area of a
105.32 privately owned public use airport. It has a classification rate of one percent of market value.
105.33 To qualify for classification under this paragraph, a privately owned public use airport must

106.1 be licensed as a public airport under section 360.018. For purposes of this paragraph, "landing
106.2 area" means that part of a privately owned public use airport properly cleared, regularly
106.3 maintained, and made available to the public for use by aircraft and includes runways,
106.4 taxiways, aprons, and sites upon which are situated landing or navigational aids. A landing
106.5 area also includes land underlying both the primary surface and the approach surfaces that
106.6 comply with all of the following:

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

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

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

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

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

106.25 (1) a legal description of the property;

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

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

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

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

107.5 (n) When any portion of the property under this subdivision or subdivision 22 begins to
107.6 be actively mined, the owner must file a supplemental affidavit within 60 days from the
107.7 day any aggregate is removed stating the number of acres of the property that is actively
107.8 being mined. The acres actively being mined must be (1) valued and classified under
107.9 subdivision 24 in the next subsequent assessment year, and (2) removed from the aggregate
107.10 resource preservation property tax program under section 273.1115, if the land was enrolled
107.11 in that program. Copies of the original affidavit and all supplemental affidavits must be
107.12 filed with the county assessor, the local zoning administrator, and the Department of Natural
107.13 Resources, Division of Land and Minerals. A supplemental affidavit must be filed each
107.14 time a subsequent portion of the property is actively mined, provided that the minimum
107.15 acreage change is five acres, even if the actual mining activity constitutes less than five
107.16 acres.

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

107.20 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023
107.21 and thereafter.

107.22 Sec. 21. Minnesota Statutes 2021 Supplement, section 273.13, subdivision 25, is amended
107.23 to read:

107.24 Subd. 25. **Class 4.** (a) Class 4a is residential real estate containing four or more units
107.25 and used or held for use by the owner or by the tenants or lessees of the owner as a residence
107.26 for rental periods of 30 days or more, excluding property qualifying for class 4d. Class 4a
107.27 also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt
107.28 under section 272.02, and contiguous property used for hospital purposes, without regard
107.29 to whether the property has been platted or subdivided. The market value of class 4a property
107.30 has a classification rate of 1.25 percent.

107.31 (b) Class 4b includes:

108.1 (1) residential real estate containing less than four units, including property rented as a
108.2 short-term rental property for more than 14 days in the preceding year, that does not qualify
108.3 as class 4bb, other than seasonal residential recreational property;

108.4 (2) manufactured homes not classified under any other provision;

108.5 (3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm
108.6 classified under subdivision 23, paragraph (b) containing two or three units; and

108.7 (4) unimproved property that is classified residential as determined under subdivision
108.8 33.

108.9 For the purposes of this paragraph, "short-term rental property" means nonhomestead
108.10 residential real estate rented for periods of less than 30 consecutive days.

108.11 The market value of class 4b property has a classification rate of 1.25 percent.

108.12 (c) Class 4bb includes:

108.13 (1) nonhomestead residential real estate containing one unit, other than seasonal
108.14 residential recreational property;

108.15 (2) a single family dwelling, garage, and surrounding one acre of property on a
108.16 nonhomestead farm classified under subdivision 23, paragraph (b); and

108.17 (3) a condominium-type storage unit having an individual property identification number
108.18 that is not used for a commercial purpose.

108.19 Class 4bb property has the same classification rates as class 1a property under subdivision
108.20 22.

108.21 Property that has been classified as seasonal residential recreational property at any time
108.22 during which it has been owned by the current owner or spouse of the current owner does
108.23 not qualify for class 4bb.

108.24 (d) Class 4c property includes:

108.25 (1) except as provided in subdivision 22, paragraph (c), real and personal property
108.26 devoted to commercial temporary and seasonal residential occupancy for recreation purposes,
108.27 for not more than 250 days in the year preceding the year of assessment. For purposes of
108.28 this clause, property is devoted to a commercial purpose on a specific day if any portion of
108.29 the property is used for residential occupancy, and a fee is charged for residential occupancy.
108.30 Class 4c property under this clause must contain three or more rental units. A "rental unit"
108.31 is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site
108.32 equipped with water and electrical hookups for recreational vehicles. A camping pad offered

109.1 for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c
109.2 under this clause regardless of the term of the rental agreement, as long as the use of the
109.3 camping pad does not exceed 250 days. In order for a property to be classified under this
109.4 clause, either (i) the business located on the property must provide recreational activities,
109.5 at least 40 percent of the annual gross lodging receipts related to the property must be from
109.6 business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid
109.7 bookings by lodging guests during the year must be for periods of at least two consecutive
109.8 nights; or (B) at least 20 percent of the annual gross receipts must be from charges for
109.9 providing recreational activities, or (ii) the business must contain 20 or fewer rental units,
109.10 and must be located in a township or a city with a population of 2,500 or less located outside
109.11 the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion
109.12 of a state trail administered by the Department of Natural Resources. For purposes of item
109.13 (i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4c
109.14 property also includes commercial use real property used exclusively for recreational
109.15 purposes in conjunction with other class 4c property classified under this clause and devoted
109.16 to temporary and seasonal residential occupancy for recreational purposes, up to a total of
109.17 two acres, provided the property is not devoted to commercial recreational use for more
109.18 than 250 days in the year preceding the year of assessment and is located within two miles
109.19 of the class 4c property with which it is used. In order for a property to qualify for
109.20 classification under this clause, the owner must submit a declaration to the assessor
109.21 designating the cabins or units occupied for 250 days or less in the year preceding the year
109.22 of assessment by January 15 of the assessment year. Those cabins or units and a proportionate
109.23 share of the land on which they are located must be designated class 4c under this clause
109.24 as otherwise provided. The remainder of the cabins or units and a proportionate share of
109.25 the land on which they are located will be designated as class 3a. The owner of property
109.26 desiring designation as class 4c property under this clause must provide guest registers or
109.27 other records demonstrating that the units for which class 4c designation is sought were not
109.28 occupied for more than 250 days in the year preceding the assessment if so requested. The
109.29 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center
109.30 or meeting room, and (5) other nonresidential facility operated on a commercial basis not
109.31 directly related to temporary and seasonal residential occupancy for recreation purposes
109.32 does not qualify for class 4c. For the purposes of this paragraph, "recreational activities"
109.33 means renting ice fishing houses, boats and motors, snowmobiles, downhill or cross-country
109.34 ski equipment; providing marina services, launch services, or guide services; or selling bait
109.35 and fishing tackle;

109.36 (2) qualified property used as a golf course if:

110.1 (i) it is open to the public on a daily fee basis. It may charge membership fees or dues,
110.2 but a membership fee may not be required in order to use the property for golfing, and its
110.3 green fees for golfing must be comparable to green fees typically charged by municipal
110.4 courses; and

110.5 (ii) it meets the requirements of section 273.112, subdivision 3, paragraph (d).

110.6 A structure used as a clubhouse, restaurant, or place of refreshment in conjunction with
110.7 the golf course is classified as class 3a property;

110.8 (3) real property up to a maximum of three acres of land owned and used by a nonprofit
110.9 community service oriented organization and not used for residential purposes on either a
110.10 temporary or permanent basis, provided that:

110.11 (i) the property is not used for a revenue-producing activity for more than six days in
110.12 the calendar year preceding the year of assessment; or

110.13 (ii) the organization makes annual charitable contributions and donations at least equal
110.14 to the property's previous year's property taxes and the property is allowed to be used for
110.15 public and community meetings or events for no charge, as appropriate to the size of the
110.16 facility.

110.17 For purposes of this clause:

110.18 (A) "charitable contributions and donations" has the same meaning as lawful gambling
110.19 purposes under section 349.12, subdivision 25, excluding those purposes relating to the
110.20 payment of taxes, assessments, fees, auditing costs, and utility payments;

110.21 (B) "property taxes" excludes the state general tax;

110.22 (C) a "nonprofit community service oriented organization" means any corporation,
110.23 society, association, foundation, or institution organized and operated exclusively for
110.24 charitable, religious, fraternal, civic, or educational purposes, and which is exempt from
110.25 federal income taxation pursuant to section 501(c)(3), (8), (10), or (19) of the Internal
110.26 Revenue Code; and

110.27 (D) "revenue-producing activities" shall include but not be limited to property or that
110.28 portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt
110.29 liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling
110.30 alley, a retail store, gambling conducted by organizations licensed under chapter 349, an
110.31 insurance business, or office or other space leased or rented to a lessee who conducts a
110.32 for-profit enterprise on the premises.

111.1 Any portion of the property not qualifying under either item (i) or (ii) is class 3a. The
 111.2 use of the property for social events open exclusively to members and their guests for periods
 111.3 of less than 24 hours, when an admission is not charged nor any revenues are received by
 111.4 the organization shall not be considered a revenue-producing activity.

111.5 The organization shall maintain records of its charitable contributions and donations
 111.6 and of public meetings and events held on the property and make them available upon
 111.7 request any time to the assessor to ensure eligibility. An organization meeting the requirement
 111.8 under item (ii) must file an application by May 1 with the assessor for eligibility for the
 111.9 current year's assessment. The commissioner shall prescribe a uniform application form
 111.10 and instructions;

111.11 (4) postsecondary student housing of not more than one acre of land that is owned by a
 111.12 nonprofit corporation organized under chapter 317A and is used exclusively by a student
 111.13 cooperative, sorority, or fraternity for on-campus housing or housing located within two
 111.14 miles of the border of a college campus;

111.15 (5)(i) manufactured home parks as defined in section 327.14, subdivision 3, ~~excluding~~
 111.16 including manufactured home parks ~~described in items (ii) and (iii), (ii) manufactured home~~
 111.17 ~~parks as defined in section 327.14, subdivision 3,~~ that are described in section 273.124,
 111.18 subdivision 3a, ~~and (iii) class I manufactured home parks as defined in section 327C.01,~~
 111.19 ~~subdivision 13;~~

111.20 (6) real property that is actively and exclusively devoted to indoor fitness, health, social,
 111.21 recreational, and related uses, is owned and operated by a not-for-profit corporation, and is
 111.22 located within the metropolitan area as defined in section 473.121, subdivision 2;

111.23 (7) a leased or privately owned noncommercial aircraft storage hangar not exempt under
 111.24 section 272.01, subdivision 2, and the land on which it is located, provided that:

111.25 (i) the land is on an airport owned or operated by a city, town, county, Metropolitan
 111.26 Airports Commission, or group thereof; and

111.27 (ii) the land lease, or any ordinance or signed agreement restricting the use of the leased
 111.28 premise, prohibits commercial activity performed at the hangar.

111.29 If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be
 111.30 filed by the new owner with the assessor of the county where the property is located within
 111.31 60 days of the sale;

111.32 (8) a privately owned noncommercial aircraft storage hangar not exempt under section
 111.33 272.01, subdivision 2, and the land on which it is located, provided that:

112.1 (i) the land abuts a public airport; and

112.2 (ii) the owner of the aircraft storage hangar provides the assessor with a signed agreement
112.3 restricting the use of the premises, prohibiting commercial use or activity performed at the
112.4 hangar; and

112.5 (9) residential real estate, a portion of which is used by the owner for homestead purposes,
112.6 and that is also a place of lodging, if all of the following criteria are met:

112.7 (i) rooms are provided for rent to transient guests that generally stay for periods of 14
112.8 or fewer days;

112.9 (ii) meals are provided to persons who rent rooms, the cost of which is incorporated in
112.10 the basic room rate;

112.11 (iii) meals are not provided to the general public except for special events on fewer than
112.12 seven days in the calendar year preceding the year of the assessment; and

112.13 (iv) the owner is the operator of the property.

112.14 The market value subject to the 4c classification under this clause is limited to five rental
112.15 units. Any rental units on the property in excess of five, must be valued and assessed as
112.16 class 3a. The portion of the property used for purposes of a homestead by the owner must
112.17 be classified as class 1a property under subdivision 22;

112.18 (10) real property up to a maximum of three acres and operated as a restaurant as defined
112.19 under section 157.15, subdivision 12, provided it: (i) is located on a lake as defined under
112.20 section 103G.005, subdivision 15, paragraph (a), clause (3); and (ii) is either devoted to
112.21 commercial purposes for not more than 250 consecutive days, or receives at least 60 percent
112.22 of its annual gross receipts from business conducted during four consecutive months. Gross
112.23 receipts from the sale of alcoholic beverages must be included in determining the property's
112.24 qualification under item (ii). The property's primary business must be as a restaurant and
112.25 not as a bar. Gross receipts from gift shop sales located on the premises must be excluded.
112.26 Owners of real property desiring 4c classification under this clause must submit an annual
112.27 declaration to the assessor by February 1 of the current assessment year, based on the
112.28 property's relevant information for the preceding assessment year;

112.29 (11) lakeshore and riparian property and adjacent land, not to exceed six acres, used as
112.30 a marina, as defined in section 86A.20, subdivision 5, which is made accessible to the public
112.31 and devoted to recreational use for marina services. The marina owner must annually provide
112.32 evidence to the assessor that it provides services, including lake or river access to the public
112.33 by means of an access ramp or other facility that is either located on the property of the

113.1 marina or at a publicly owned site that abuts the property of the marina. No more than 800
 113.2 feet of lakeshore may be included in this classification. Buildings used in conjunction with
 113.3 a marina for marina services, including but not limited to buildings used to provide food
 113.4 and beverage services, fuel, boat repairs, or the sale of bait or fishing tackle, are classified
 113.5 as class 3a property; and

113.6 (12) real and personal property devoted to noncommercial temporary and seasonal
 113.7 residential occupancy for recreation purposes.

113.8 Class 4c property has a classification rate of 1.5 percent of market value, except that (i)
 113.9 each parcel of noncommercial seasonal residential recreational property under clause (12)
 113.10 has the same classification rates as class 4bb property, (ii) ~~manufactured home parks assessed~~
 113.11 ~~under clause (5), item (i), have the same classification rate as class 4b property, the market~~
 113.12 ~~value of manufactured home parks assessed under clause (5), item (ii), have a classification~~
 113.13 ~~rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by~~
 113.14 ~~shareholders in the cooperative corporation or association and a classification rate of one~~
 113.15 ~~percent if 50 percent or less of the lots are so occupied, and class I manufactured home~~
 113.16 ~~parks as defined in section 327C.01, subdivision 13, have a classification rate of 1.0~~ 0.75
 113.17 percent, (iii) commercial-use seasonal residential recreational property and marina
 113.18 recreational land as described in clause (11), has a classification rate of one percent for the
 113.19 first \$500,000 of market value, and 1.25 percent for the remaining market value, (iv) the
 113.20 market value of property described in clause (4) has a classification rate of one percent, (v)
 113.21 the market value of property described in clauses (2), (6), and (10) has a classification rate
 113.22 of 1.25 percent, (vi) that portion of the market value of property in clause (9) qualifying for
 113.23 class 4c property has a classification rate of 1.25 percent, and (vii) property qualifying for
 113.24 classification under clause (3) that is owned or operated by a congressionally chartered
 113.25 veterans organization has a classification rate of one percent. The commissioner of veterans
 113.26 affairs must provide a list of congressionally chartered veterans organizations to the
 113.27 commissioner of revenue by June 30, 2017, and by January 1, 2018, and each year thereafter.

113.28 (e) Class 4d property ~~is~~ includes:

113.29 (1) qualifying low-income rental housing certified to the assessor by the Housing Finance
 113.30 Agency under section 273.128, subdivision 3. If only a portion of the units in the building
 113.31 qualify as low-income rental housing units as certified under section 273.128, subdivision
 113.32 3, only the proportion of qualifying units to the total number of units in the building qualify
 113.33 for class ~~4d~~ 4d(1). The remaining portion of the building shall be classified by the assessor
 113.34 based upon its use. Class ~~4d~~ 4d(1) also includes the same proportion of land as the qualifying
 113.35 low-income rental housing units are to the total units in the building. For all properties

114.1 qualifying as class ~~4d~~ 4d(1), the market value determined by the assessor must be based on
 114.2 the normal approach to value using normal unrestricted rents; and

114.3 (2) a unit that is owned by the occupant and used as a homestead by the occupant, and
 114.4 otherwise meets all the requirements for community land trust property under section 273.11,
 114.5 subdivision 12, provided that by December 31 of each assessment year, the community land
 114.6 trust certifies to the assessor that (i) the community land trust owns the real property on
 114.7 which the unit is located, and (ii) the unit owner is a member in good standing of the
 114.8 community land trust. For all units qualifying as class 4d(2), the market value determined
 114.9 by the assessor must be based on the normal approach to value without regard to any
 114.10 restrictions that apply because the unit is a community land trust property.

114.11 (f) The first tier of market value of class ~~4d~~ 4d(1) property has a classification rate of
 114.12 0.75 percent. The remaining value of class ~~4d~~ 4d(1) property has a classification rate of
 114.13 0.25 percent. For the purposes of this paragraph, the "first tier of market value of class ~~4d~~
 114.14 4d(1) property" means the market value of each housing unit up to the first tier limit. For
 114.15 the purposes of this paragraph, all class 4d property value must be assigned to individual
 114.16 housing units. The first tier limit is \$100,000 for assessment years 2022 and 2023. For
 114.17 subsequent assessment years, the limit is adjusted each year by the average statewide change
 114.18 in estimated market value of property classified as class 4a and ~~4d~~ 4d(1) under this section
 114.19 for the previous assessment year, excluding valuation change due to new construction,
 114.20 rounded to the nearest \$1,000, provided, however, that the limit may never be less than
 114.21 \$100,000. Beginning with assessment year 2015, the commissioner of revenue must certify
 114.22 the limit for each assessment year by November 1 of the previous year. Class 4d(2) property
 114.23 has a classification rate of 0.75 percent.

114.24 **EFFECTIVE DATE.** (a) The amendments to paragraph (d) are effective for property
 114.25 taxes payable in 2024 and thereafter.

114.26 (b) The amendments to paragraphs (e) and (f) are effective for property taxes payable
 114.27 in 2023 and thereafter.

114.28 Sec. 22. Minnesota Statutes 2021 Supplement, section 273.13, subdivision 34, is amended
 114.29 to read:

114.30 Subd. 34. **Homestead of veteran with a disability or family caregiver.** (a) All or a
 114.31 portion of the market value of property owned by a veteran and serving as the veteran's
 114.32 homestead under this section is excluded in determining the property's taxable market value
 114.33 if the veteran has a service-connected disability of 70 percent or more as certified by the
 114.34 United States Department of Veterans Affairs. To qualify for exclusion under this subdivision,

115.1 the veteran must have been honorably discharged from the United States armed forces, as
115.2 indicated by United States Government Form DD214 or other official military discharge
115.3 papers.

115.4 (b)(1) For a disability rating of 70 percent or more, \$150,000 of market value is excluded,
115.5 except as provided in clause (2); and

115.6 (2) for a total (100 percent) and permanent disability, \$300,000 of market value is
115.7 excluded.

115.8 (c) If a veteran with a disability qualifying for a valuation exclusion under paragraph
115.9 (b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the
115.10 spouse holds the legal or beneficial title to the homestead and permanently resides there,
115.11 the exclusion shall carry over to the benefit of the veteran's spouse until such time as the
115.12 spouse remarries, or sells, transfers, or otherwise disposes of the property, except as otherwise
115.13 provided in paragraph (n). Qualification under this paragraph requires an application under
115.14 paragraph (h), and a spouse must notify the assessor if there is a change in the spouse's
115.15 marital status, ownership of the property, or use of the property as a permanent residence.
115.16 If a spouse previously received the exclusion under this paragraph, but the exclusion expired
115.17 prior to assessment year 2019 before the eligibility time period for surviving spouses was
115.18 changed to a lifetime benefit, the spouse may reapply under paragraph (h) for the exclusion
115.19 under this paragraph.

115.20 (d) If the spouse of a member of any branch or unit of the United States armed forces
115.21 who dies due to a service-connected cause while serving honorably in active service, as
115.22 indicated on United States Government Form DD1300 or DD2064, holds the legal or
115.23 beneficial title to a homestead and permanently resides there, the spouse is entitled to the
115.24 benefit described in paragraph (b), clause (2), until such time as the spouse remarries or
115.25 sells, transfers, or otherwise disposes of the property, except as otherwise provided in
115.26 paragraph (n). If a spouse previously received the exclusion under this paragraph, but the
115.27 exclusion expired prior to assessment year 2019 before the eligibility time period for
115.28 surviving spouses was changed to a lifetime benefit, the spouse may reapply under paragraph
115.29 (h) for the exclusion under this paragraph.

115.30 (e) If a veteran meets the disability criteria of paragraph (a) but does not own property
115.31 classified as homestead in the state of Minnesota, then the homestead of the veteran's primary
115.32 family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify
115.33 for under paragraph (b).

116.1 (f) In the case of an agricultural homestead, only the portion of the property consisting
116.2 of the house and garage and immediately surrounding one acre of land qualifies for the
116.3 valuation exclusion under this subdivision.

116.4 (g) A property qualifying for a valuation exclusion under this subdivision is not eligible
116.5 for the market value exclusion under subdivision 35, or classification under subdivision 22,
116.6 paragraph (b).

116.7 (h) To qualify for a valuation exclusion under this subdivision a property owner must
116.8 apply to the assessor by December 31 of the first assessment year for which the exclusion
116.9 is sought. Except as provided in paragraph (c), the owner of a property that has been accepted
116.10 for a valuation exclusion must notify the assessor if there is a change in ownership of the
116.11 property or in the use of the property as a homestead.

116.12 (i) A first-time application by a qualifying spouse for the market value exclusion under
116.13 paragraph (d) must be made any time within two years of the death of the service member,
116.14 within two years of the United States Department of Veterans Affairs Dependency and
116.15 Indemnity Compensation determination, or by December 31, 2023, whichever is later. A
116.16 qualifying spouse whose application was previously denied may reapply, pursuant to this
116.17 paragraph, by December 31, 2023.

116.18 (j) For purposes of this subdivision:

116.19 (1) "active service" has the meaning given in section 190.05;

116.20 (2) "own" means that the person's name is present as an owner on the property deed;

116.21 (3) "primary family caregiver" means a person who is approved by the secretary of the
116.22 United States Department of Veterans Affairs for assistance as the primary provider of
116.23 personal care services for an eligible veteran under the Program of Comprehensive Assistance
116.24 for Family Caregivers, codified as United States Code, title 38, section 1720G; and

116.25 (4) "veteran" has the meaning given the term in section 197.447.

116.26 (k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion
116.27 under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit
116.28 under paragraph (b), clause (2), until the spouse remarries or sells, transfers, or otherwise
116.29 disposes of the property, except as otherwise provided in paragraph (n), if:

116.30 (1) the spouse files a first-time application within two years of the death of the service
116.31 member, within two years of the United States Department of Veterans Affairs Dependency
116.32 and Indemnity Compensation determination, if applicable, or by ~~June 1, 2019~~ December

117.1 31, 2023, whichever is later. A spouse whose application was previously denied may reapply,
117.2 pursuant to this paragraph, by December 31, 2023;

117.3 (2) upon the death of the veteran, the spouse holds the legal or beneficial title to the
117.4 homestead and permanently resides there;

117.5 (3) the veteran met the honorable discharge requirements of paragraph (a); and

117.6 (4) the United States Department of Veterans Affairs certifies that:

117.7 (i) the veteran met the total (100 percent) and permanent disability requirement under
117.8 paragraph (b), clause (2); or

117.9 (ii) the spouse has been awarded dependency and indemnity compensation.

117.10 (l) The purpose of this provision of law providing a level of homestead property tax
117.11 relief for veterans with a disability, their primary family caregivers, and their surviving
117.12 spouses is to help ease the burdens of war for those among our state's citizens who bear
117.13 those burdens most heavily.

117.14 (m) By ~~July 1~~ December 31, the county veterans service officer must certify the disability
117.15 rating and permanent address of each veteran receiving the benefit under paragraph (b) to
117.16 the assessor.

117.17 (n) A spouse who received the benefit in paragraph (c), (d), or (k) but no longer holds
117.18 the legal or beneficial title to the property may continue to receive the exclusion for a
117.19 property other than the property for which the exclusion was initially granted until the spouse
117.20 remarries or sells, transfers, or otherwise disposes of the property, provided that:

117.21 (1) the spouse applies under paragraph (h) for the continuation of the exclusion allowed
117.22 under this paragraph;

117.23 (2) the spouse holds the legal or beneficial title to the property for which the continuation
117.24 of the exclusion is sought under this paragraph, and permanently resides there;

117.25 (3) the estimated market value of the property for which the exclusion is sought under
117.26 this paragraph is less than or equal to the estimated market value of the property that first
117.27 received the exclusion, based on the value of each property on the date of the sale of the
117.28 property that first received the exclusion; and

117.29 (4) the spouse has not previously received the benefit under this paragraph for a property
117.30 other than the property for which the exclusion is sought.

117.31 **EFFECTIVE DATE.** This section is effective for assessment year 2022 and thereafter.

118.1 Sec. 23. Minnesota Statutes 2020, section 273.13, subdivision 35, is amended to read:

118.2 Subd. 35. **Homestead market value exclusion.** (a) Prior to determining a property's
118.3 net tax capacity under this section, property classified as class 1a or 1b under subdivision
118.4 22, and the portion of property classified as class 2a under subdivision 23 consisting of the
118.5 house, garage, and surrounding one acre of land, shall be eligible for a market value exclusion
118.6 as determined under paragraph (b).

118.7 (b) For a homestead valued at ~~\$76,000~~ \$80,300 or less, the exclusion is 40 percent of
118.8 market value. For a homestead valued ~~between \$76,000~~ over \$80,300 and ~~\$413,800~~ less
118.9 than \$437,100, the exclusion is ~~\$30,400~~ \$32,120 minus nine percent of the valuation over
118.10 ~~\$76,000~~ \$80,300. For a homestead valued at ~~\$413,800~~ \$437,100 or more, there is no valuation
118.11 exclusion. The valuation exclusion shall be rounded to the nearest whole dollar, and may
118.12 not be less than zero.

118.13 (c) Any valuation exclusions or adjustments under section 273.11 shall be applied prior
118.14 to determining the amount of the valuation exclusion under this subdivision.

118.15 (d) In the case of a property that is classified as part homestead and part nonhomestead,
118.16 (i) the exclusion shall apply only to the homestead portion of the property, but (ii) if a portion
118.17 of a property is classified as nonhomestead solely because not all the owners occupy the
118.18 property, not all the owners have qualifying relatives occupying the property, or solely
118.19 because not all the spouses of owners occupy the property, the exclusion amount shall be
118.20 initially computed as if that nonhomestead portion were also in the homestead class and
118.21 then prorated to the owner-occupant's percentage of ownership. For the purpose of this
118.22 section, when an owner-occupant's spouse does not occupy the property, the percentage of
118.23 ownership for the owner-occupant spouse is one-half of the couple's ownership percentage.

118.24 **EFFECTIVE DATE.** This section is effective for assessment year 2023 and thereafter.

118.25 Sec. 24. Minnesota Statutes 2020, section 273.1315, subdivision 2, is amended to read:

118.26 Subd. 2. **Class 1b homestead declaration 2009 and thereafter.** (a) Any property owner
118.27 seeking classification and assessment of the owner's homestead as class 1b property pursuant
118.28 to section 273.13, subdivision 22, paragraph (b), after October 1, 2008, shall file with the
118.29 county assessor a class 1b homestead declaration, on a form prescribed by the commissioner
118.30 of revenue. The declaration must contain the following information:

118.31 (1) the information necessary to verify that, on or before June 30 of the filing year, the
118.32 property owner or the owner's spouse satisfies the requirements of section 273.13, subdivision
118.33 22, paragraph (b), for class 1b classification; and

119.1 (2) any additional information prescribed by the commissioner.

119.2 (b) The declaration must be filed on or before October 1 to be effective for property
119.3 taxes payable during the succeeding calendar year. The Social Security numbers, individual
119.4 tax identification numbers, and income and medical information received from the property
119.5 owner pursuant to this subdivision are private data on individuals as defined in section
119.6 13.02. If approved by the assessor, the declaration remains in effect until the property no
119.7 longer qualifies under section 273.13, subdivision 22, paragraph (b). Failure to notify the
119.8 assessor within 30 days that the property no longer qualifies under that paragraph because
119.9 of a sale, change in occupancy, or change in the status or condition of an occupant shall
119.10 result in the penalty provided in section 273.124, subdivision 13b, computed on the basis
119.11 of the class 1b benefits for the property, and the property shall lose its current class 1b
119.12 classification.

119.13 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
119.14 filed in 2022 and thereafter.

119.15 Sec. 25. Minnesota Statutes 2020, section 273.1387, subdivision 2, is amended to read:

119.16 Subd. 2. **Credit amount.** For each qualifying property, the school building bond
119.17 agricultural credit is equal to the credit percent multiplied by the property's eligible net tax
119.18 capacity multiplied by the school debt tax rate determined under section 275.08, subdivision
119.19 1b. For property taxes payable prior to 2020, the credit percent is equal to 40 percent. For
119.20 property taxes payable in 2020, the credit percent is equal to 50 percent. For property taxes
119.21 payable in 2021, the credit percent is equal to 55 percent. For property taxes payable in
119.22 2022, the credit percent is equal to 60 percent. For property taxes payable in 2023 ~~and~~
119.23 ~~thereafter~~, the credit percent is equal to 70 percent. For property taxes payable in 2024 and
119.24 thereafter, the credit percent is equal to 85 percent.

119.25 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
119.26 in 2024.

119.27 Sec. 26. Minnesota Statutes 2020, section 273.41, is amended to read:

119.28 **273.41 AMOUNT OF TAX; DISTRIBUTION.**

119.29 There is hereby imposed upon each such cooperative association on December 31 of
119.30 each year a tax of \$10 for each 100 members, or fraction thereof, of such association. The
119.31 tax, when paid, shall be in lieu of all personal property taxes, state, county, or local, upon
119.32 distribution lines and the attachments and appurtenances thereto of such associations located

120.1 in rural areas. For purposes of this section, "attachments and appurtenances" include all
120.2 cooperative association-owned metering equipment, streetlights, and any other infrastructure
120.3 that is physically or electrically connected to the cooperative association's distribution
120.4 system. The tax shall be payable on or before March 1 of the next succeeding year, to the
120.5 commissioner of revenue. If the tax, or any portion thereof, is not paid within the time herein
120.6 specified for the payment thereof, there shall be added thereto a specific penalty equal to
120.7 ten percent of the amount so remaining unpaid. Such penalty shall be collected as part of
120.8 said tax, and the amount of said tax not timely paid, together with said penalty, shall bear
120.9 interest at the rate specified in section 270C.40 from the time such tax should have been
120.10 paid until paid. The commissioner shall deposit the amount so received in the general fund
120.11 of the state treasury.

120.12 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

120.13 Sec. 27. Minnesota Statutes 2020, section 279.03, subdivision 1a, is amended to read:

120.14 Subd. 1a. **Rate.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), interest on
120.15 delinquent property taxes, penalties, and costs unpaid on or after January 1 is payable at the
120.16 per annum rate determined in section 270C.40, subdivision 5. ~~If the rate so determined is~~
120.17 ~~less than ten percent, the rate of interest is ten percent.~~ The maximum per annum rate is 14
120.18 percent if the rate specified under section 270C.40, subdivision 5, exceeds 14 percent. The
120.19 rate is subject to change on January 1 of each year.

120.20 (b) If a person is the owner of one or more parcels of property on which taxes are
120.21 delinquent, and the delinquent taxes are more than 25 percent of the prior year's school
120.22 district levy, interest on the delinquent property taxes, penalties, and costs unpaid is payable
120.23 at twice the rate determined under paragraph (a) for the year.

120.24 (c) A county board, by resolution, may establish an interest rate lower than the interest
120.25 rate determined under paragraph (a).

120.26 **EFFECTIVE DATE.** This section is effective for property taxes, penalties, and costs
120.27 determined to be delinquent on or after January 1, 2023.

120.28 Sec. 28. Minnesota Statutes 2020, section 282.261, subdivision 2, is amended to read:

120.29 Subd. 2. **Interest rate.** (a) Except as provided under paragraph (b), the unpaid balance
120.30 on any repurchase contract approved by the county board is subject to interest at the rate
120.31 determined in section 279.03, subdivision 1a. The interest rate is subject to change each

121.1 year on the unpaid balance in the manner provided for rate changes in section 279.03,
121.2 subdivision 1a.

121.3 (b) A county board, by resolution, or a county auditor, if delegated the responsibility to
121.4 administer tax-forfeited land assigned to the county board as provided under section 282.135,
121.5 may establish an interest rate lower than the interest rate determined under paragraph (a).

121.6 **EFFECTIVE DATE.** This section is effective January 1, 2023.

121.7 Sec. 29. Minnesota Statutes 2020, section 290A.03, subdivision 6, is amended to read:

121.8 Subd. 6. **Homestead.** "Homestead" means the dwelling occupied as the claimant's
121.9 principal residence and so much of the land surrounding it, not exceeding ten acres, as is
121.10 reasonably necessary for use of the dwelling as a home and any other property used for
121.11 purposes of a homestead as defined in section 273.13, subdivision 22, ~~except for~~ or 273.13,
121.12 subdivision 25, paragraph (e), clause (2). For agricultural land assessed as part of a homestead
121.13 pursuant to section 273.13, subdivision 23, "homestead" is limited to the house and garage
121.14 and immediately surrounding one acre of land. The homestead may be owned or rented and
121.15 may be a part of a multidwelling or multipurpose building and the land on which it is built.
121.16 A manufactured home, as defined in section 273.125, subdivision 8, or a park trailer taxed
121.17 as a manufactured home under section 168.012, subdivision 9, assessed as personal property
121.18 may be a dwelling for purposes of this subdivision.

121.19 **EFFECTIVE DATE.** This section is effective for refund claims based on taxes payable
121.20 in 2023 and thereafter.

121.21 Sec. 30. Minnesota Statutes 2020, section 290B.03, subdivision 1, is amended to read:

121.22 Subdivision 1. **Program qualifications.** The qualifications for the senior citizens'
121.23 property tax deferral program are as follows:

121.24 (1) the property must be owned and occupied as a homestead by a person 65 years of
121.25 age or older. In the case of a married couple, at least one of the spouses must be at least 65
121.26 years old at the time the first property tax deferral is granted, regardless of whether the
121.27 property is titled in the name of one spouse or both spouses, or titled in another way that
121.28 permits the property to have homestead status, and the other spouse must be at least 62 years
121.29 of age;

121.30 (2) the total household income of the qualifying homeowners, as defined in section
121.31 290A.03, subdivision 5, for the calendar year preceding the year of the initial application
121.32 may not exceed ~~\$60,000~~ \$96,000;

122.1 (3) the homestead must have been owned and occupied as the homestead of at least one
122.2 of the qualifying homeowners for at least ~~15~~ five years prior to the year the initial application
122.3 is filed;

122.4 (4) there are no state or federal tax liens or judgment liens on the homesteaded property;

122.5 (5) there are no mortgages or other liens on the property that secure future advances,
122.6 except for those subject to credit limits that result in compliance with clause (6); and

122.7 (6) the total unpaid balances of debts secured by mortgages and other liens on the
122.8 property, including unpaid and delinquent special assessments and interest and any delinquent
122.9 property taxes, penalties, and interest, but not including property taxes payable during the
122.10 year or debts secured by a residential PACE lien, as defined in section 216C.435, subdivision
122.11 10d, does not exceed 75 percent of the assessor's estimated market value for the year.

122.12 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes
122.13 payable in 2023 and thereafter.

122.14 Sec. 31. Minnesota Statutes 2020, section 290B.04, subdivision 3, is amended to read:

122.15 Subd. 3. **Excess-income certification by taxpayer.** A taxpayer whose initial application
122.16 has been approved under subdivision 2 shall notify the commissioner of revenue in writing
122.17 by July 1 if the taxpayer's household income for the preceding calendar year exceeded
122.18 ~~\$60,000~~ \$96,000. The certification must state the homeowner's total household income for
122.19 the previous calendar year. No property taxes may be deferred under this chapter in any
122.20 year following the year in which a program participant filed or should have filed an
122.21 excess-income certification under this subdivision, unless the participant has filed a
122.22 resumption of eligibility certification as described in subdivision 4.

122.23 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes
122.24 payable in 2023 and thereafter.

122.25 Sec. 32. Minnesota Statutes 2020, section 290B.04, subdivision 4, is amended to read:

122.26 Subd. 4. **Resumption of eligibility certification by taxpayer.** A taxpayer who has
122.27 previously filed an excess-income certification under subdivision 3 may resume program
122.28 participation if the taxpayer's household income for a subsequent year is ~~\$60,000~~ \$96,000
122.29 or less. If the taxpayer chooses to resume program participation, the taxpayer must notify
122.30 the commissioner of revenue in writing by July 1 of the year following a calendar year in
122.31 which the taxpayer's household income is ~~\$60,000~~ \$96,000 or less. The certification must
122.32 state the taxpayer's total household income for the previous calendar year. Once a taxpayer

123.1 resumes participation in the program under this subdivision, participation will continue until
123.2 the taxpayer files a subsequent excess-income certification under subdivision 3 or until
123.3 participation is terminated under section 290B.08, subdivision 1.

123.4 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes
123.5 payable in 2023 and thereafter.

123.6 Sec. 33. Minnesota Statutes 2020, section 290B.05, subdivision 1, is amended to read:

123.7 Subdivision 1. **Determination by commissioner.** The commissioner shall determine
123.8 each qualifying homeowner's "annual maximum property tax amount" following approval
123.9 of the homeowner's initial application and following the receipt of a resumption of eligibility
123.10 certification. The "annual maximum property tax amount" equals three percent of the
123.11 homeowner's total household income for the year preceding either the initial application or
123.12 the resumption of eligibility certification, whichever is applicable. Following approval of
123.13 the initial application, the commissioner shall determine the qualifying homeowner's
123.14 "maximum allowable deferral." No tax may be deferred relative to the appropriate assessment
123.15 year for any homeowner whose total household income for the previous year exceeds
123.16 ~~\$60,000~~ \$96,000. No tax shall be deferred in any year in which the homeowner does not
123.17 meet the program qualifications in section 290B.03. The maximum allowable total deferral
123.18 is equal to 75 percent of the assessor's estimated market value for the year, less the balance
123.19 of any mortgage loans and other amounts secured by liens against the property at the time
123.20 of application, including any unpaid and delinquent special assessments and interest and
123.21 any delinquent property taxes, penalties, and interest, but not including property taxes
123.22 payable during the year.

123.23 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes
123.24 payable in 2023 and thereafter.

123.25 Sec. 34. **CHILD PROTECTION COST STUDY.**

123.26 (a) The legislative auditor is requested to conduct a special review of the costs to
123.27 Minnesota counties for the provision of child protective services. The review would need
123.28 to include:

123.29 (1) an overview of the roles and responsibilities of counties in Minnesota's child protective
123.30 services system and a comparison of these roles and responsibilities to those in other states;

123.31 (2) from 2013 through 2022, the amount each county spent on duties related to child
123.32 protective services;

124.1 (3) from 2013 through 2022, the amount of federal and state funds received by each
 124.2 county for duties related to child protective services; and

124.3 (4) from 2013 through 2022, the amount each county paid for child protective services
 124.4 using property tax revenue.

124.5 (b) The legislative auditor would need to complete the review by August 1, 2023, and
 124.6 report the results of the review to the chairs and ranking minority members of the legislative
 124.7 committees with jurisdiction over property taxation.

124.8 Sec. 35. **APPROPRIATION.**

124.9 \$0 in fiscal year 2023 is appropriated from the general fund to the Office of the Legislative
 124.10 Auditor for the purposes of conducting the review required by section 33. This is a onetime
 124.11 appropriation.

124.12 Sec. 36. **REPEALER.**

124.13 Minnesota Statutes 2020, sections 327C.01, subdivision 13; and 327C.16, are repealed.

124.14 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
 124.15 in 2024 and thereafter.

124.16 **ARTICLE 5**

124.17 **STATE AIDS**

124.18 Section 1. Minnesota Statutes 2020, section 477A.011, is amended by adding a subdivision
 124.19 to read:

124.20 **Subd. 3b. Population age 65 and over.** "Population age 65 and over" means the
 124.21 population age 65 and over established as of July 15 in an aid calculation year by the most
 124.22 recent federal census, by a special census conducted under contract with the United States
 124.23 Bureau of the Census, by a population estimate made by the Metropolitan Council, or by a
 124.24 population estimate of the state demographer made pursuant to section 4A.02, whichever
 124.25 is the most recent as to the stated date of the count or estimate for the preceding calendar
 124.26 year and which has been certified to the commissioner of revenue on or before July 15 of
 124.27 the aid calculation year. A revision to an estimate or count is effective for these purposes
 124.28 only if certified to the commissioner on or before July 15 of the aid calculation year. Clerical
 124.29 errors in the certification or use of estimates and counts established as of July 15 in the aid
 124.30 calculation year are subject to correction within the time periods allowed under section
 124.31 477A.014.

125.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 125.2 and thereafter.

125.3 Sec. 2. Minnesota Statutes 2020, section 477A.011, is amended by adding a subdivision
 125.4 to read:

125.5 **Subd. 3c. Transformed population.** "Transformed population" means the logarithm to
 125.6 the base 10 of the population.

125.7 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 125.8 and thereafter.

125.9 Sec. 3. Minnesota Statutes 2020, section 477A.011, subdivision 34, is amended to read:

125.10 **Subd. 34. City revenue need.** (a) For a city with a population equal to or greater than
 125.11 10,000, "city revenue need" is 1.15 times the sum of (1) ~~4.59~~ 8.559 times the pre-1940
 125.12 housing percentage; plus (2) ~~0.622 times the percent of housing built between 1940 and~~
 125.13 ~~1970~~ 7.629 times the city age index; plus (3) ~~169.415 times the jobs per capita~~ 5.461 times
 125.14 the commercial industrial utility percentage; plus (4) ~~the sparsity adjustment~~ 8.481 times
 125.15 peak population decline; plus (5) ~~307.664~~ 297.789.

125.16 (b) For a city with a population equal to or greater than 2,500 and less than 10,000, "city
 125.17 revenue need" is 1.15 times the sum of (1) ~~572.62~~ 502.094; plus (2) ~~5.026~~ 4.285 times the
 125.18 pre-1940 housing percentage; ~~minus~~ plus (3) ~~53.768 times household size~~ 6.699 times the
 125.19 commercial industrial utility percentage; plus (4) ~~14.022~~ 17.645 times peak population
 125.20 ~~decline; plus (5) the sparsity adjustment.~~

125.21 (c) For a city with a population less than 2,500, "city revenue need" is the sum of (1)
 125.22 ~~410~~ 79.351; plus (2) ~~0.367~~ 246.428 times the city's transformed population over 100; ~~plus~~
 125.23 ~~(3) the sparsity adjustment. The city revenue need for a city under this paragraph shall not~~
 125.24 ~~exceed 630 plus the city's sparsity adjustment.~~

125.25 (d) For a city with a population of at least 2,500 but less than 3,000, the "city revenue
 125.26 need" equals (1) the transition factor times the city's revenue need calculated in paragraph
 125.27 (b); plus (2) ~~630~~ the city's revenue need calculated under the formula in paragraph (c) times
 125.28 the difference between one and the transition factor. For a city with a population of at least
 125.29 10,000 but less than 11,000, the "city revenue need" equals (1) the transition factor times
 125.30 the city's revenue need calculated in paragraph (a); plus (2) the city's revenue need calculated
 125.31 under the formula in paragraph (b) times the difference between one and the transition
 125.32 factor. For purposes of the first sentence of this paragraph "transition factor" is 0.2 percent

126.1 times the amount that the city's population exceeds the minimum threshold. For purposes
126.2 of the second sentence of this paragraph, "transition factor" is 0.1 percent times the amount
126.3 that the city's population exceeds the minimum threshold.

126.4 (e) The city revenue need cannot be less than zero.

126.5 (f) For calendar year ~~2015~~ 2023 and subsequent years, the city revenue need for a city,
126.6 as determined in paragraphs (a) to (e), is multiplied by the ratio of the annual implicit price
126.7 deflator for government consumption expenditures and gross investment for state and local
126.8 governments as prepared by the United States Department of Commerce, for the most
126.9 recently available year to the ~~2013~~ 2020 implicit price deflator for state and local government
126.10 purchases.

126.11 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
126.12 and thereafter.

126.13 Sec. 4. Minnesota Statutes 2020, section 477A.011, is amended by adding a subdivision
126.14 to read:

126.15 **Subd. 46. City age index.** "City age index" means 100 times the ratio of (1) the population
126.16 age 65 and over within the city, to (2) the population of the city.

126.17 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
126.18 and thereafter.

126.19 Sec. 5. Minnesota Statutes 2020, section 477A.011, is amended by adding a subdivision
126.20 to read:

126.21 **Subd. 47. Commercial industrial utility percentage.** The "commercial industrial utility
126.22 percentage" for a city is 100 times the ratio of (1) the sum of the estimated market values
126.23 of all real and personal property in the city classified as class 3 under section 273.13,
126.24 subdivision 24, to (2) the total market value of all taxable real and personal property in the
126.25 city. The market values are the amounts computed before any adjustments for fiscal
126.26 disparities under section 276A.06 or 473F.08. The market values used for this subdivision
126.27 are not equalized.

126.28 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
126.29 and thereafter.

127.1 Sec. 6. Minnesota Statutes 2020, section 477A.0124, subdivision 2, is amended to read:

127.2 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the
127.3 meanings given them.

127.4 (b) "County program aid" means the sum of "county need aid," "county tax base
127.5 equalization aid," and "county transition aid."

127.6 (c) "Age-adjusted population" means a county's population multiplied by the county age
127.7 index.

127.8 (d) "County age index" means the percentage of the population age 65 and over within
127.9 the county divided by the percentage of the population age 65 and over within the state,
127.10 except that the age index for any county may not be greater than 1.8 nor less than 0.8.

127.11 (e) "Population age 65 and over" ~~means the population age 65 and over established as~~
127.12 ~~of July 15 in an aid calculation year by the most recent federal census, by a special census~~
127.13 ~~conducted under contract with the United States Bureau of the Census, by a population~~
127.14 ~~estimate made by the Metropolitan Council, or by a population estimate of the state~~
127.15 ~~demographer made pursuant to section 4A.02, whichever is the most recent as to the stated~~
127.16 ~~date of the count or estimate for the preceding calendar year and which has been certified~~
127.17 ~~to the commissioner of revenue on or before July 15 of the aid calculation year. A revision~~
127.18 ~~to an estimate or count is effective for these purposes only if certified to the commissioner~~
127.19 ~~on or before July 15 of the aid calculation year. Clerical errors in the certification or use of~~
127.20 ~~estimates and counts established as of July 15 in the aid calculation year are subject to~~
127.21 ~~correction within the time periods allowed under section 477A.014~~ has the meaning given
127.22 in section 477A.011, subdivision 3b.

127.23 (f) "Part I crimes" means the three-year average annual number of Part I crimes reported
127.24 for each county by the Department of Public Safety for the most recent years available. By
127.25 July 1 of each year, the commissioner of public safety shall certify to the commissioner of
127.26 revenue the number of Part I crimes reported for each county for the three most recent
127.27 calendar years available.

127.28 (g) "Households receiving Supplemental Nutrition Assistance Program (SNAP) benefits"
127.29 means the average monthly number of households receiving SNAP benefits for the three
127.30 most recent years for which data is available. By July 1 of each year, the commissioner of
127.31 human services must certify to the commissioner of revenue the average monthly number
127.32 of households in the state and in each county that receive SNAP benefits, for the three most
127.33 recent calendar years available.

128.1 (h) "County net tax capacity" means the county's adjusted net tax capacity under section
128.2 273.1325.

128.3 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
128.4 and thereafter.

128.5 Sec. 7. Minnesota Statutes 2020, section 477A.013, subdivision 8, is amended to read:

128.6 Subd. 8. **City formula aid.** (a) For aids payable in ~~2018~~ 2023 and thereafter, the formula
128.7 aid for a city is equal to the product of (1) the difference between its unmet need and its
128.8 certified aid in the previous year ~~and before any aid adjustment under subdivision 13~~, and
128.9 (2) the aid gap percentage.

128.10 (b) The applicable aid gap percentage must be calculated by the Department of Revenue
128.11 so that the total of the aid under subdivision 9 equals the total amount available for aid under
128.12 section 477A.03. The aid gap percentage must be the same for all cities subject to paragraph
128.13 (a). Data used in calculating aids to cities under sections 477A.011 to 477A.013 shall be
128.14 the most recently available data as of January 1 in the year in which the aid is calculated.

128.15 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
128.16 and thereafter.

128.17 Sec. 8. Minnesota Statutes 2020, section 477A.013, subdivision 9, is amended to read:

128.18 Subd. 9. **City aid distribution.** (a) In calendar year ~~2018~~ 2023 and thereafter, if a city's
128.19 certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is less
128.20 than its current unmet need, the city shall receive an aid distribution equal to the sum of (1)
128.21 its certified aid in the previous year ~~before any aid adjustment under subdivision 13~~, and
128.22 (2) the city formula aid under subdivision 8, ~~and (3) its aid adjustment under subdivision~~
128.23 ~~13.~~

128.24 (b) ~~For aids payable in 2020 only, no city's aid amount before any adjustment under~~
128.25 ~~subdivision 13 may be less than its pay 2019 certified aid amount, less any aid adjustment~~
128.26 ~~under subdivision 13 for that year.~~ For aids payable in ~~2020~~ 2023 and thereafter, if a city's
128.27 certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is equal
128.28 to or greater than its current unmet need, the total aid for a city is equal to the greater of (1)
128.29 its unmet need ~~plus any aid adjustment under subdivision 13~~, or (2) the amount it was
128.30 certified to receive in the previous year minus the ~~sum of (i) any adjustment under subdivision~~
128.31 ~~13 that was paid in the previous year but has expired, and (ii) the lesser of (i) \$10 multiplied~~

- 129.1 by its population, or (ii) five percent of its net levy in the year prior to the aid distribution.
- 129.2 No city may have a total aid amount less than \$0.

129.3 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023

129.4 and thereafter.

129.5 Sec. 9. Minnesota Statutes 2020, section 477A.03, subdivision 2a, is amended to read:

129.6 Subd. 2a. **Cities.** ~~For aids payable in 2016 and 2017, the total aid paid under section~~

129.7 ~~477A.013, subdivision 9, is \$519,398,012. For aids payable in 2018 and 2019, the total aid~~

129.8 ~~paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable in 2020, the~~

129.9 ~~total aid paid under section 477A.013, subdivision 9, is \$560,398,012. For aids payable in~~

129.10 ~~2021 and thereafter~~ 2022, the total aid payable under section 477A.013, subdivision 9, is

129.11 \$564,398,012. For aids payable in 2023 and thereafter, the total aid payable under section

129.12 477A.013, subdivision 9, is \$598,617,913.

129.13 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023

129.14 and thereafter.

129.15 Sec. 10. Minnesota Statutes 2021 Supplement, section 477A.03, subdivision 2b, is amended

129.16 to read:

129.17 Subd. 2b. **Counties.** (a) ~~For aids payable in 2018 and 2019, the total aid payable under~~

129.18 ~~section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be allocated~~

129.19 ~~as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2020,~~

129.20 ~~the total aid payable under section 477A.0124, subdivision 3, is \$116,795,000, of which~~

129.21 ~~\$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section~~

129.22 ~~6.~~ For aids payable in 2021 ~~through 2024~~ and 2022, the total aid payable under section

129.23 477A.0124, subdivision 3, is \$118,795,000, of which \$3,000,000 shall be allocated as

129.24 required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2023 and

129.25 2024, the total aid payable under section 477A.0124, subdivision 3, is \$124,547,834, of

129.26 which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4,

129.27 section 6. For aids payable in 2025 and thereafter, the total aid payable under section

129.28 477A.0124, subdivision 3, is ~~\$115,795,000~~ \$121,547,834. On or before the first installment

129.29 date provided in section 477A.015, paragraph (a), \$500,000 of this appropriation shall be

129.30 transferred each year by the commissioner of revenue to the Board of Public Defense for

129.31 the payment of services under section 611.27. Any transferred amounts not expended or

129.32 encumbered in a fiscal year shall be certified by the Board of Public Defense to the

130.1 commissioner of revenue on or before October 1 and shall be included in the next certification
130.2 of county need aid.

130.3 (b) ~~For aids payable in 2018 and 2019, the total aid under section 477A.0124, subdivision~~
130.4 ~~4, is \$130,873,444. For aids payable in 2020, the total aid under section 477A.0124,~~
130.5 ~~subdivision 4, is \$143,873,444. For aids payable in 2021 and thereafter 2022, the total aid~~
130.6 ~~under section 477A.0124, subdivision 4, is \$145,873,444. For aids payable in 2023 and~~
130.7 ~~thereafter, the total aid under section 477A.0124, subdivision 4, is \$153,120,610. The~~
130.8 commissioner of revenue shall transfer to the Legislative Budget Office \$207,000 annually
130.9 for the cost of preparation of local impact notes as required by section 3.987, and other local
130.10 government activities. The commissioner of revenue shall transfer to the commissioner of
130.11 education \$7,000 annually for the cost of preparation of local impact notes for school districts
130.12 as required by section 3.987. The commissioner of revenue shall deduct the amounts
130.13 transferred under this paragraph from the appropriation under this paragraph. The amounts
130.14 transferred are appropriated to the Legislative Coordinating Commission and the
130.15 commissioner of education respectively.

130.16 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
130.17 and thereafter.

130.18 Sec. 11. Minnesota Statutes 2020, section 477A.12, subdivision 1, is amended to read:

130.19 Subdivision 1. **Types of land; payments.** The following amounts are annually
130.20 appropriated to the commissioner of natural resources from the general fund for transfer to
130.21 the commissioner of revenue. The commissioner of revenue shall pay the transferred funds
130.22 to counties as required by sections 477A.11 to 477A.14. The amounts, based on the acreage
130.23 as of July 1 of each year prior to the payment year, are:

130.24 (1) \$5.133 multiplied by the total number of acres of acquired natural resources land or,
130.25 at the county's option three-fourths of one percent of the appraised value of all acquired
130.26 natural resources land in the county, whichever is greater;

130.27 (2) \$5.133, multiplied by the total number of acres of transportation wetland or, at the
130.28 county's option, three-fourths of one percent of the appraised value of all transportation
130.29 wetland in the county, whichever is greater;

130.30 (3) \$5.133, multiplied by the total number of acres of wildlife management land, or, at
130.31 the county's option, three-fourths of one percent of the appraised value of all wildlife
130.32 management land in the county, whichever is greater;

131.1 (4) 50 percent of the dollar amount as determined under clause (1), multiplied by the
131.2 number of acres of military refuge land in the county;

131.3 (5) ~~\$2~~ \$3, multiplied by the number of acres of county-administered other natural
131.4 resources land in the county;

131.5 (6) \$5.133, multiplied by the total number of acres of land utilization project land in the
131.6 county;

131.7 (7) ~~\$2~~ \$3, multiplied by the number of acres of commissioner-administered other natural
131.8 resources land in the county; ~~and~~

131.9 (8) \$0.18, multiplied by the total number of acres in the county eligible for payment
131.10 under clauses (1) to (7), provided that the total number of acres in the county eligible for
131.11 payment under clauses (1) to (7) is equal to or greater than 25 percent of the total acreage
131.12 in the county;

131.13 (9) \$0.08, multiplied by the total number of acres in the county eligible for payment
131.14 under clauses (1) to (7), provided that the total number of acres in the county eligible for
131.15 payment under clauses (1) to (7) is equal to or greater than ten percent, but less than 25
131.16 percent of the total acreage in the county; and

131.17 (10) without regard to acreage, and notwithstanding the rules adopted under section
131.18 84A.55, \$300,000 for local assessments under section 84A.55, subdivision 9, that shall be
131.19 divided and distributed to the counties containing state-owned lands within a conservation
131.20 area in proportion to each county's percentage of the total annual ditch assessments.

131.21 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2023.

131.22 Sec. 12. Minnesota Statutes 2020, section 477A.12, subdivision 3, is amended to read:

131.23 Subd. 3. **Determination of appraised value.** For the purposes of this section, the
131.24 appraised value of acquired natural resources land is the purchase price until the next six-year
131.25 appraisal required under this subdivision. The appraised value of acquired natural resources
131.26 land received as a donation is the value determined for the commissioner of natural resources
131.27 by a licensed appraiser, or the county assessor's estimated market value if no appraisal is
131.28 done. The appraised value must be determined by the county assessor every six years, except
131.29 that the appraised value shall not be less than the most recent appraised value. All reappraisals
131.30 shall be done in the same year as county assessors are required to assess exempt land under
131.31 section 273.18.

131.32 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2023.

132.1 Sec. 13. Minnesota Statutes 2020, section 477A.12, is amended by adding a subdivision
132.2 to read:

132.3 Subd. 4. **Adjustment.** The commissioner shall annually adjust the amounts in subdivision
132.4 1, clauses (1) to (10), as provided in section 270C.22, subdivision 1, except as provided in
132.5 this subdivision. To determine the dollar amounts for payments in calendar year 2024, the
132.6 commissioner shall determine the percentage change in the index for the 12-month period
132.7 ending on August 31, 2023, and increase each of the unrounded dollar amounts in section
132.8 477A.12, subdivision 1, by that percentage change. For each subsequent year, the
132.9 commissioner shall increase the dollar amounts by the percentage change in the index from
132.10 August 31 of the year preceding the statutory year, to August 31 of the year preceding the
132.11 taxable year. The commissioner shall round the amounts as adjusted to the nearest tenth of
132.12 a cent.

132.13 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2023.

132.14 Sec. 14. **[477A.23] SOIL AND WATER CONSERVATION DISTRICT AID.**

132.15 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the
132.16 meanings given:

132.17 (1) "nonpublic land" means tract, lot, parcel, and piece or parcel of land as defined by
132.18 section 272.03, subdivision 6, that is not owned by the federal government, the state, or a
132.19 local government unit; and

132.20 (2) "soil and water conservation district" means a district under chapter 103C that is
132.21 implementing the duties under that chapter as determined by the Board of Water and Soil
132.22 Resources as of the date the board provides the certification to the commissioner of revenue
132.23 required by subdivision 4.

132.24 Subd. 2. **Purpose.** The purpose of this section is to provide ongoing financial support
132.25 to soil and water conservation districts to aid in the execution of chapter 103C and other
132.26 duties and services prescribed by statute.

132.27 Subd. 3. **Distribution.** The Board of Water and Soil Resources must calculate the amount
132.28 of aid to be distributed to the certified soil and water conservation districts from the
132.29 appropriation in subdivision 7 as follows:

132.30 (1) 70 percent of the appropriation must be distributed equally among the districts; and

133.1 (2) 30 percent of the appropriation must be distributed proportionally among the districts
133.2 according to the amount of nonpublic land located in a district as compared to the amount
133.3 of nonpublic land in the state.

133.4 Subd. 4. **Certification to commissioner.** On or before June 1 each year, the Board of
133.5 Water and Soil Resources must certify to the commissioner of revenue the soil and water
133.6 conservation districts that will receive a payment under this section and the amount of each
133.7 payment.

133.8 Subd. 5. **Use of proceeds.** (a) Notwithstanding section 103C.401, subdivision 2, a soil
133.9 and water conservation district that receives a distribution under this section must use the
133.10 proceeds to implement chapter 103C and other duties and services prescribed by statute.

133.11 (b) The board of each soil and water conservation district must establish, by resolution,
133.12 annual guidelines for using payments received under this section. Current year guidelines
133.13 and guidelines from the year immediately prior must be posted on the district website.

133.14 (c) A soil and water conservation district that receives a payment under this section may
133.15 appropriate any portion of the payment to a governmental unit with which the district has
133.16 a cooperative agreement under section 103C.231. Any payment received under this section
133.17 and appropriated by the district must be used as required by this section.

133.18 Subd. 6. **Payments.** The commissioner of revenue must distribute soil and water
133.19 conservation district aid in the same manner and at the same times as aid payments provided
133.20 under section 477A.015.

133.21 Subd. 7. **Appropriation.** \$22,000,000 is annually appropriated from the general fund
133.22 to the commissioner of revenue to make the payments required under his section.

133.23 Subd. 8. **Aid amount corrections.** If, due to a clerical error, the amount certified by the
133.24 Board of Soil and Water Resources to a soil and water conservation district is less than the
133.25 amount to which the district is entitled under this section, the Board of Water and Soil
133.26 Resources shall recertify the correct amount to the commissioner of revenue and communicate
133.27 the error and the corrected amount to the affected soil and water conservation district as
133.28 soon as practical after the error is discovered. The commissioner of revenue shall then
133.29 distribute additional aid payments in the same manner as additional aid payments are made
133.30 under section 477A.014. The additional aid payments shall be made from the general fund
133.31 and shall not diminish the distributions made to other soil and water conservation districts
133.32 under this section.

134.1 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2022 and
134.2 thereafter.

134.3 Sec. 15. Minnesota Statutes 2021 Supplement, section 477A.30, is amended to read:

134.4 **477A.30 LOCAL HOMELESS PREVENTION AID.**

134.5 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the
134.6 meanings given:

134.7 (1) "city" means a statutory or home rule charter city;

134.8 (2) "distribution factor" means the total number of students experiencing homelessness
134.9 in a county in the current school year and the previous two school years divided by the total
134.10 number of students experiencing homelessness in all counties in the current school year and
134.11 the previous two school years; ~~and~~

134.12 (3) "families" means families and persons 24 years of age or younger; and

134.13 (4) "Tribal governments" means the federally recognized Indian Tribes located in
134.14 Minnesota, including: Bois Forte Band; Fond du Lac Band; Grand Portage Band; Leech
134.15 Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian
134.16 Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community;
134.17 and Upper Sioux Community.

134.18 Subd. 2. **Purpose.** The purpose of this section is to help local governments and Tribal
134.19 governments ensure no child is homeless within a local jurisdiction by keeping families
134.20 from losing housing and helping those experiencing homelessness find housing.

134.21 Subd. 3. **County distribution.** (a) A county's initial local homeless prevention aid
134.22 amount equals the greater of: (1) \$5,000; or (2)(i) five percent of the money appropriated
134.23 ~~to local homeless prevention aid under this section~~ subdivision 6, paragraph (a), times (ii)
134.24 the ratio of the population of the county to the population of all counties. For the purpose
134.25 of this paragraph, "population" means the population estimate used to calculate aid under
134.26 section 477A.0124 for the same aid payable year.

134.27 (b) The amount of the appropriation in subdivision 6, paragraph (a), remaining after the
134.28 allocation under paragraph (a) must be allocated to counties by multiplying each county's
134.29 distribution factor by the total distribution available under this paragraph. Distribution
134.30 factors must be based on the most recent counts of students experiencing homelessness in
134.31 each county, as certified by the commissioner of education to the commissioner of revenue
134.32 by July 1 of the year the aid is certified to the counties under subdivision 5.

135.1 (c) A county's total local homeless prevention aid equals the sum of the amounts under
135.2 paragraphs (a) and (b).

135.3 Subd. 3a. Tribal governments distribution. The total local homeless prevention aid
135.4 distributed to Tribal governments equals the amount appropriated under subdivision 6,
135.5 paragraph (b). Each Tribal government must receive an equal share of local homeless
135.6 prevention aid under this subdivision.

135.7 Subd. 4. **Use of proceeds.** (a) Counties and Tribal governments that receive a distribution
135.8 under this section must use the proceeds to fund new or existing family homeless prevention
135.9 and assistance projects or programs. These projects or programs may be administered by a
135.10 county, a group of contiguous counties jointly acting together, a city, a group of contiguous
135.11 cities jointly acting together, a ~~Tribe~~ Tribal government, a group of ~~Tribes~~ Tribal
135.12 governments, or a community-based nonprofit organization. Each project or program must
135.13 include plans for:

135.14 (1) targeting families with children who are eligible for a prekindergarten through grade
135.15 12 academic program and are:

135.16 (i) living in overcrowded conditions in their current housing;

135.17 (ii) paying more than 50 percent of their income for rent; or

135.18 (iii) lacking a fixed, regular, and adequate nighttime residence;

135.19 (2) targeting unaccompanied youth in need of an alternative residential setting;

135.20 (3) connecting families with the social services necessary to maintain the families'
135.21 stability in their homes, including but not limited to housing navigation, legal representation,
135.22 and family outreach; and

135.23 (4) one or more of the following:

135.24 (i) providing rental assistance for a specified period of time which may exceed 24 months;

135.25 or

135.26 (ii) providing support and case management services to improve housing stability,
135.27 including but not limited to housing navigation and family outreach.

135.28 (b) ~~Counties may choose not to spend all or a portion of the distribution under this~~
135.29 ~~section. Any unspent funds must be returned to the commissioner of revenue by December~~
135.30 ~~31 of the year following the year that the aid was received. Any funds returned to the~~
135.31 ~~commissioner under this paragraph must be added to the overall distribution of aids certified~~
135.32 ~~under this section in the following year. Any unspent funds returned to the commissioner~~

136.1 ~~after the expiration under subdivision 8 are canceled to the general fund. By December 31~~
136.2 of the calendar year following the calendar year that the aid was received, any funds unspent
136.3 or unallocated by a county under this section must be sent to the Continuum of Care which
136.4 the county is a part of.

136.5 Subd. 5. **Payments.** The commissioner of revenue must compute the amount of local
136.6 homeless prevention aid payable to each county and Tribal government under this section.
136.7 On or before August 1 of each year, the commissioner shall certify the amount to be paid
136.8 to each county and Tribal government in the following year. The commissioner shall pay
136.9 local homeless prevention aid annually at the times provided in section 477A.015.

136.10 Subd. 6. **Appropriation.** ~~\$20,000,000~~ (a) \$17,800,000 is annually appropriated from
136.11 the general fund to the commissioner of revenue to make payments to counties required
136.12 under this section.

136.13 (b) \$2,200,000 is annually appropriated from the general fund to the commissioner of
136.14 revenue to make payments to Tribal governments required under this section.

136.15 Subd. 7. **Report.** (a) No later than January 15, 2025, the commissioner of revenue must
136.16 produce a report on projects and programs funded by counties and Tribal governments under
136.17 this section. The report must include a list of the projects and programs, the number of
136.18 people served by each, and an assessment of how each project and program impacts people
136.19 who are currently experiencing homelessness or who are at risk of experiencing
136.20 homelessness, as reported by the counties and Tribal governments to the commissioner by
136.21 December 31 each year on a form prescribed by the commissioner. The commissioner must
136.22 provide a copy of the report to the chairs and ranking minority members of the legislative
136.23 committees with jurisdiction over property taxes and services for persons experiencing
136.24 homelessness.

136.25 (b) The report in paragraph (a) must be updated every two years and the commissioner
136.26 of revenue must provide copies of the updated reports to the chairs and ranking minority
136.27 members of the legislative committees with jurisdiction over property taxes and services
136.28 for persons experiencing homelessness by January 15 of the year the report is due. Report
136.29 requirements under this subdivision expire following the report which includes the final
136.30 distribution preceding the expiration in subdivision 8.

136.31 Subd. 8. **Expiration.** Distributions under this section expire after aids payable in 2028
136.32 have been distributed.

136.33 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2023 and
136.34 thereafter.

137.1 **Sec. 16. [477A.31] MAHNOMEN PROPERTY TAX REIMBURSEMENT AID.**

137.2 Subdivision 1. **Aid appropriation.** (a) The commissioner of revenue shall make
137.3 reimbursement aid payments to compensate for the loss of property tax revenue related to
137.4 the trust conversion application of the Shooting Star Casino. The commissioner shall pay
137.5 the county of Mahnomen, \$900,000; the city of Mahnomen, \$320,000; and Independent
137.6 School District No. 432, Mahnomen, \$140,000.

137.7 (b) The payments shall be made annually on July 20.

137.8 Subd. 2. **Appropriation.** An amount sufficient to pay reimbursement aid under this
137.9 section is annually appropriated from the general fund to the commissioner of revenue.

137.10 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
137.11 and thereafter.

137.12 **Sec. 17. [477A.35] LOCAL AFFORDABLE HOUSING AID.**

137.13 Subdivision 1. **Purpose.** The purpose of this section is to help local governments to
137.14 develop and preserve affordable housing within their jurisdictions in order to keep families
137.15 from losing housing and to help those experiencing homelessness find housing.

137.16 Subd. 2. **Definitions.** For the purposes of this section, the following terms have the
137.17 meanings given:

137.18 (1) "city" means a statutory or home rule charter city with a population of at least 10,000;

137.19 (2) "city distribution factor" means the number of households in a city that are
137.20 cost-burdened divided by the total number of households that are cost-burdened in Minnesota
137.21 cities. The number of cost-burdened households shall be determined using the most recent
137.22 estimates or experimental estimates provided by the American Community Survey of the
137.23 United States Census Bureau as of May 1 of the aid calculation year;

137.24 (3) "cost-burdened household" means a household in which gross rent is 30 percent or
137.25 more of household income or in which homeownership costs are 30 percent or more of
137.26 household income;

137.27 (4) "county distribution factor" means the number of households in a county that are
137.28 cost-burdened divided by the total number of households in Minnesota that are cost-burdened.
137.29 The number of cost-burdened households shall be determined using the most recent estimates
137.30 or experimental estimates provided by the American Community Survey of the United
137.31 States Census Bureau as of May 1 of the aid calculation year; and

137.32 (5) "population" has the meaning given in section 477A.011, subdivision 3.

- 138.1 Subd. 3. **Distribution.** (a) Each county shall receive the sum of:
- 138.2 (1) \$6,000; plus
- 138.3 (2) the product of:
- 138.4 (i) the county distribution factor; multiplied by
- 138.5 (ii) the total amount available to counties under this section minus the product of clause
- 138.6 (1) multiplied by the number of Minnesota counties.
- 138.7 (b) The commissioner of revenue shall determine the amount of funding available to a
- 138.8 city under this section by multiplying the city's city distribution factor and the amount of
- 138.9 funding available to cities under this section.
- 138.10 Subd. 4. **Grants to nonqualifying local governments.** (a) The commissioner of the
- 138.11 Minnesota Housing Finance Agency shall establish a program to award grants of at least
- 138.12 \$25,000 to local governments that do not qualify for a distribution of aid under subdivision
- 138.13 3. The agency shall develop program guidelines and criteria in consultation with the League
- 138.14 of Minnesota Cities.
- 138.15 (b) The agency shall attempt to award grants in approximately equal amounts to local
- 138.16 governments outside and within the metropolitan area. Among comparable proposals, the
- 138.17 agency shall prioritize grants to local governments that have a higher proportion of
- 138.18 cost-burdened households.
- 138.19 (c) A grantee must use its grant on a qualifying project.
- 138.20 (d) In making grants, the agency shall determine the circumstances under which and the
- 138.21 terms and conditions under which all or any portion thereof will be repaid and shall determine
- 138.22 the appropriate security should repayment be required. Any repaid funds shall be returned
- 138.23 to the account or accounts established pursuant to paragraph (e).
- 138.24 (e) The agency shall establish a bookkeeping account or accounts in the housing
- 138.25 development fund for money distributed to it for grants under this subdivision. By May 1
- 138.26 of each year, the Minnesota Housing Finance Agency shall report to the Department of
- 138.27 Revenue on the amount in the account or accounts.
- 138.28 Subd. 5. **Qualifying projects.** (a) Qualifying projects shall include projects designed
- 138.29 for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing
- 138.30 structures, construction financing, permanent financing, interest rate reduction, refinancing,
- 138.31 and gap financing of housing to provide affordable housing to households that have incomes
- 138.32 which do not exceed, for homeownership projects, 115 percent of the greater of state or

139.1 area median income as determined by the United States Department of Housing and Urban
139.2 Development, and for rental housing projects, 80 percent of the greater of state or area
139.3 median income as determined by the United States Department of Housing and Urban
139.4 Development, except that the housing developed or rehabilitated with funds under this
139.5 section must be affordable to the local work force.

139.6 (b) Gap financing is either:

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

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

139.11 (c) If a grant under this section is used for demolition or removal of existing structures,
139.12 the cleared land must be used for the construction of housing to be owned or rented by
139.13 persons who meet the income limits of paragraph (a).

139.14 Subd. 6. Use of proceeds. (a) Any funds distributed under this section must be spent on
139.15 a qualifying project. If a city or county demonstrates to the Minnesota Housing Finance
139.16 Agency that it cannot expend funds on a qualifying project by the deadline imposed by
139.17 paragraph (b) due to factors outside the control of the city or county, funds shall be considered
139.18 spent on a qualifying project if they are transferred to a local housing trust fund. Funds
139.19 transferred to a local housing trust fund must be spent on a project or household meeting
139.20 the affordability requirements of subdivision 6, paragraph (a).

139.21 (b) Any unspent funds must be returned to the commissioner of revenue by December
139.22 31 in the third year following the year after the aid was received.

139.23 Subd. 7. Administration. (a) The commissioner of revenue must compute the amount
139.24 of aid payable to each city and county under this section. Prior to computing the amount of
139.25 aid for counties and after receiving the report required by subdivision 4, paragraph (e), the
139.26 commissioner shall transfer from the funds available to counties to the Minnesota Housing
139.27 Finance Agency a sum sufficient to increase the amount in the account or accounts established
139.28 under that paragraph to \$4,000,000. By August 1 of each year, the commissioner must
139.29 certify the amount to be paid to each county and city in the following year. The commissioner
139.30 must pay local affordable housing aid annually at the times provided in section 477A.015.

139.31 (b) Beginning in 2024, cities and counties shall submit a report annually, no later than
139.32 December 1 of each year, to the Minnesota Housing Finance Agency. The report shall
139.33 include documentation of the location of any unspent funds distributed under this section

140.1 and of qualifying projects completed or planned with funds under this section. If a city or
140.2 county fails to submit a report, if a city or county failed to spend funds within the timeline
140.3 imposed under subdivision 6, paragraph (b), or if a city or county uses funds for a project
140.4 that does not qualify under this section, the Minnesota Housing Finance Agency shall notify
140.5 the Department of Revenue and the cities and counties that must repay funds under paragraph
140.6 (c) by February 15 of the following year.

140.7 (c) By May 15 after receiving notice from the Minnesota Housing Finance Agency, a
140.8 city or county must repay to the commissioner of revenue funds it received under this section
140.9 if it:

140.10 (1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);

140.11 (2) spends the funds on anything other than a qualifying project; or

140.12 (3) fails to submit a report documenting use of the funds.

140.13 (d) The commissioner of revenue must stop distributing funds to any city or county if
140.14 it has been reported by the Minnesota Housing Finance Agency to have, in three consecutive
140.15 years, failed to use funds, misused funds, or failed to report on its use of funds.

140.16 (e) The commissioner may resume distributing funds to any city or county to which it
140.17 has stopped payments once the Minnesota Housing Finance Agency certifies that the city
140.18 or county has submitted documentation of plans for a qualifying project.

140.19 (f) By May 1, any funds repaid to the commissioner of revenue by cities under paragraph
140.20 (c) must be added to the overall distribution of aids certified under this section for cities in
140.21 the following year. By May 1, any funds repaid to the commissioner of revenue by counties
140.22 under paragraph (c) must be added to the overall distribution of aids certified under this
140.23 section for counties in the following year.

140.24 Subd. 8. **County consultation with local governments.** A county that receives funding
140.25 under this section shall regularly consult with the local governments in the jurisdictions of
140.26 which its qualifying projects are planned or located.

140.27 Subd. 9. **Appropriations.** (a) \$32,000,000 is annually appropriated from the general
140.28 fund to the commissioner of revenue to make payments to counties as required under this
140.29 section, except that in fiscal year 2024 the amount appropriated is \$29,600,000.

140.30 (b) \$8,000,000 is annually appropriated from the general fund to the commissioner of
140.31 revenue to make payments to cities as required under this section, except that in fiscal year
140.32 2024 the amount appropriated is \$7,400,000.

141.1 (c) \$0 is annually appropriated from the general fund to the commissioner of revenue
141.2 to implement this section.

141.3 (d) \$0 is annually appropriated from the general fund to the commissioner of the
141.4 Minnesota Housing Finance Agency to implement this section.

141.5 **EFFECTIVE DATE.** This section is effective beginning with aids payable in calendar
141.6 year 2023.

141.7 Sec. 18. **[477A.40] STRONGER COMMUNITY AID.**

141.8 Subdivision 1. **Purpose.** The purpose of this section is to enhance the local performance
141.9 measurement program administered by the Office of the State Auditor by implementing a
141.10 permanent aid program set to compensate participating local units of government for
141.11 implementing a performance measurement program. Participation in this program is
141.12 voluntary. For purposes of this section, "local units of government" means all counties and
141.13 all statutory and home rule charter cities.

141.14 Subd. 2. **Duties of the Office of the State Auditor.** (a) To assist participating local units
141.15 of government, the Office of the State Auditor must provide on its website guidance for
141.16 compliance with the requirements of this section, including but not limited to:

141.17 (1) performance measures for counties;

141.18 (2) performance measures for cities;

141.19 (3) a sample resolution for counties and cities; and

141.20 (4) reporting requirements.

141.21 (b) Under subdivision 7, the state auditor must prescribe the form on which participating
141.22 local units of government certify their compliance with the requirements of this section.

141.23 (c) Under subdivision 9, the state auditor must certify to the commissioner of revenue
141.24 by April 1 of each year the list of participating local units of government that are eligible
141.25 to receive aid under this section.

141.26 Subd. 3. **Program performance measures.** (a) Each year, a local unit of government
141.27 that elects to participate in this section must adopt and implement a set of ten performance
141.28 measures prescribed by the Office of the State Auditor.

141.29 (b) A local unit of government that elects to participate in this section must adopt its
141.30 performance measures by June 1 each year.

142.1 Subd. 4. **Citizen performance measure and budget workshop meetings.** (a) A local
142.2 unit of government that elects to participate in this section must hold an annual citizen
142.3 performance measure and budget workshop meeting. This meeting must be used to: (i)
142.4 discuss performance measures selected for the upcoming year; (ii) review and report the
142.5 performance measure results for the current year and compare these results to previous
142.6 years, if applicable; (iii) discuss the budget process and budget priorities; and (iv) receive
142.7 public input.

142.8 (b) The meeting described in this subdivision must be held between June 15 and August
142.9 15 of each year, not before 6:00 p.m., with notice to the public provided at least 15 days
142.10 before the meeting is held by posting on the local unit of government's official website or
142.11 by direct mail.

142.12 Subd. 5. **Preliminary budget meeting.** At the meeting at which a local unit of
142.13 government participating in this section sets its preliminary budget and levy pursuant to
142.14 section 275.065, subdivision 1, the participating local unit of government must identify at
142.15 least two performance measures needing improvement and determine a strategy and plan
142.16 for improving these measures.

142.17 Subd. 6. **Final budget meeting; resolution.** At the meeting at which a local unit of
142.18 government participating in this section sets its final budget and levy pursuant to section
142.19 275.07, the participating local unit of government must approve a resolution declaring that:

142.20 (1) the participating local unit of government adopted and implemented the appropriate
142.21 number of performance measures prescribed by the Office of the State Auditor;

142.22 (2) the participating local unit of government held a citizen performance measure and
142.23 budget workshop meeting before the preliminary budget meeting in subdivision 5, during
142.24 which the local unit of government discussed the budget process, reported the results of the
142.25 performance measures from the previous year to the public, and allowed for public input;

142.26 (3) performance measure results from the previous year, if applicable, were made public
142.27 through the local unit of government's official website or by direct mail; and

142.28 (4) the participating local unit of government identified at least two performance measures
142.29 for improvement and developed a plan for improving these measures and a strategy for
142.30 evaluating the improvements in the next year.

142.31 Subd. 7. **Certification to the Office of the State Auditor.** A participating local unit of
142.32 government must certify to the Office of the State Auditor, on a form prescribed by the

143.1 auditor, that it has met the requirements of subdivisions 3 to 6 by February 1 of the aid
143.2 distribution year.

143.3 Subd. 8. **Aid calculation.** (a) Beginning in calendar year 2023 and thereafter, each local
143.4 jurisdiction that has satisfied the requirements under this section is eligible for an aid payment
143.5 of \$0.14 per capita, but not exceed \$25,000 for any jurisdiction.

143.6 (b) For purposes of this section, the population data used in calculating the aid to each
143.7 participating local unit of government must be the most recently available data as of January
143.8 1 of the year in which the aid is distributed.

143.9 Subd. 9. **Aid certification and payment.** (a) By April 1 of the aid distribution year, the
143.10 Office of the State Auditor must certify to the commissioner of revenue a list of the local
143.11 units of government that have certified, pursuant to subdivision 7, that they have met the
143.12 requirements of this section and are eligible to receive aid.

143.13 (b) The commissioner of revenue must annually make all necessary calculations and
143.14 make payments directly to the local units of government that are eligible to receive aid. In
143.15 addition, the commissioner must notify the local units of government of the aid amounts
143.16 and statewide total figures before August 1 of the aid distribution year.

143.17 (c) The commissioner of revenue must make the payments to qualifying local units of
143.18 government on December 26 annually.

143.19 Subd. 10. **Appropriation.** An amount sufficient to make the payments required by the
143.20 commissioner of revenue under subdivision 9 is annually appropriated from the general
143.21 fund to the commissioner of revenue.

143.22 **EFFECTIVE DATE.** This section is effective for aids payable in 2024 and thereafter.

143.23 Sec. 19. Laws 2006, chapter 259, article 11, section 3, as amended by Laws 2008, chapter
143.24 154, article 1, section 4, and Laws 2013, chapter 143, article 2, section 33, is amended to
143.25 read:

143.26 Sec. 3. **MAHNOMEN COUNTY; COUNTY, CITY, SCHOOL DISTRICT,**
143.27 **PROPERTY TAX REIMBURSEMENT.**

143.28 Subdivision 1. **Aid appropriation.** (a) \$1,200,000 is appropriated annually from the
143.29 general fund to the commissioner of revenue to be used to make payments to compensate
143.30 for the loss of property tax revenue related to the trust conversion application of the Shooting
143.31 Star Casino. The commissioner shall pay the county of Mahnomen, \$900,000; the city of

144.1 Mahnomen, \$160,000; and Independent School District No. 432, Mahnomen, \$140,000.

144.2 The payments shall be made on July 20, of 2013 and each subsequent year.

144.3 (b) This section expires after aids payable year 2022.

144.4 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023

144.5 and thereafter.

144.6 Sec. 20. **COUNTY GRANTS FOR COMMUNITY CAREER WORKFORCE**

144.7 **ACADEMIES.**

144.8 Subdivision 1. **Purpose.** The purpose of this section is to help local governments address
144.9 the state's severe workforce shortage by funding collaborative public-private efforts that
144.10 create a strong pipeline of workers in high-demand areas and upskilling the current workforce
144.11 with an emphasis on minority populations, new Minnesota residents, and underskilled
144.12 workers.

144.13 Subd. 2. **Establishment.** (a) Community Career Workforce Academies are established
144.14 as a public-private partnership between school districts, higher education, business, local
144.15 governments, and nonprofits that will prepare students and adults for high-skill jobs of the
144.16 future in identified growth industries and address the state's workforce shortage.

144.17 (b) Community Career Workforce Academies must deliver six core benefits to students:

144.18 (1) a rigorous, relevant education in grades 9 to postsecondary, inclusive, focused on
144.19 high-wage, high-demand careers;

144.20 (2) workplace learning that includes career exploration activities such as mentoring by
144.21 industry professionals, worksite visits, speakers, and internships;

144.22 (3) intensive, individualized academic support by both secondary and postsecondary
144.23 faculty within an extended academic year or school day that enables students to progress
144.24 through the program at their own pace;

144.25 (4) an opportunity to earn a postsecondary credential or degree;

144.26 (5) a commitment to students who complete the program to be first in line for a job with
144.27 participating business partners following completion of the program; and

144.28 (6) upskilling the current adult workforce with an emphasis on minority populations,
144.29 new Minnesota residents, underskilled workers, and those who are unemployed or
144.30 underemployed.

145.1 Subd. 3. Objectives. (a) A Community Career Workforce Academy must accomplish
145.2 the following:

145.3 (1) develop programs of study in high-wage, high-skill, and high-demand career areas
145.4 for students and adults while addressing the workforce shortage;

145.5 (2) align school, college, and community systems in the programs of study developed
145.6 under this section;

145.7 (3) support strong academic performance by program participants;

145.8 (4) promote informed and appropriate career exploration choices and preparation; and

145.9 (5) ensure that employers in key technical and high-demand fields and occupations have
145.10 access to a talented and skilled workforce.

145.11 (b) Through the programs of study developed under this section, participating students
145.12 must be able to earn college course credits toward a postsecondary credential or degree.
145.13 Career pathways must include workplace learning and high school and postsecondary
145.14 coursework. These pathways will provide a seamless sequence of study to ensure alignment
145.15 to high-wage, high-demand careers.

145.16 Subd. 4. Application. (a) Counties, through resolution by the county board, may apply
145.17 to the commissioner of employment and economic development for grants to be used in
145.18 accordance with subdivision 5. The applications must be submitted by January 31, 2023,
145.19 and must be rated on:

145.20 (1) the ability for the county to provide adequate facilities for a Community Career
145.21 Workforce Academy that provides the benefits described in subdivision 2;

145.22 (2) the ability for the Community Career Workforce Academy in the county to provide
145.23 adequate programming;

145.24 (3) the ability for the Community Career Workforce Academy in the county to meet the
145.25 objectives in subdivisions 2 and 3; and

145.26 (4) a regional workforce and talent plan.

145.27 (b) The commissioner of employment and economic development must rate applications
145.28 using the criteria in this subdivision and determine which counties will receive grants under
145.29 this section. Grants awarded to each county must not exceed \$10,000,000. By March 31,
145.30 2023, the commissioner of employment and economic development must certify to the
145.31 commissioner of revenue the grant amounts to be issued to each county.

146.1 Subd. 5. Use of grants. Counties receiving grants under this section must use the funds
146.2 to establish or support a Community Career Workforce Academy that meets the criteria
146.3 under subdivisions 2 and 3. The funds provided under this section to a Community Career
146.4 Workforce Academy by a county may be used for facility capital needs and programming.
146.5 The county or a designee must administer the grant.

146.6 Subd. 6. Appropriation. (a) \$40,000,000 in fiscal year 2023 is appropriated from the
146.7 general fund to the commissioner of revenue for payments to counties for grants under this
146.8 section. The appropriation under this section must be used for the following purposes:

146.9 (1) up to \$30,000,000 must be used for grants under subdivision 7, paragraph (a); and

146.10 (2) \$10,000,000 must be used for a grant under subdivision 7, paragraph (b).

146.11 (b) This is a onetime appropriation. Any amount unexpended after August 15, 2023, is
146.12 canceled.

146.13 Subd. 7. Grants. (a) The commissioner of revenue must make payment of the grant
146.14 amounts to counties certified by the commissioner of employment and economic development
146.15 under subdivision 4.

146.16 (b) Clay County shall be issued a onetime payment in the amount of \$10,000,000 for
146.17 the Moorhead Career Workforce Academy for capital facility needs and programming.

146.18 (c) Grants under paragraph (a) must be paid to counties within 60 days of the certification
146.19 by the commissioner of employment and economic development. The grant under paragraph
146.20 (b) must be paid by August 1, 2022.

146.21 (d) Grants and the process of making grants under this subdivision are exempt from the
146.22 following statutes and related policies: Minnesota Statutes, sections 16A.15, subdivision 3;
146.23 16B.97; and 16B.98, subdivisions 5, 7, and 8. A county opting to use a third party to
146.24 administer grants is exempt from Minnesota Statutes, section 471.345, in the selection of
146.25 the third-party administrator. The exemptions under this paragraph expire after June 30,
146.26 2023.

146.27 Subd. 8. Report. By January 31, 2024, the commissioner of employment and economic
146.28 development must report to the legislative committees with jurisdiction over economic
146.29 development policy and finance and taxes on the grants and the effectiveness of the
146.30 Community Career Workforce Academies in meeting the objectives of subdivisions 2 and
146.31 3 and the grant application.

147.1 **Sec. 21. STUDY OF STATE-OWNED LAKESHORE.**

147.2 No later than January 31, 2023, the commissioner of revenue, in consultation with the
147.3 Department of Natural Resources and counties, must produce a report on valuation methods
147.4 used to value the acreage and shoreline areas within all commissioner-administered and
147.5 county-administered other natural resources land, as defined in Minnesota Statutes, section
147.6 477A.11, subdivision 4. The report must include, by county, the most recent assessed value
147.7 and acreage, and the assessed value and acreage for the two most recent assessments, as
147.8 required under Minnesota Statutes, section 273.18, paragraph (b), aggregated by parcels
147.9 containing shoreline and by parcels not containing shoreline area. Counties must report to
147.10 the commissioner of revenue any necessary data by September 30, 2022. The commissioner
147.11 must provide a copy of the report to the chairs and ranking minority members of the
147.12 legislative committees with jurisdiction over taxes and property taxation.

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

147.14 **Sec. 22. 2021 AID PENALTY FORGIVENESS; CITY OF ECHO.**

147.15 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Echo
147.16 must receive its aid payment for calendar year 2021 under Minnesota Statutes, section
147.17 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,
147.18 and its small city assistance payment for calendar year 2021 under Minnesota Statutes,
147.19 section 162.145, that was withheld under Minnesota Statutes, section 162.145, subdivision
147.20 3, paragraph (c), provided that the state auditor certifies to the commissioner of revenue
147.21 that it received the annual financial reporting form for 2020 from the city by June 1, 2022.
147.22 The commissioner of revenue must make a payment of \$46,060 to the city by June 30, 2022.

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

147.24 **Sec. 23. 2021 AID PENALTY FORGIVENESS; CITY OF MORTON.**

147.25 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Morton
147.26 must receive its aid payment for calendar year 2021 under Minnesota Statutes, section
147.27 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,
147.28 and its small city assistance payment for calendar year 2021 under Minnesota Statutes,
147.29 section 162.145, that was withheld under Minnesota Statutes, section 162.145, subdivision
147.30 3, paragraph (c), provided that the state auditor certifies to the commissioner of revenue
147.31 that it received the annual financial reporting form for 2020 from the city by June 1, 2022.
147.32 The commissioner of revenue must make a payment of \$79,476 to the city by June 30, 2022.

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

148.2 Sec. 24. **REPEALER.**

148.3 (a) Minnesota Statutes 2020, sections 477A.011, subdivisions 30a, 38, 42, and 45; and
148.4 477A.013, subdivision 13, are repealed.

148.5 (b) Minnesota Statutes 2020, section 6.91, is repealed.

148.6 **EFFECTIVE DATE.** Paragraph (a) is effective for aids payable in calendar year 2023
148.7 and thereafter. Paragraph (b) is effective January 1, 2024.

148.8 **ARTICLE 6**

148.9 **TAX INCREMENT FINANCING**

148.10 Section 1. Minnesota Statutes 2020, section 469.174, subdivision 14, is amended to read:

148.11 Subd. 14. **Administrative expenses.** (a) "Administrative expenses" or "administrative
148.12 costs" means all documented expenditures of an authority ~~other than~~ or municipality,
148.13 including but not limited to:

148.14 (1) amounts paid for services provided by bond counsel, fiscal consultants, and economic
148.15 development consultants;

148.16 (2) allocated expenses and staff time of the authority or municipality for administering
148.17 a project, including but not limited to preparing the tax increment financing plan, negotiating
148.18 and preparing agreements, accounting for segregated funds of the district, preparing and
148.19 submitting required reporting for the district, and reviewing and monitoring compliance
148.20 with sections 469.174 to 469.1794;

148.21 (3) amounts paid to publish annual disclosures and provide notices under section 469.175;

148.22 (4) amounts to provide for the usual and customary maintenance and operation of
148.23 properties purchased with tax increments, including necessary reserves for repairs and the
148.24 cost of any insurance;

148.25 (5) amounts allocated or paid to prepare a development action response plan for a soils
148.26 condition district or hazardous substance subdistrict; and

148.27 (6) amounts used to pay bonds, interfund loans, or other financial obligations to the
148.28 extent those obligations were used to finance costs described in clauses (1) to (5).

148.29 (b) Administrative expenses and administrative costs do not include:

148.30 (1) amounts paid for the purchase of land and buildings;

149.1 (2) amounts paid to contractors or others providing materials and services, ~~including~~
 149.2 ~~architectural and engineering services~~, directly connected with the physical development
 149.3 of the real property in the project, including architectural and engineering services and
 149.4 materials and services for demolition, soil correction, and the construction or installation
 149.5 of public improvements;

149.6 (3) relocation benefits paid to or services provided for persons residing or businesses
 149.7 located in the project;

149.8 ~~(4) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount~~
 149.9 ~~bonds issued pursuant to section 469.178; or~~

149.10 ~~(5)~~ (4) amounts paid for property taxes or payments in lieu of taxes; and

149.11 (5) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount
 149.12 bonds issued pursuant to section 469.178 or other financial obligations to the extent those
 149.13 obligations were used to finance costs described in clauses (1) to (3) (4).

149.14 ~~For districts for which the requests for certifications were made before August 1, 1979,~~
 149.15 ~~or after June 30, 1982, "administrative expenses" includes amounts paid for services provided~~
 149.16 ~~by bond counsel, fiscal consultants, and planning or economic development consultants.~~

149.17 This definition does not apply to administrative expenses or administrative costs referenced
 149.18 under section 469.176, subdivision 4h.

149.19 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 149.20 applies to all districts, regardless of when the request for certification was made.

149.21 Sec. 2. Minnesota Statutes 2020, section 469.174, is amended by adding a subdivision to
 149.22 read:

149.23 **Subd. 30. Pay-as-you-go contract and note.** "Pay-as-you-go contract and note" means
 149.24 a written note or contractual obligation under which all of the following apply:

149.25 (1) the note or contractual obligation evidences an authority's commitment to reimburse
 149.26 a developer, property owner, or note holder for the payment of costs of activities, including
 149.27 any interest on unreimbursed costs;

149.28 (2) the reimbursement is made from tax increment revenues identified in the note or
 149.29 contractual obligation as received by a municipality or authority as taxes are paid; and

149.30 (3) the risk that available tax increments may be insufficient to fully reimburse the costs
 149.31 is borne by the developer, property owner, or note holder.

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

150.2 Sec. 3. Minnesota Statutes 2020, section 469.176, subdivision 3, is amended to read:

150.3 Subd. 3. **Limitation on administrative expenses.** (a) For districts for which certification
150.4 was requested before August 1, 2001, no tax increment shall be used to pay any
150.5 administrative expenses for a project which exceed ten percent of the total estimated tax
150.6 increment expenditures authorized by the tax increment financing plan or ten percent of the
150.7 total tax increment expenditures for the project net of any amounts returned to the county
150.8 auditor as excess increment, as returned increment under section 469.1763, subdivision 4,
150.9 paragraph (g), or as remedies under section 469.1771, subdivision 2, whichever is less.

150.10 (b) For districts for which certification was requested after July 31, 2001, no tax increment
150.11 may be used to pay any administrative expenses for a project which exceed ten percent of
150.12 total estimated tax increment expenditures authorized by the tax increment financing plan
150.13 or ten percent of the total tax increments, as defined in section 469.174, subdivision 25,
150.14 clause (1), from received for the district net of any amounts returned to the county auditor
150.15 as excess increment or as remedies under section 469.1771, subdivision 2, whichever is
150.16 less.

150.17 (c) Increments used to pay the county's administrative expenses under subdivision 4h
150.18 are not subject to the percentage limits in this subdivision.

150.19 (d) Increments defined under section 469.174, subdivision 25, clause (2), used for
150.20 administrative expenses described under section 469.174, subdivision 14, paragraph (a),
150.21 clause (4), are not subject to the percentage limits in this subdivision.

150.22 **EFFECTIVE DATE.** This section is effective the day following final enactment and
150.23 applies to all districts, regardless of when the request for certification was made.

150.24 Sec. 4. Minnesota Statutes 2020, section 469.176, subdivision 4, is amended to read:

150.25 Subd. 4. **Limitation on use of tax increment; general rule.** All revenues derived from
150.26 tax increment shall be used in accordance with the tax increment financing plan. The revenues
150.27 shall be used solely for the following purposes: (1) to pay the principal of and interest on
150.28 bonds issued to finance a project; (2) by a rural development financing authority for the
150.29 purposes stated in section 469.142₂; by a port authority or municipality exercising the powers
150.30 of a port authority to finance or otherwise pay the cost of redevelopment pursuant to sections
150.31 469.048 to 469.068₂; by an economic development authority to finance or otherwise pay
150.32 the cost of redevelopment pursuant to sections 469.090 to 469.108₂; by a housing and

151.1 redevelopment authority or economic development authority to finance or otherwise pay
151.2 public redevelopment costs pursuant to sections 469.001 to 469.047²; by a municipality or
151.3 economic development authority to finance or otherwise pay the capital and administration
151.4 costs of a development district pursuant to sections 469.124 to 469.133²; by a municipality
151.5 or authority to finance or otherwise pay the costs of developing and implementing a
151.6 development action response plan²; by a municipality or redevelopment agency to finance
151.7 or otherwise pay premiums for insurance or other security guaranteeing the payment when
151.8 due of principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to
151.9 469.165, or both, or to accumulate and maintain a reserve securing the payment when due
151.10 of the principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to
151.11 469.165, or both, which revenues in the reserve shall not exceed, subsequent to the fifth
151.12 anniversary of the date of issue of the first bond issue secured by the reserve, an amount
151.13 equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased
151.14 bonds secured by the reserve; and (3) to pay administrative expenses.

151.15 **EFFECTIVE DATE.** This section is effective the day following final enactment and
151.16 applies to all districts, regardless of when the request for certification was made.

151.17 Sec. 5. Minnesota Statutes 2021 Supplement, section 469.1763, subdivision 2, is amended
151.18 to read:

151.19 Subd. 2. **Expenditures outside district.** (a) For each tax increment financing district,
151.20 an amount equal to at least 75 percent of the total revenue derived from tax increments paid
151.21 by properties in the district must be expended on activities in the district or to pay bonds,
151.22 to the extent that the proceeds of the bonds were used to finance activities in the district or
151.23 to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other
151.24 than redevelopment districts for which the request for certification was made after June 30,
151.25 1995, the in-district percentage for purposes of the preceding sentence is 80 percent. Not
151.26 more than 25 percent of the total revenue derived from tax increments paid by properties
151.27 in the district may be expended, through a development fund or otherwise, on activities
151.28 outside of the district but within the defined geographic area of the project except to pay,
151.29 or secure payment of, debt service on credit enhanced bonds. For districts, other than
151.30 redevelopment districts for which the request for certification was made after June 30, 1995,
151.31 the pooling percentage for purposes of the preceding sentence is 20 percent. The revenues
151.32 derived from tax increments paid by properties in the district that are expended on costs
151.33 under section 469.176, subdivision 4h, paragraph (b), may be deducted first before calculating
151.34 the percentages that must be expended within and without the district.

152.1 (b) In the case of a housing district, a housing project, as defined in section 469.174,
152.2 subdivision 11, is an activity in the district.

152.3 (c) All administrative expenses are considered to be expenditures for activities outside
152.4 of the district, except that if the only expenses for activities outside of the district under this
152.5 subdivision are for the purposes described in paragraph (d), administrative expenses will
152.6 be considered as expenditures for activities in the district.

152.7 (d) The authority may elect, in the tax increment financing plan for the district, to increase
152.8 by up to ten percentage points the permitted amount of expenditures for activities located
152.9 outside the geographic area of the district under paragraph (a). As permitted by section
152.10 469.176, subdivision 4k, the expenditures, including the permitted expenditures under
152.11 paragraph (a), need not be made within the geographic area of the project. Expenditures
152.12 that meet the requirements of this paragraph are legally permitted expenditures of the district,
152.13 notwithstanding section 469.176, subdivisions 4b, 4c, and 4j. To qualify for the increase
152.14 under this paragraph, the expenditures must:

152.15 (1) be used exclusively to assist housing that meets the requirement for a qualified
152.16 low-income building, as that term is used in section 42 of the Internal Revenue Code; and

152.17 (2) not exceed the qualified basis of the housing, as defined under section 42(c) of the
152.18 Internal Revenue Code, less the amount of any credit allowed under section 42 of the Internal
152.19 Revenue Code; and

152.20 (3) be used to:

152.21 (i) acquire and prepare the site of the housing;

152.22 (ii) acquire, construct, or rehabilitate the housing; or

152.23 (iii) make public improvements directly related to the housing; or

152.24 (4) be used to develop housing:

152.25 (i) if the market value of the housing does not exceed the lesser of:

152.26 (A) 150 percent of the average market value of single-family homes in that municipality;

152.27 or

152.28 (B) \$200,000 for municipalities located in the metropolitan area, as defined in section
152.29 473.121, or \$125,000 for all other municipalities; and

152.30 (ii) if the expenditures are used to pay the cost of site acquisition, relocation, demolition
152.31 of existing structures, site preparation, and pollution abatement on one or more parcels, if
152.32 the parcel contains a residence containing one to four family dwelling units that has been

153.1 vacant for six or more months and is in foreclosure as defined in section 325N.10, subdivision
 153.2 7, but without regard to whether the residence is the owner's principal residence, and only
 153.3 after the redemption period has expired; or

153.4 (5) to assist owner-occupied housing that meets the requirements of section 469.1761,
 153.5 subdivision 2.

153.6 (e) The authority under paragraph (d), clause (4), expires on December 31, 2016.
 153.7 Increments may continue to be expended under this authority after that date, if they are used
 153.8 to pay bonds or binding contracts that would qualify under subdivision 3, paragraph (a), if
 153.9 December 31, 2016, is considered to be the last date of the five-year period after certification
 153.10 under that provision.

153.11 (f) For purposes of determining whether the minimum percentage of expenditures for
 153.12 activities in the district and maximum percentages of expenditures allowed on activities
 153.13 outside the district have been met under this subdivision, any amounts returned to the county
 153.14 auditor as excess increment, as returned increment under subdivision 4, paragraph (g), or
 153.15 as remedies under section 469.1771, subdivision 2, shall first be subtracted from the total
 153.16 revenues derived from tax increments paid by properties in the district. Any other amounts
 153.17 returned to the county auditor for purposes other than a remedy under section 469.1771,
 153.18 subdivision 3, are considered to be expenditures for activities in the district.

153.19 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 153.20 applies to all districts with a request for certification date after April 30, 1990, except that
 153.21 paragraph (f) shall apply to districts decertifying after December 31, 2022.

153.22 Sec. 6. Minnesota Statutes 2021 Supplement, section 469.1763, subdivision 3, is amended
 153.23 to read:

153.24 Subd. 3. **Five-year rule.** (a) Revenues derived from tax increments paid by properties
 153.25 in the district that are considered to have been expended on an activity within the district
 153.26 under will instead be considered to have been expended on an activity outside the district
 153.27 for purposes of subdivision 2 only if one of the following occurs unless:

153.28 (1) before or within five years after certification of the district, the revenues are actually
 153.29 paid to a third party with respect to the activity;

153.30 (2) bonds, the proceeds of which must be used to finance the activity, are issued and
 153.31 sold to a third party before or within five years after certification of the district, the revenues
 153.32 are spent to repay the bonds, and the proceeds of the bonds either are, on the date of issuance,
 153.33 reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii)

154.1 a reasonable temporary period within the meaning of the use of that term under section
 154.2 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve
 154.3 or replacement fund;

154.4 (3) binding contracts with a third party are entered into for performance of the activity
 154.5 before or within five years after certification of the district and the revenues are spent under
 154.6 the contractual obligation;

154.7 (4) costs with respect to the activity are paid before or within five years after certification
 154.8 of the district and the revenues are spent to reimburse a party for payment of the costs,
 154.9 including interest on unreimbursed costs; or

154.10 (5) ~~expenditures are made~~ revenues are spent for housing purposes as permitted described
 154.11 by subdivision 2, ~~paragraphs~~ paragraph (b) and ~~(d)~~, ~~or for public infrastructure purposes~~
 154.12 ~~within a zone as permitted by subdivision 2, paragraph (e).~~

154.13 (b) For purposes of this subdivision, bonds include subsequent refunding bonds if the
 154.14 original refunded bonds meet the requirements of paragraph (a), clause (2).

154.15 (c) For a redevelopment district or a renewal and renovation district certified after June
 154.16 30, 2003, and before April 20, 2009, the five-year periods described in paragraph (a) are
 154.17 extended to ten years after certification of the district. For a redevelopment district certified
 154.18 after April 20, 2009, and before June 30, 2012, the five-year periods described in paragraph
 154.19 (a) are extended to eight years after certification of the district. This extension is provided
 154.20 primarily to accommodate delays in development activities due to unanticipated economic
 154.21 circumstances.

154.22 (d) For a redevelopment district that was certified after December 31, 2017, and before
 154.23 June 30, 2020, the five-year periods described in paragraph (a) are extended to eight years
 154.24 after certification of the district.

154.25 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 154.26 applies to all districts with a request for certification date after April 30, 1990.

154.27 Sec. 7. Minnesota Statutes 2021 Supplement, section 469.1763, subdivision 4, is amended
 154.28 to read:

154.29 Subd. 4. **Use of revenues for decertification.** ~~(a) In each year beginning with the sixth~~
 154.30 ~~year following certification of the district, or beginning with the ninth year following~~
 154.31 ~~certification of the district for districts whose five-year rule is extended to eight years under~~
 154.32 ~~subdivision 3, paragraph (d), if the applicable in-district percent of the revenues derived~~
 154.33 ~~from tax increments paid by properties in the district exceeds the amount of expenditures~~

155.1 ~~that have been made for costs permitted under subdivision 3, an amount equal to the~~
 155.2 ~~difference between the in-district percent of the revenues derived from tax increments paid~~
 155.3 ~~by properties in the district and the amount of expenditures that have been made for costs~~
 155.4 ~~permitted under subdivision 3 must be used and only used to pay or defease the following~~
 155.5 ~~or be set aside to pay the following:~~

155.6 ~~(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b);~~

155.7 ~~(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4);~~

155.8 ~~(3) credit enhanced bonds to which the revenues derived from tax increments are pledged,~~
 155.9 ~~but only to the extent that revenues of the district for which the credit enhanced bonds were~~
 155.10 ~~issued are insufficient to pay the bonds and to the extent that the increments from the~~
 155.11 ~~applicable pooling percent share for the district are insufficient; or~~

155.12 ~~(4) the amount provided by the tax increment financing plan to be paid under subdivision~~
 155.13 ~~2, paragraphs (b), (d), and (e).~~

155.14 ~~(b) The~~ (a) Beginning with the sixth year following certification of the district, or
 155.15 beginning with the year following the extended period for districts whose five-year period
 155.16 is extended under subdivision 3, paragraphs (c) and (d), a district must be decertified and
 155.17 the pledge of tax increment discharged when the outstanding bonds have been defeased and
 155.18 when sufficient money has been set aside to pay, based on the product of the applicable
 155.19 in-district percentage multiplied by the increment to be cumulative revenues derived from
 155.20 tax increments paid by properties in the district that have been collected through the end of
 155.21 the calendar year, equals or exceeds an amount sufficient to pay the following amounts:

155.22 ~~(1) contractual~~ any costs and obligations as defined described in subdivision 3, paragraph
 155.23 paragraphs (a), clauses (3) and (4); and (b), excluding those under a qualifying pay-as-you-go
 155.24 contract and note;

155.25 ~~(2) the amount specified in the tax increment financing plan for activities qualifying~~
 155.26 ~~under subdivision 2, paragraph (b), that have not been funded with the proceeds of bonds~~
 155.27 ~~qualifying under paragraph (a), clause (1); and~~

155.28 ~~(3) the additional expenditures permitted by the tax increment financing plan for housing~~
 155.29 ~~activities under an election under subdivision 2, paragraph (d), that have not been funded~~
 155.30 ~~with the proceeds of bonds qualifying under paragraph (a), clause (1).~~

155.31 ~~(2) any accrued interest on the costs and obligations in clause (1), payable in accordance~~
 155.32 ~~with the terms thereof; and~~

156.1 (3) any administrative expenses falling within the exception in subdivision 2, paragraph
156.2 (c).

156.3 (b) For districts with an outstanding qualifying pay-as-you-go contract and note, the
156.4 required decertification under paragraph (a) is deferred until the end of the remaining term
156.5 of the last outstanding qualifying pay-as-you-go contract and note, and the applicable
156.6 in-district percentage of cumulative revenues derived from tax increments paid by properties
156.7 in the district are sufficient to pay the obligations identified in subdivision 3, paragraphs
156.8 (a) and (b), provided that the deferral shall not exceed the district's duration limit under
156.9 section 469.176. During the deferral, beginning at the time paragraph (a) would otherwise
156.10 require decertification, the authority must annually either:

156.11 (1) remove from the district, by the end of the year, all parcels that will no longer have
156.12 their tax increment revenue pledged or subject to a qualifying pay-as-you-go contract and
156.13 note or other costs and obligations described in subdivision 3, paragraphs (a) and (b), after
156.14 the end of the year; or

156.15 (2) use the applicable in-district percentage of revenues derived from tax increments
156.16 paid by those parcels to prepay an outstanding qualifying pay-as-you-go contract and note
156.17 of the district or other costs and obligations described in subdivision 3, paragraphs (a) and
156.18 (b), or to accumulate and use revenues derived from tax increments paid by those parcels
156.19 as permitted under paragraph (i).

156.20 The authority must remove any parcels as required by this paragraph by modification
156.21 of the tax increment financing plan and notify the county auditor of the removed parcels by
156.22 the end of the same calendar year. Notwithstanding section 469.175, subdivision 4,
156.23 paragraphs (b), clause (1), and (e), the notice, discussion, public hearing, and findings
156.24 required for approval of the original plan are not required for such a modification.

156.25 (c) Notwithstanding paragraph (a) or (b), if tax increment was pledged prior to August
156.26 1, 2022, to a bond other than a pay-as-you-go contract and note or interfund loan, and the
156.27 proceeds of the bond were used solely or in part to pay authorized costs for activities outside
156.28 the district, the requirement to decertify under paragraph (a) or remove parcels under
156.29 paragraph (b) shall not apply prior to the bond being fully paid or defeased.

156.30 (d) For purposes of this subdivision, "applicable in-district percentage" means the
156.31 percentage of tax increment revenue that is restricted for expenditures within the district,
156.32 as determined under subdivision 2, paragraphs (a) and (d), for the district.

157.1 (e) For purposes of this subdivision, "qualifying pay-as-you-go contract and note" means
157.2 a pay-as-you-go contract and note that is considered to be for activities within the district
157.3 under subdivision 3, paragraph (a).

157.4 (f) For purposes of this subdivision, the reference in paragraph (a) to cumulative revenues
157.5 derived from tax increments paid by properties in the district through the end of the calendar
157.6 year shall include any final settlement distributions made in the following January. For
157.7 purposes of the calculation in paragraph (a), any amounts returned to the county auditor as
157.8 excess increment or as remedies under section 469.1771, subdivision 2, shall first be
157.9 subtracted from the cumulative revenues derived from tax increments paid by properties in
157.10 the district.

157.11 (g) The timing and implementation of a decertification pursuant to paragraphs (a) and
157.12 (b) shall be subject to the following:

157.13 (1) when a decertification is required under paragraph (a) and not deferred under
157.14 paragraph (b), the authority must, as soon as practical and no later than the final settlement
157.15 distribution date of January 25 as identified in section 276.111 for the property taxes payable
157.16 in the calendar year identified in paragraph (a), make the decertification by resolution
157.17 effective for the end of the calendar year identified in paragraph (a), and communicate the
157.18 decertification to the county auditor;

157.19 (2) when a decertification is deferred under paragraph (b), the authority must, by
157.20 December 31 of the year in which the last qualifying pay-as-you-go contract and note reaches
157.21 termination, make the decertification by resolution effective for the end of that calendar
157.22 year and communicate the decertification to the county auditor;

157.23 (3) if the county auditor is unable to prevent tax increments from being calculated for
157.24 taxes payable in the year following the year for which the decertification is made effective,
157.25 the county auditor may redistribute the tax increments in the same manner as excess
157.26 increments under section 469.176, subdivision 2, paragraph (c), clause (4), without first
157.27 distributing them to the authority; and

157.28 (4) if tax increments are distributed to an authority for a taxes payable year after the year
157.29 for which the decertification was required to be effective, the authority must return the
157.30 amount of the distributions to the county auditor for redistribution in the same manner as
157.31 excess increments under section 469.176, subdivision 2, paragraph (c), clause (4).

157.32 (h) The provisions of this subdivision do not apply to a housing district.

158.1 (i) Notwithstanding anything to the contrary in paragraph (a) or (b), if an authority has
 158.2 made the election in the tax increment financing plan for the district under subdivision 2,
 158.3 paragraph (d), then the requirement to decertify under paragraph (a) or remove parcels under
 158.4 paragraph (b) shall not apply prior to such time that the accumulated revenues derived from
 158.5 tax increments paid by properties in the district that are eligible to be expended for housing
 158.6 purposes described under subdivision 2, paragraph (d), equals the lesser of the amount the
 158.7 authority is permitted to expend for housing purposes described under subdivision 2,
 158.8 paragraph (d), or the amount authorized for such purposes in the tax increment financing
 158.9 plan. Increment revenues collected after the district would have decertified under paragraph
 158.10 (a) or from parcels which otherwise would be subject to removal under paragraph (b), absent
 158.11 the exception of this paragraph, shall be used solely for housing purposes as described in
 158.12 subdivision 2, paragraph (d).

158.13 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 158.14 applies to all districts with a request for certification after April 30, 1990, except that the
 158.15 requirements under paragraph (b) to remove parcels or use revenues from such parcels as
 158.16 prescribed in paragraph (b) apply only to districts for which the request for certification
 158.17 was made after the day following final enactment.

158.18 Sec. 8. Minnesota Statutes 2020, section 469.1763, subdivision 6, is amended to read:

158.19 Subd. 6. **Pooling permitted for deficits.** (a) This subdivision applies only to districts
 158.20 for which the request for certification was made before August 1, 2001, and without regard
 158.21 to whether the request for certification was made prior to August 1, 1979.

158.22 (b) The municipality for the district may transfer available increments from another tax
 158.23 increment financing district located in the municipality, if the transfer is necessary to
 158.24 eliminate a deficit in the district to which the increments are transferred. The municipality
 158.25 may transfer increments as provided by this subdivision without regard to whether the
 158.26 transfer or expenditure is authorized by the tax increment financing plan for the district
 158.27 from which the transfer is made. A deficit in the district for purposes of this subdivision
 158.28 means the lesser of the following two amounts:

158.29 (1)~~(i)~~ the amount due during the calendar year to pay preexisting obligations of the
 158.30 district; minus the sum of

158.31 ~~(ii)~~ (i) the total increments collected or to be collected from properties located within
 158.32 the district that are available for the calendar year including amounts collected in prior years
 158.33 that are currently available; plus

159.1 ~~(iii)~~ (ii) total increments from properties located in other districts in the municipality
159.2 including amounts collected in prior years that are available to be used to meet the district's
159.3 obligations under this section, excluding this subdivision, or other provisions of law; or

159.4 (2) the reduction in increments collected from properties located in the district for the
159.5 calendar year as a result of the changes in classification rates in Laws 1997, chapter 231,
159.6 article 1; Laws 1998, chapter 389, article 2; and Laws 1999, chapter 243, and Laws 2001,
159.7 First Special Session chapter 5, or the elimination of the general education tax levy under
159.8 Laws 2001, First Special Session chapter 5.

159.9 The authority may compute the deficit amount under clause (1) only (without regard to
159.10 the limit under clause (2)) if the authority makes an irrevocable commitment, by resolution,
159.11 to use increments from the district to which increments are to be transferred and any
159.12 transferred increments are only used to pay preexisting obligations and administrative
159.13 expenses for the district that are required to be paid under section 469.176, subdivision 4h,
159.14 paragraph (a).

159.15 (c) A preexisting obligation means:

159.16 (1) bonds issued and sold before August 1, 2001, or bonds issued pursuant to a binding
159.17 contract requiring the issuance of bonds entered into before July 1, 2001, and bonds issued
159.18 to refund such bonds or to reimburse expenditures made in conjunction with a signed
159.19 contractual agreement entered into before August 1, 2001, to the extent that the bonds are
159.20 secured by a pledge of increments from the tax increment financing district; and

159.21 (2) binding contracts entered into before August 1, 2001, to the extent that the contracts
159.22 require payments secured by a pledge of increments from the tax increment financing district.

159.23 (d) The municipality may require a development authority, other than a seaway port
159.24 authority, to transfer available increments including amounts collected in prior years that
159.25 are currently available for any of its tax increment financing districts in the municipality to
159.26 make up an insufficiency in another district in the municipality, regardless of whether the
159.27 district was established by the development authority or another development authority.

159.28 This authority applies notwithstanding any law to the contrary, but applies only to a
159.29 development authority that:

159.30 (1) was established by the municipality; or

159.31 (2) the governing body of which is appointed, in whole or part, by the municipality or
159.32 an officer of the municipality or which consists, in whole or part, of members of the
159.33 governing body of the municipality. The municipality may use this authority only after it

160.1 has first used all available increments of the receiving development authority to eliminate
160.2 the insufficiency and exercised any permitted action under section 469.1792, subdivision
160.3 3, for preexisting districts of the receiving development authority to eliminate the
160.4 insufficiency.

160.5 (e) The authority under this subdivision to spend tax increments outside of the area of
160.6 the district from which the tax increments were collected:

160.7 (1) is an exception to the restrictions under section 469.176, subdivisions 4b, 4c, 4d, 4e,
160.8 4i, and 4j; the expenditure limits under section 469.176, subdivision 1c; and the other
160.9 provisions of this section; and the percentage restrictions under subdivision 2 must be
160.10 calculated after deducting increments spent under this subdivision from the total increments
160.11 for the district; and

160.12 (2) applies notwithstanding the provisions of the Tax Increment Financing Act in effect
160.13 for districts for which the request for certification was made before June 30, 1982, or any
160.14 other law to the contrary.

160.15 (f) If a preexisting obligation requires the development authority to pay an amount that
160.16 is limited to the increment from the district or a specific development within the district and
160.17 if the obligation requires paying a higher amount to the extent that increments are available,
160.18 the municipality may determine that the amount due under the preexisting obligation equals
160.19 the higher amount and may authorize the transfer of increments under this subdivision to
160.20 pay up to the higher amount. The existence of a guarantee of obligations by the individual
160.21 or entity that would receive the payment under this paragraph is disregarded in the
160.22 determination of eligibility to pool under this subdivision. The authority to transfer increments
160.23 under this paragraph may only be used to the extent that the payment of all other preexisting
160.24 obligations in the municipality due during the calendar year have been satisfied.

160.25 (g) For transfers of increments made in calendar year 2005 and later, the reduction in
160.26 increments as a result of the elimination of the general education tax levy for purposes of
160.27 paragraph (b), clause (2), for a taxes payable year equals the general education tax rate for
160.28 the school district under Minnesota Statutes 2000, section 273.1382, subdivision 1, for taxes
160.29 payable in 2001, multiplied by the captured tax capacity of the district for the current taxes
160.30 payable year.

160.31 **EFFECTIVE DATE.** This section is effective the day following final enactment and
160.32 applies only to districts for which the request for certification was made before August 1,
160.33 2001, and without regard to whether the request for certification was made prior to August
160.34 1, 1979.

161.1 Sec. 9. Minnesota Statutes 2020, section 469.1771, subdivision 2, is amended to read:

161.2 Subd. 2. **Collection of increment.** If an authority includes or retains a parcel of property
 161.3 in a tax increment financing district that does not qualify for inclusion or retention within
 161.4 the district, the authority must pay to the county auditor an amount of money equal to the
 161.5 increment collected from the property for the year or years. The property must be eliminated
 161.6 from the original and captured tax capacity of the district effective for the current property
 161.7 tax assessment year. ~~This subdivision does not apply to a failure to decertify a district at~~
 161.8 ~~the end of the duration limit specified in the tax increment financing plan.~~

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

161.10 Sec. 10. Minnesota Statutes 2020, section 469.1771, subdivision 2a, is amended to read:

161.11 Subd. 2a. **Suspension of distribution of tax increment.** (a) If an authority fails to make
 161.12 a disclosure or to submit a report containing the information required by section 469.175,
 161.13 subdivisions 5 and 6, regarding a tax increment financing district within the time provided
 161.14 in section 469.175, subdivisions 5 and 6, the state auditor shall mail to the authority a written
 161.15 notice that it or the municipality has failed to make the required disclosure or to submit a
 161.16 required report with respect to a particular district. The state auditor shall mail the notice
 161.17 on or before the third Tuesday of August of the year in which the disclosure or report was
 161.18 required to be made or submitted. The notice must describe the consequences of failing to
 161.19 disclose or submit a report as provided in paragraph (b). If the state auditor has not received
 161.20 a copy of a disclosure or a report described in this paragraph on or before the first day of
 161.21 October of the year in which the disclosure or report was required to be made or submitted,
 161.22 the state auditor shall mail a written notice to the county auditor to hold the distribution of
 161.23 tax increment from a particular district.

161.24 (b) Upon receiving written notice from the state auditor to hold the distribution of tax
 161.25 increment, the county auditor shall hold: all tax increment that otherwise would be distributed
 161.26 after receipt of the notice, until further notified under paragraph (c).

161.27 ~~(1) 100 percent of the amount of tax increment that otherwise would be distributed, if~~
 161.28 ~~the distribution is made after the first day of October but during the year in which the~~
 161.29 ~~disclosure or report was required to be made or submitted; or~~

161.30 ~~(2) 100 percent of the amount of tax increment that otherwise would be distributed, if~~
 161.31 ~~the distribution is made after December 31 of the year in which the disclosure or report was~~
 161.32 ~~required to be made or submitted.~~

162.1 (c) Upon receiving the copy of the disclosure and all of the reports described in paragraph
 162.2 (a) with respect to a district regarding which the state auditor has mailed to the county
 162.3 auditor a written notice to hold distribution of tax increment, the state auditor shall mail to
 162.4 the county auditor a written notice lifting the hold and authorizing the county auditor to
 162.5 distribute to the authority or municipality any tax increment that the county auditor had held
 162.6 pursuant to paragraph (b). The state auditor shall mail the written notice required by this
 162.7 paragraph within five working days after receiving the last outstanding item. The county
 162.8 auditor shall distribute the tax increment to the authority or municipality within 15 working
 162.9 days after receiving the written notice required by this paragraph.

162.10 (d) Notwithstanding any law to the contrary, any interest that accrues on tax increment
 162.11 while it is being held by the county auditor pursuant to paragraph (b) is not tax increment
 162.12 and may be retained by the county.

162.13 (e) For purposes of sections 469.176, subdivisions 1a to 1g, and 469.177, subdivision
 162.14 11, tax increment being held by the county auditor pursuant to paragraph (b) is considered
 162.15 distributed to or received by the authority or municipality as of the time that it would have
 162.16 been distributed or received but for paragraph (b).

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

162.18 Sec. 11. Minnesota Statutes 2020, section 469.1771, subdivision 3, is amended to read:

162.19 Subd. 3. **Expenditure of increment.** If an authority expends revenues derived from tax
 162.20 increments, including the proceeds of tax increment bonds, (1) for a purpose that is not a
 162.21 permitted project under ~~section 469.176~~ sections 469.174 to 469.1794, (2) for a purpose
 162.22 that is not permitted under ~~section 469.176~~ sections 469.174 to 469.1794 for the district
 162.23 from which the increment was received, or (3) on activities outside of the geographic area
 162.24 in which the revenues may be expended under this chapter, the authority must pay to the
 162.25 county auditor an amount equal to the expenditures made in violation of the law.

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

162.27 Sec. 12. Laws 2003, chapter 127, article 10, section 31, subdivision 1, as amended by
 162.28 Laws 2008, chapter 366, article 5, section 21, and Laws 2019, First Special Session chapter
 162.29 6, article 7, section 1, is amended to read:

162.30 Subdivision 1. **District extension.** (a) The governing body of the city of Hopkins may
 162.31 elect to extend the duration of its redevelopment tax increment financing district 2-11 by
 162.32 up to four additional years.

163.1 (b) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, effective upon
163.2 approval of this subdivision, no increments may be spent on activities located outside of
163.3 the area of the district, other than:

163.4 (1) to pay administrative expenses, not to exceed ten percent of the total tax increments
163.5 from the district; or

163.6 (2) to pay the costs of housing or redevelopment activities that are consistent with
163.7 Minnesota Statutes, section 469.176, subdivision 4j, ~~provided that expenditures under this~~
163.8 ~~clause may not exceed 20 percent of the total tax increments from the district.~~

163.9 The total amount of increment that may be spent on activities located outside the area of
163.10 the district under this section shall be limited to ~~25~~ 30 percent.

163.11 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
163.12 city of Hopkins and its chief clerical officer comply with Minnesota Statutes, section 645.021,
163.13 subdivisions 2 and 3.

163.14 Sec. 13. Laws 2014, chapter 308, article 6, section 12, subdivision 2, is amended to read:

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

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

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

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

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

163.28 (4) quarries or similar resource extraction sites;

163.29 (5) floodway; and

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

164.1 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the
164.2 relevant condition if at least 70 percent of the area of the parcel contains the relevant
164.3 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by
164.4 substandard buildings if substandard buildings occupy at least 30 percent of the area of the
164.5 parcel.

164.6 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is
164.7 extended to ~~eight~~ 11 years for any district; the five-year rule under Minnesota Statutes,
164.8 section 469.175, subdivision 4, paragraph (f), is extended to eight years for any district; and
164.9 Minnesota Statutes, section 469.1763, subdivision 4, does not apply to any district.

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

164.14 (f) For a soil deficiency district:

164.15 (1) increments may be collected through 20 years after the receipt by the authority of
164.16 the first increment from the district;

164.17 (2) increments may be used only to:

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

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

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

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

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

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

164.29 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
164.30 city of Savage and its chief clerical officer comply with Minnesota Statutes, section 645.021,
164.31 subdivisions 2 and 3.

165.1 Sec. 14. **CITY OF FRIDLEY; TAX INCREMENT FINANCING DISTRICT;**
165.2 **SPECIAL RULES.**

165.3 **Subdivision 1. Transfer of increment.** Notwithstanding Minnesota Statutes, section
165.4 469.176, subdivision 4j, the city of Fridley, or its economic development authority, may
165.5 transfer tax increment accumulated from Fridley Tax Increment Financing District No. 20
165.6 to the Fridley Housing and Redevelopment Authority for the purposes authorized in
165.7 subdivision 2. Only increment allowed to be expended outside of the district pursuant to
165.8 Minnesota Statutes, section 469.1763, subdivision 2, may be transferred under this section.

165.9 **Subd. 2. Allowable use.** Increment transferred under subdivision 1 may only be expended
165.10 on housing programs adopted by the Fridley Housing and Redevelopment Authority on or
165.11 prior to December 31, 2021.

165.12 **Subd. 3. Annual financial reporting.** Tax increment transferred under this section is
165.13 subject to the annual reporting requirements under Minnesota Statutes, section 469.175,
165.14 subdivision 6.

165.15 **Subd. 4. Legislative reports.** By February 1, 2024, and February 1, 2026, the city of
165.16 Fridley must issue a report to the chairs and ranking minority members of the legislative
165.17 committees with jurisdiction over taxes and property taxes. Each report must include detailed
165.18 information relating to each program financed with increment transferred under this section.

165.19 **Subd. 5. Expiration.** The authority to make transfers under subdivision 1 expires
165.20 December 31, 2026.

165.21 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
165.22 city of Fridley and its chief clerical officer comply with the requirements of Minnesota
165.23 Statutes, section 645.021, subdivisions 2 and 3.

165.24 Sec. 15. **CITY OF PLYMOUTH; TIF AUTHORITY.**

165.25 **Subdivision 1. Establishment.** Under the special rules established in subdivision 2 of
165.26 this section, the city of Plymouth may establish a redevelopment district located wholly
165.27 within the city of Plymouth, Hennepin County, Minnesota, limited to the following parcels,
165.28 identified by tax identification numbers, together with adjacent roads and rights-of-way:
165.29 34-119-22-44-0002, 03-118-22-12-0002, 03-118-22-11-0007, 02-118-22-22-0005, and
165.30 03-118-22-14-0032.

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

166.1 (1) the district meets all the requirements of Minnesota Statutes, section 469.174,
166.2 subdivision 10;

166.3 (2) the five-year rule period under Minnesota Statutes, section 469.1763, subdivision 3,
166.4 is extended to ten years;

166.5 (3) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district;
166.6 and

166.7 (4) increments generated from the district may be expended on improvements to Hennepin
166.8 County Road 47 outside the project area, and all such expenditures are deemed expended
166.9 on activities within the district for the purposes of Minnesota Statutes, section 469.1763.

166.10 Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish
166.11 a tax increment financing district under this section expires December 31, 2029.

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

166.15 Sec. 16. **CITY OF WOODBURY; TIF DISTRICT NO. 13; EXPENDITURES**
166.16 **ALLOWED; DURATION EXTENSION.**

166.17 (a) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, or any other
166.18 law to the contrary, the city of Woodbury may expend increments generated from Tax
166.19 Increment Financing District No. 13 for the maintenance and facility and infrastructure
166.20 upgrades to Central Park. All such expenditures are deemed expended on activities within
166.21 the district.

166.22 (b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, the city of
166.23 Woodbury may elect to extend the duration of Tax Increment Financing District No. 13 by
166.24 five years.

166.25 **EFFECTIVE DATE.** Paragraph (a) is effective the day after the governing body of the
166.26 city of Woodbury and its chief clerical officer comply with the requirements of Minnesota
166.27 Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance
166.28 by the city of Woodbury, Washington County, and Independent School District No. 833
166.29 with the requirements of Minnesota Statutes, sections 469.1782, subdivision 2, and 645.021,
166.30 subdivisions 2 and 3.

167.1

ARTICLE 7

167.2

LOCAL TAXES

167.3 Section 1. Minnesota Statutes 2020, section 297A.99, subdivision 1, is amended to read:

167.4 Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose
167.5 a general sales tax (1) under section 297A.992, (2) under section 297A.993, (3) if permitted
167.6 by special law, or (4) if the political subdivision enacted and imposed the tax before January
167.7 1, 1982, and its predecessor provision.

167.8 (b) This section governs the imposition of a general sales tax by the political subdivision.
167.9 The provisions of this section preempt the provisions of any special law:

167.10 (1) enacted before June 2, 1997, or

167.11 (2) enacted on or after June 2, 1997, that does not explicitly exempt the special law
167.12 provision from this section's rules by reference.

167.13 (c) This section does not apply to or preempt a sales tax on motor vehicles. Beginning
167.14 July 1, 2019, no political subdivision may impose a special excise tax on motor vehicles
167.15 unless it is imposed under section 297A.993.

167.16 (d) A political subdivision may not advertise or expend funds for the promotion of a
167.17 referendum to support imposing a local sales tax ~~and may only spend funds related to~~
167.18 ~~imposing a local sales tax to:~~

167.19 (e) Notwithstanding paragraph (d), a political subdivision may only spend funds related
167.20 to imposing a local sales tax to:

167.21 (1) conduct the referendum;

167.22 (2) disseminate information included in the resolution adopted and submitted under
167.23 subdivision 2, but only if the disseminated information includes a list of specific projects
167.24 and the cost of each individual project;

167.25 (3) provide notice of, and conduct public forums at which proponents and opponents on
167.26 the merits of the referendum are given equal time to express their opinions on the merits of
167.27 the referendum;

167.28 (4) provide facts and data on the impact of the proposed local sales tax on consumer
167.29 purchases; and

167.30 (5) provide facts and data related to the individual programs and projects to be funded
167.31 with the local sales tax.

168.1 **EFFECTIVE DATE.** This section is effective for local sales tax proposals submitted
168.2 for legislative approval after the day of final enactment.

168.3 Sec. 2. Minnesota Statutes 2021 Supplement, section 297A.99, subdivision 2, is amended
168.4 to read:

168.5 Subd. 2. **Local resolution before application for authority.** (a) ~~Before the governing~~
168.6 ~~body of a political subdivision requests legislative approval to impose a local sales tax~~
168.7 ~~authorized by a special law, it shall adopt a resolution indicating its approval of the tax. The~~
168.8 ~~resolution must include the following information:~~ The governing body of a political
168.9 subdivision seeking legislative approval to either impose a new local sales tax authorized
168.10 by special law or modify an existing local sales tax authorized by special law must adopt a
168.11 resolution indicating its approval of the tax each year it requests legislative approval. The
168.12 resolution must include the following information:

168.13 (1) the proposed tax rate;

168.14 (2) a detailed description of no more than five capital projects that will be funded with
168.15 revenue from the tax;

168.16 (3) documentation of the regional significance of each project, including the share of
168.17 the economic benefit to or use of each project by persons residing, or businesses located,
168.18 outside of the jurisdiction;

168.19 (4) the amount of local sales tax revenue that would be used for each project and the
168.20 estimated time needed to raise that amount of revenue; ~~and~~

168.21 (5) the total revenue that will be raised for all projects before the tax expires, and the
168.22 estimated length of time that the tax will be in effect if all proposed projects are funded;
168.23 and

168.24 (6) a description of the nexus between the nonresident users of a project and the payment
168.25 of the tax, as required in paragraph (e).

168.26 (b) ~~The jurisdiction seeking authority to impose a local sales tax by special law must~~
168.27 ~~submit the resolution in paragraph (a) along with underlying documentation indicating how~~
168.28 ~~the benefits under paragraph (a), clause (3), were determined, to the chairs and ranking~~
168.29 ~~minority members of the legislative committees~~ of the house of representatives and senate
168.30 with jurisdiction over taxes no later than January 31 of the each year in which the jurisdiction
168.31 is seeking a special law authorizing or modifying the tax. The jurisdiction must submit an
168.32 amended resolution if, after meeting the requirements of this paragraph, the jurisdiction
168.33 seeks to:

169.1 (1) add a project that will be funded with the revenue from the tax;

169.2 (2) increase the amount that will be used for any project;

169.3 (3) increase the total revenue raised for all projects before the tax expires; or

169.4 (4) increase the estimated length of time that the tax will be in effect if all proposed
169.5 projects are funded.

169.6 (c) The special legislation granting or modifying local sales tax authority is not required
169.7 to allow funding for all projects listed in the resolution with the revenue from the local sales
169.8 tax, but must not include any projects not contained in the resolution.

169.9 (d) For purposes of this section, a "capital project" or "project" means:

169.10 (1) a single building or structure including associated infrastructure needed to safely
169.11 access or use the building or structure;

169.12 (2) improvements within a single park or named recreation area; or

169.13 (3) a contiguous trail.

169.14 (e) The resolution required in paragraph (a) must also include a description of the nexus
169.15 between the nonresident users of a project and the payment of tax. Nexus requires that two
169.16 of the following requirements are met:

169.17 (1) a significant number of the users of the project will be nonresidents of the political
169.18 subdivision imposing the tax;

169.19 (2) the project includes a unique or uncommon characteristic;

169.20 (3) the project is part of a regional or statewide network or system for providing facilities
169.21 or services;

169.22 (4) the project promotes an activity having a duration long enough to encourage retail
169.23 activity incident to the project, in the political subdivision imposing the tax; and

169.24 (5) the project includes improvements or amenities to facilities that increase the project's
169.25 capacity to serve visitors at a volume that exceeds the capacity for facilities that serve a
169.26 local population, including but not limited to heating, ventilation, and air conditioning
169.27 systems, parking facilities, including accessibility upgrades, and other improvements
169.28 necessary for compliance with state building codes for the improved facilities.

169.29 **EFFECTIVE DATE.** This section is effective for local sales tax proposals submitted
169.30 for legislative approval after the day of final enactment.

170.1 Sec. 3. Minnesota Statutes 2020, section 297A.99, subdivision 3, is amended to read:

170.2 Subd. 3. **Legislative authority required before voter approval; requirements for**
170.3 **adoption, use, termination.** (a) A political subdivision must receive legislative authority
170.4 to impose or modify a local sales tax before submitting the tax for approval by voters of the
170.5 political subdivision. Imposition or modification of a local sales tax is subject to approval
170.6 by voters of the political subdivision at a general election. The election must be conducted
170.7 ~~at a general election~~ on the first Tuesday after the first Monday in November within the
170.8 two-year period after the governing body of the political subdivision has received authority
170.9 to impose or modify the tax. If the authorizing legislation ~~allows~~ authorizes or modifies the
170.10 tax ~~to be imposed~~ for more than one project, there must be a separate question approving
170.11 the use of the tax revenue for each project. Notwithstanding the authorizing legislation or
170.12 special law modifying the tax, a project that is not approved by the voters may not be funded
170.13 with the local sales tax revenue and the termination date of the tax set in the authorizing
170.14 legislation or special law modifying the tax must be reduced proportionately based on the
170.15 share of that project's cost to the total costs of all projects included in the authorizing
170.16 legislation or special law modifying the tax.

170.17 (b) The proceeds of the tax must be dedicated exclusively to payment of the construction
170.18 and rehabilitation costs and associated bonding costs related to the specific capital
170.19 improvement projects that were approved by the voters under paragraph (a).

170.20 (c) The tax must terminate after the revenues raised are sufficient to fund the projects
170.21 approved by the voters under paragraph (a).

170.22 (d) After a sales tax imposed by a political subdivision has expired or been terminated,
170.23 the political subdivision is prohibited from imposing a local sales tax for a period of one
170.24 year.

170.25 (e) Notwithstanding paragraph (a), if a political subdivision received voter approval to
170.26 seek authority for a local sales tax at the November 6, 2018, general election and is granted
170.27 authority to impose a local sales tax before January 1, 2021, the tax may be imposed without
170.28 an additional referendum provided that it meets the requirements of subdivision 2 and the
170.29 list of specific projects contained in the resolution does not conflict with the projects listed
170.30 in the approving referendum.

170.31 (f) If a tax is terminated because sufficient revenues have been raised, any amount of
170.32 tax collected under subdivision 9, after sufficient revenues have been raised and before the
170.33 quarterly termination required under subdivision 12, paragraph (a), that is greater than the

171.1 average quarterly revenues collected over the immediately preceding 12 calendar months
 171.2 must be retained by the commissioner for deposit in the general fund.

171.3 **EFFECTIVE DATE.** This section is effective for local sales tax proposals submitted
 171.4 for legislative approval after the day of final enactment.

171.5 Sec. 4. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First
 171.6 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session
 171.7 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections
 171.8 11, 12, and 13, is amended by adding a subdivision to read:

171.9 Subd. 1a. **Authorization; extension.** Notwithstanding Minnesota Statutes, section
 171.10 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a
 171.11 general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the
 171.12 city of Rochester may extend the sales and use tax of one-half of one percent authorized
 171.13 under subdivision 1, paragraph (a), for the purposes specified in subdivision 3a. Except as
 171.14 otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
 171.15 govern the imposition, administration, collection, and enforcement of the tax authorized
 171.16 under this subdivision. The tax imposed under this subdivision is in addition to any local
 171.17 sales and use tax imposed under any other special law.

171.18 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 171.19 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
 171.20 645.021, subdivisions 2 and 3.

171.21 Sec. 5. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First
 171.22 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session
 171.23 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections
 171.24 11, 12, and 13, is amended by adding a subdivision to read:

171.25 Subd. 3a. **Use of sales and use tax revenues; additional projects.** The revenues derived
 171.26 from the extension of the tax authorized under subdivision 1a must be used by the city of
 171.27 Rochester to pay the costs of collecting and administering the tax and paying for the following
 171.28 projects in the city, including securing and paying debt service on bonds issued to finance
 171.29 all or part of the following projects:

171.30 (1) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),
 171.31 \$50,000,000, plus associated bonding costs for street reconstruction;

172.1 (2) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),
172.2 \$40,000,000, plus associated bonding costs for flood control and water quality;

172.3 (3) \$65,000,000, plus associated bonding costs for a Regional Community and Recreation
172.4 Complex; and

172.5 (4) additional project costs for the projects described in clauses (1) to (3), provided that
172.6 sufficient revenue from the tax has been received to pay for the project costs in clauses (1)
172.7 to (3) and to pay the costs related to issuance of any bonds under subdivision 4a, paragraph
172.8 (b).

172.9 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
172.10 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
172.11 645.021, subdivisions 2 and 3.

172.12 Sec. 6. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First
172.13 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session
172.14 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections
172.15 11, 12, and 13, is amended by adding a subdivision to read:

172.16 Subd. 4a. **Bonding authority; additional projects and extension of tax.** (a) The city
172.17 of Rochester may issue bonds under Minnesota Statutes, chapter 475, to finance all or a
172.18 portion of the costs of the projects authorized in subdivision 3a and approved by the voters
172.19 as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The
172.20 bonds may be paid from or secured by any funds available to the city of Rochester, including
172.21 the tax authorized under subdivision 1a and the full faith and credit of the city. The issuance
172.22 of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and
172.23 275.61.

172.24 (b) The aggregate principal amount of bonds issued under this subdivision for the projects
172.25 described in subdivision 3a, clauses (1) to (3), may not exceed \$155,000,000, plus an amount
172.26 to be applied to the payment of the costs of issuing the bonds.

172.27 (c) The bonds are not included in computing any debt limitation applicable to the city
172.28 of Rochester, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
172.29 and interest on the bonds is not subject to any levy limitation. A separate election to approve
172.30 the bonds under Minnesota Statutes, section 475.58, is not required.

172.31 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
172.32 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
172.33 645.021, subdivisions 2 and 3.

173.1 Sec. 7. Laws 1998, chapter 389, article 8, section 43, subdivision 5, as amended by Laws
173.2 2005, First Special Session chapter 3, article 5, section 30, Laws 2011, First Special Session
173.3 chapter 7, article 4, section 7, and Laws 2013, chapter 143, article 10, section 13, is amended
173.4 to read:

173.5 Subd. 5. **Termination of taxes.** (a) The taxes imposed under subdivisions 1 and 2 expire
173.6 at the later of (1) December 31, 2009, or (2) when the city council determines that sufficient
173.7 funds have been received from the taxes to finance the first \$71,500,000 of capital
173.8 expenditures and bonds for the projects authorized in subdivision 3, including the amount
173.9 to prepay or retire at maturity the principal, interest, and premium due on any bonds issued
173.10 for the projects under subdivision 4, unless the taxes are extended as allowed in paragraph
173.11 (b). Any funds remaining after completion of the project and retirement or redemption of
173.12 the bonds shall also be used to fund the projects under subdivision 3. The taxes imposed
173.13 under subdivisions 1 and 2 may expire at an earlier time if the city so determines by
173.14 ordinance.

173.15 (b) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any other
173.16 contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance,
173.17 extend the taxes authorized in subdivisions 1 and 2 beyond December 31, 2009, if approved
173.18 by the voters of the city at a special election in 2005 or the general election in 2006. The
173.19 question put to the voters must indicate that an affirmative vote would allow up to an
173.20 additional \$40,000,000 of sales tax revenues be raised and up to \$40,000,000 of bonds to
173.21 be issued above the amount authorized in the June 23, 1998, referendum for the projects
173.22 specified in subdivision 3. If the taxes authorized in subdivisions 1 and 2 are extended under
173.23 this paragraph, the taxes expire when the city council determines that sufficient funds have
173.24 been received from the taxes to finance the projects and to prepay or retire at maturity the
173.25 principal, interest, and premium due on any bonds issued for the projects under subdivision
173.26 4. Any funds remaining after completion of the project and retirement or redemption of the
173.27 bonds may be placed in the general fund of the city.

173.28 (c) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any other
173.29 contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance,
173.30 extend the taxes authorized in subdivisions 1, paragraph (a), and 2, up to December 31,
173.31 2049, provided that all additional revenues above those necessary to fund the projects and
173.32 associated financing costs listed in subdivision 3, paragraphs (a) to (e), are committed to
173.33 fund public infrastructure projects contained in the development plan adopted under
173.34 Minnesota Statutes, section 469.43, including all financing costs; otherwise the taxes
173.35 terminate when the city council determines that sufficient funds have been received from

174.1 the taxes to finance expenditures and bonds for the projects authorized in subdivision 3,
 174.2 paragraphs (a) to (e), plus an amount equal to the costs of issuance of the bonds and including
 174.3 the amount to prepay or retire at maturity the principal, interest, and premiums due on any
 174.4 bonds issued for the projects under subdivision 4.

174.5 (d) The tax imposed under subdivision 1, paragraph (b), expires at the earlier of December
 174.6 31, 2049, or when the city council determines that sufficient funds have been raised from
 174.7 the tax plus all other city funding sources authorized in this article to meet the city obligation
 174.8 for financing the public infrastructure projects contained in the development plan adopted
 174.9 under Minnesota Statutes, section 469.43, including all financing costs.

174.10 (e) The tax imposed under subdivision 1a expires at the earlier of (1) 16-1/2 years after
 174.11 first imposed, or (2) when the city council determines that the amount of revenues received
 174.12 from the tax is sufficient to pay for the project costs authorized under subdivision 3a for
 174.13 projects approved by the voters as required under Minnesota Statutes, section 297A.99,
 174.14 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
 174.15 of the bonds under subdivision 4a, including interest on the bonds. Except as otherwise
 174.16 provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds
 174.17 remaining after payment of the allowed costs due to the timing of the termination of the tax
 174.18 under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general
 174.19 fund of the city. The tax imposed under subdivision 1a may expire at an earlier time if the
 174.20 city so determines by ordinance.

174.21 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 174.22 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
 174.23 645.021, subdivisions 2 and 3.

174.24 Sec. 8. Laws 2008, chapter 366, article 7, section 17, is amended to read:

174.25 Sec. 17. **COOK COUNTY; LODGING AND ADMISSIONS TAXES TAX.**

174.26 Subdivision 1. **Lodging tax.** Notwithstanding Minnesota Statutes, section 477A.016,
 174.27 or any other provision of law, ordinance, or city charter, the Board of Commissioners of
 174.28 Cook County may impose, by ordinance, a tax of up to one percent on the gross receipts
 174.29 subject to the lodging tax under Minnesota Statutes, section 469.190. This tax is in addition
 174.30 to any tax imposed under Minnesota Statutes, section 469.190, and the total tax imposed
 174.31 under that section and this provision must not exceed four percent.

174.32 ~~Subd. 2. **Admissions and recreation tax.** Notwithstanding Minnesota Statutes, section~~
 174.33 ~~477A.016, or any other provision of law, ordinance, or city charter, the Board of~~

175.1 ~~Commissioners of Cook County may impose, by ordinance, a tax of up to three percent on~~
175.2 ~~admissions to entertainment and recreational facilities and rental of recreation equipment.~~

175.3 Subd. 3. **Use of taxes.** The ~~taxes~~ tax imposed in ~~subdivisions~~ subdivision 1 and 2 must
175.4 be used to fund a new Cook County Event and Visitors Bureau as established by the Board
175.5 of Commissioners of Cook County. The Board of Commissioners of Cook County must
175.6 annually review the budget of the Cook County Event and Visitors Bureau. The event and
175.7 visitors bureau may not receive revenues raised from the ~~taxes~~ tax imposed in ~~subdivisions~~
175.8 subdivision 1 and 2 until the board of commissioners approves the annual budget.

175.9 Subd. 4. **Termination.** The ~~taxes~~ tax imposed in ~~subdivisions~~ subdivision 1 and 2
175.10 ~~terminate 15~~ terminates 30 years after ~~they are~~ it is first imposed.

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

175.12 Sec. 9. Laws 2011, First Special Session chapter 7, article 4, section 14, is amended to
175.13 read:

175.14 Sec. 14. **CITY OF MARSHALL; SALES AND USE TAX.**

175.15 Subdivision 1. **Authorization.** Notwithstanding Minnesota Statutes, section 297A.99,
175.16 subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city charter, the city of
175.17 Marshall, if approved by the voters at a general election held within two years of the date
175.18 of final enactment of this section, may impose the tax authorized under subdivision 2. Two
175.19 separate ballot questions must be presented to the voters, one for each of the two facility
175.20 projects named in subdivision 3.

175.21 Subd. 2. **Sales and use tax authorized.** The city of Marshall may impose by ordinance
175.22 a sales and use tax of up to one-half of one percent for the purposes specified in subdivision
175.23 3. The provisions of Minnesota Statutes, section 297A.99, except subdivisions 1 and 2,
175.24 govern the imposition, administration, collection, and enforcement of the tax authorized
175.25 under this subdivision.

175.26 Subd. 2a. **Authorization; extension.** Notwithstanding Minnesota Statutes, section
175.27 297A.99, subdivision 3, paragraph (d), or 477A.016, or any other law, ordinance, or city
175.28 charter, after payment of the bonds authorized under subdivision 4, and if approved by the
175.29 voters at a general election as required under Minnesota Statutes, section 297A.99,
175.30 subdivision 3, the city of Marshall may extend the sales and use tax of one-half of one
175.31 percent authorized under subdivision 2 for the purposes specified in subdivision 3a. Except
175.32 as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,

176.1 govern the imposition, administration, collection, and enforcement of the tax authorized
176.2 under this subdivision. The tax imposed under this subdivision is in addition to any local
176.3 sales and use tax imposed under any other special law.

176.4 Subd. 3. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
176.5 under subdivision 2 must be used by the city of Marshall to pay the costs of collecting and
176.6 administering the sales and use tax and to pay all or part of the costs of the new and existing
176.7 facilities of the Minnesota Emergency Response and Industry Training Center and all or
176.8 part of the costs of the new facilities of the Southwest Minnesota Regional Amateur Sports
176.9 Center. Authorized expenses include, but are not limited to, acquiring property, predesign,
176.10 design, and paying construction, furnishing, and equipment costs related to these facilities
176.11 and paying debt service on bonds or other obligations issued by the city of Marshall under
176.12 subdivision 4 to finance the capital costs of these facilities.

176.13 Subd. 3a. **Use of sales and use tax revenues; aquatic center.** The revenues derived
176.14 from the extension of the tax authorized under subdivision 2a must be used by the city of
176.15 Marshall to pay the costs of collecting and administering the tax and paying for \$16,000,000
176.16 plus associated bonding costs for the construction of a new municipal aquatic center in the
176.17 city, including securing and paying debt service on bonds issued to finance the project.

176.18 Subd. 4. **Bonds.** (a) If the imposition of a sales and use tax is approved by the voters,
176.19 the city of Marshall may issue bonds under Minnesota Statutes, chapter 475, to finance all
176.20 or a portion of the costs of the facilities authorized in subdivision 3, and may issue bonds
176.21 to refund bonds previously issued. The aggregate principal amount of bonds issued under
176.22 this subdivision may not exceed \$17,290,000, plus an amount to be applied to the payment
176.23 of the costs of issuing the bonds. The bonds may be paid from or secured by any funds
176.24 available to the city of Marshall, including the tax authorized under subdivision 2.

176.25 (b) The bonds are not included in computing any debt limitation applicable to the city
176.26 of Marshall, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
176.27 and interest on the bonds, is not subject to any levy limitation. A separate election to approve
176.28 the bonds under Minnesota Statutes, section 475.58, is not required.

176.29 Subd. 4a. **Bonds; additional use and extension of tax.** (a) After payment of the bonds
176.30 authorized under subdivision 4, the city of Marshall may issue bonds under Minnesota
176.31 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
176.32 subdivision 2a and approved by the voters as required under Minnesota Statutes, section
176.33 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
176.34 under this subdivision may not exceed \$16,000,000, plus an amount to be applied to the

177.1 payment of the costs of issuing the bonds. The bonds may be paid from or secured by any
177.2 funds available to the city of Marshall, including the tax authorized under subdivision 2a.
177.3 The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections
177.4 275.60 and 275.61.

177.5 (b) The bonds are not included in computing any debt limitation applicable to the city
177.6 of Marshall, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
177.7 and interest on the bonds is not subject to any levy limitation. A separate election to approve
177.8 the bonds under Minnesota Statutes, section 475.58, is not required.

177.9 **Subd. 5. Termination of taxes.** (a) The tax imposed under subdivision 2 expires at the
177.10 earlier of (1) 15 years after the tax is first imposed, or (2) when the city council determines
177.11 that the amount of revenues received from the tax to pay for the capital and administrative
177.12 costs of the facilities under subdivision 3 first equals or exceeds the amount authorized to
177.13 be spent for the facilities plus the additional amount needed to pay the costs related to
177.14 issuance of the bonds under subdivision 4, including interest on the bonds. Any funds
177.15 remaining after payment of all such costs and retirement or redemption of the bonds shall
177.16 be placed in the general fund of the city. The tax imposed under subdivision 2 may expire
177.17 at an earlier time if the city so determines by ordinance.

177.18 (b) The tax imposed under subdivision 2a expires at the earlier of (1) 30 years after the
177.19 tax under subdivision 2 is first imposed, or (2) when the city council determines that the
177.20 amount of revenues received from the tax is sufficient to pay for the project costs authorized
177.21 under subdivision 3a for the project approved by the voters as required under Minnesota
177.22 Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay
177.23 the costs related to issuance of the bonds under subdivision 4a, including interest on the
177.24 bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision
177.25 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing
177.26 of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12,
177.27 shall be placed in the general fund of the city. The tax imposed under subdivision 2a may
177.28 expire at an earlier time if the city so determines by ordinance.

177.29 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
177.30 city of Marshall and its chief clerical officer comply with Minnesota Statutes, section
177.31 645.021, subdivisions 2 and 3.

178.1 Sec. 10. Laws 2019, First Special Session chapter 6, article 6, section 25, is amended to
178.2 read:

178.3 **Sec. 25. CITY OF PLYMOUTH; LOCAL LODGING TAX AUTHORIZED.**

178.4 (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of
178.5 law, ordinance, or city charter, the city council for the city of Plymouth may impose by
178.6 ordinance a tax of up to three percent on the gross receipts subject to the lodging tax under
178.7 Minnesota Statutes, section 469.190. This tax is in addition to any tax imposed under
178.8 Minnesota Statutes, section 469.190, and the total tax imposed under that section and this
178.9 provision must not exceed six percent.

178.10 (b) Two-thirds of the revenue from the tax imposed under this section must be dedicated
178.11 and used for capital improvements to public recreational facilities and marketing and
178.12 promotion of the community, and the remaining one-third of the revenue must be used for
178.13 the same purposes as a tax imposed under Minnesota Statutes, section 469.190.

178.14 ~~(c) The tax imposed under this authority terminates at the earlier of: (1) ten years after~~
178.15 ~~the tax is first imposed; or (2) December 31, 2030.~~

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

178.17 Sec. 11. Laws 2021, First Special Session chapter 14, article 8, section 5, is amended to
178.18 read:

178.19 **Sec. 5. CITY OF EDINA; TAXES AUTHORIZED.**

178.20 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
178.21 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
178.22 and if approved by the voters at a general election as required under Minnesota Statutes,
178.23 section 297A.99, subdivision 3, the city of Edina may impose by ordinance a sales and use
178.24 tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise
178.25 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the
178.26 imposition, administration, collection, and enforcement of the tax authorized under this
178.27 subdivision. The tax imposed under this subdivision is in addition to any local sales and
178.28 use tax imposed under any other special law.

178.29 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
178.30 under subdivision 1 must be used by the city of Edina to pay the costs of collecting and
178.31 administering the tax and paying for the following projects in the city, including securing
178.32 and paying debt service on bonds issued to finance all or part of the following projects:

179.1 (1) \$17,700,000 plus associated bonding costs for development of Fred Richards Park
 179.2 as identified in the Fred Richards Park Master Plan; ~~and~~

179.3 (2) ~~\$21,600,000~~ \$46,900,000 plus associated bonding costs for improvements to Braemar
 179.4 Park as identified in the Braemar Park Master Plan; and

179.5 (3) capital improvement projects to the city's park and recreation system, plus associated
 179.6 bonding costs, provided that sufficient revenue from the tax has been received to pay for
 179.7 the project costs in clauses (1) and (2) and to pay the costs related to issuance of any bonds
 179.8 under subdivision 3, paragraph (b).

179.9 Subd. 3. **Bonding authority.** ~~(a) The city of Edina may issue bonds under Minnesota~~
 179.10 ~~Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in~~
 179.11 ~~subdivision 2 and approved by the voters as required under Minnesota Statutes, section~~
 179.12 ~~297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued~~
 179.13 ~~under this subdivision may not exceed: (1) \$17,700,000 for the project listed in subdivision~~
 179.14 ~~2, clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds;~~
 179.15 ~~and (2) \$21,600,000 for the project listed in subdivision 2, clause (2), plus an amount to be~~
 179.16 ~~applied to the payment of the costs of issuing the bonds. The bonds may be paid from or~~
 179.17 ~~secured by any funds available to the city of Edina, including the tax authorized under~~
 179.18 ~~subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota~~
 179.19 ~~Statutes, sections 275.60 and 275.61.~~

179.20 (a) The city of Edina may issue bonds under Minnesota Statutes, chapter 475, to finance
 179.21 all or a portion of the costs of the projects authorized in subdivision 2 and approved by the
 179.22 voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a).
 179.23 The bonds may be paid from or secured by any funds available to the city of Edina, including
 179.24 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not
 179.25 subject to Minnesota Statutes, sections 275.60 and 275.61.

179.26 (b) For the projects described in subdivision 2, clauses (1) and (2), the aggregate principal
 179.27 amount of bonds issued under this subdivision may not exceed:

179.28 (1) \$17,700,000 for the project listed in subdivision 2, clause (1), plus an amount to be
 179.29 applied to the payment of the costs of issuing the bonds; and

179.30 (2) \$46,900,000 for the project listed in subdivision 2, clause (2), plus an amount to be
 179.31 applied to the payment of the costs of issuing the bonds.

179.32 ~~(b)~~ (c) The bonds are not included in computing any debt limitation applicable to the
 179.33 city of Edina, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal

180.1 and interest on the bonds is not subject to any levy limitation. A separate election to approve
180.2 the bonds under Minnesota Statutes, section 475.58, is not required.

180.3 **Subd. 4. Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
180.4 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) ~~19~~ 17 years
180.5 after the tax is first imposed, or (2) when the city council determines that the amount received
180.6 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
180.7 projects approved by voters as required under Minnesota Statutes, section 297A.99,
180.8 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
180.9 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
180.10 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
180.11 any funds remaining after payment of the allowed costs due to the timing of the termination
180.12 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the
180.13 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
180.14 if the city so determines by ordinance.

180.15 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
180.16 city of Edina and its chief clerical officer comply with Minnesota Statutes, section 645.021,
180.17 subdivisions 2 and 3.

180.18 Sec. 12. Laws 2021, First Special Session chapter 14, article 8, section 7, is amended to
180.19 read:

180.20 **Sec. 7. CITY OF GRAND RAPIDS; TAXES AUTHORIZED.**

180.21 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
180.22 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
180.23 and if approved by the voters at a general election as required under Minnesota Statutes,
180.24 section 297A.99, subdivision 3, the city of Grand Rapids may impose by ordinance a sales
180.25 and use tax of one-half of one percent for the purposes specified in subdivision 2. Except
180.26 as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
180.27 govern the imposition, administration, collection, and enforcement of the tax authorized
180.28 under this subdivision. The tax imposed under this subdivision is in addition to any local
180.29 sales and use tax imposed under any other special law.

180.30 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
180.31 under subdivision 1 must be used by the city of Grand Rapids to pay the costs of collecting
180.32 and administering the tax including securing and paying debt service on bonds issued and
180.33 to finance up to ~~\$5,980,000~~ \$10,600,000 for reconstruction, remodeling, and upgrades to

181.1 the Grand Rapids IRA Civic Center. Authorized costs include design, construction,
181.2 reconstruction, mechanical upgrades, and engineering costs, as well as the associated bond
181.3 costs for any bonds issued under subdivision 3.

181.4 Subd. 3. **Bonding authority.** (a) The city of Grand Rapids may issue bonds under
181.5 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
181.6 authorized in subdivision 2. The aggregate principal amount of bonds issued under this
181.7 subdivision may not exceed ~~\$5,980,000~~ \$10,600,000, plus an amount to be applied to the
181.8 payment of the costs of issuing the bonds. The bonds may be paid from or secured by any
181.9 funds available to the city of Grand Rapids, including the tax authorized under subdivision
181.10 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections
181.11 275.60 and 275.61.

181.12 (b) The bonds are not included in computing any debt limitation applicable to the city
181.13 of Grand Rapids, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
181.14 principal and interest on the bonds is not subject to any levy limitation. A separate election
181.15 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

181.16 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
181.17 earlier of: (1) ~~seven~~ 12 years after the tax is first imposed; or (2) when the city council
181.18 determines that it has received from this tax ~~\$5,980,000~~ \$10,600,000 to fund the project
181.19 listed in subdivision 2 for projects approved by the voters as required under Minnesota
181.20 Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay
181.21 the costs related to issuance of any bonds authorized under subdivision 3, including interest
181.22 on the bonds. Any funds remaining after payment of all such costs and retirement or
181.23 redemption of the bonds shall be placed in the general fund of the city, except for funds
181.24 required to be retained in the state general fund under Minnesota Statutes, section 297A.99,
181.25 subdivision 3. The tax imposed under subdivision 1 may expire at an earlier time if the city
181.26 so determines by ordinance.

181.27 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
181.28 city of Grand Rapids and its chief clerical officer comply with Minnesota Statutes, section
181.29 645.021, subdivisions 2 and 3.

181.30 Sec. 13. **CITY OF AITKIN; TAXES AUTHORIZED.**

181.31 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
181.32 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
181.33 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
181.34 the city of Aitkin may impose by ordinance a sales and use tax of one percent for the purposes

182.1 specified in subdivision 2. Except as otherwise provided in this section, the provisions of
182.2 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and
182.3 enforcement of the tax authorized under this subdivision. The tax imposed under this
182.4 subdivision is in addition to any local sales and use tax imposed under any other special
182.5 law.

182.6 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
182.7 under subdivision 1 must be used by the city of Aitkin to pay the costs of collecting and
182.8 administering the tax and paying for the following projects in the city, including securing
182.9 and paying debt service on bonds issued to finance all or part of the following projects:

182.10 (1) \$8,300,000 plus associated bonding costs for construction of a new municipal
182.11 building; and

182.12 (2) \$1,000,000 plus associated bonding costs for improvements to parks and trails.

182.13 Subd. 3. **Bonding authority.** (a) The city of Aitkin may issue bonds under Minnesota
182.14 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in
182.15 subdivision 2 and approved by the voters as required under Minnesota Statutes, section
182.16 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
182.17 under this subdivision may not exceed:

182.18 (1) \$8,300,000 for the project listed in subdivision 2, clause (1), plus an amount to be
182.19 applied to the payment of the costs of issuing the bonds; and

182.20 (2) \$1,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be
182.21 applied to the payment of the costs of issuing the bonds.

182.22 The bonds may be paid from or secured by any funds available to the city of Aitkin, including
182.23 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not
182.24 subject to Minnesota Statutes, sections 275.60 and 275.61.

182.25 (b) The bonds are not included in computing any debt limitation applicable to the city
182.26 of Aitkin, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
182.27 and interest on the bonds is not subject to any levy limitation. A separate election to approve
182.28 the bonds under Minnesota Statutes, section 475.58, is not required.

182.29 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
182.30 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 19 years
182.31 after being first imposed, or (2) when the city council determines that the amount received
182.32 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
182.33 projects approved by voters as required under Minnesota Statutes, section 297A.99,

183.1 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
183.2 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
183.3 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
183.4 any funds remaining after payment of the allowed costs due to the timing of the termination
183.5 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
183.6 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
183.7 if the city so determines by ordinance.

183.8 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
183.9 city of Aitkin and its chief clerical officer comply with Minnesota Statutes, section 645.021,
183.10 subdivisions 2 and 3.

183.11 Sec. 14. **CITY OF BLACKDUCK; TAXES AUTHORIZED.**

183.12 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
183.13 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
183.14 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
183.15 the city of Blackduck may impose by ordinance a sales and use tax of one-half of one percent
183.16 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
183.17 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
183.18 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
183.19 under this subdivision is in addition to any local sales and use tax imposed under any other
183.20 special law.

183.21 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
183.22 under subdivision 1 must be used by the city of Blackduck to pay the costs of collecting
183.23 and administering the tax and paying for the following projects in the city, including securing
183.24 and paying debt service on bonds issued to finance all or part of the following projects:

183.25 (1) \$200,000 plus associated bonding costs for improvements to a city campground;

183.26 (2) \$300,000 plus associated bonding costs for improvements to a walking trail;

183.27 (3) \$250,000 plus associated bonding costs for improvements to a wayside rest;

183.28 (4) \$150,000 plus associated bonding costs for golf course irrigation improvements; and

183.29 (5) \$100,000 plus associated bonding costs for reconstruction of a library.

183.30 Subd. 3. **Bonding authority.** (a) The city of Blackduck may issue bonds under Minnesota
183.31 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in
183.32 subdivision 2 and approved by the voters as required under Minnesota Statutes, section

184.1 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
184.2 under this subdivision may not exceed:

184.3 (1) \$200,000 for the project listed in subdivision 2, clause (1), plus an amount to be
184.4 applied to the payment of the costs of issuing the bonds;

184.5 (2) \$300,000 for the project listed in subdivision 2, clause (2), plus an amount to be
184.6 applied to the payment of the costs of issuing the bonds;

184.7 (3) \$250,000 for the project listed in subdivision 2, clause (3), plus an amount to be
184.8 applied to the payment of the costs of issuing the bonds;

184.9 (4) \$150,000 for the project listed in subdivision 2, clause (4), plus an amount to be
184.10 applied to the payment of the costs of issuing the bonds; and

184.11 (5) \$100,000 for the project listed in subdivision 2, clause (5), plus an amount to be
184.12 applied to the payment of the costs of issuing the bonds.

184.13 The bonds may be paid from or secured by any funds available to the city of Blackduck,
184.14 including the tax authorized under subdivision 1. The issuance of bonds under this
184.15 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

184.16 (b) The bonds are not included in computing any debt limitation applicable to the city
184.17 of Blackduck, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
184.18 principal and interest on the bonds is not subject to any levy limitation. A separate election
184.19 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

184.20 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
184.21 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
184.22 after being first imposed, or (2) when the city council determines that the amount received
184.23 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
184.24 projects approved by voters as required under Minnesota Statutes, section 297A.99,
184.25 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
184.26 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
184.27 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
184.28 any funds remaining after payment of the allowed costs due to the timing of the termination
184.29 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
184.30 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
184.31 if the city so determines by ordinance.

185.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
185.2 city of Blackduck and its chief clerical officer comply with Minnesota Statutes, section
185.3 645.021, subdivisions 2 and 3.

185.4 Sec. 15. **CITY OF BLOOMINGTON; TAXES AUTHORIZED.**

185.5 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
185.6 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
185.7 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
185.8 the city of Bloomington may impose by ordinance a sales and use tax of one-half of one
185.9 percent for the purposes specified in subdivision 2. Except as otherwise provided in this
185.10 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
185.11 administration, collection, and enforcement of the tax authorized under this subdivision.
185.12 The tax imposed under this subdivision is in addition to any local sales and use tax imposed
185.13 under any other special law.

185.14 Subd. 2. **Use of sales and use tax revenues.** (a) The revenues derived from the tax
185.15 authorized under subdivision 1 must be used by the city of Bloomington to pay the costs of
185.16 collecting and administering the tax and paying for the following projects in the city,
185.17 including securing and paying debt service on bonds issued to finance all or part of the
185.18 following projects:

185.19 (1) \$32,000,000 plus associated bonding costs for construction of improvements and
185.20 rehabilitation of the Bloomington Ice Garden and associated infrastructure;

185.21 (2) \$70,000,000 plus associated bonding costs for construction of a new Community
185.22 Health and Wellness Center and associated infrastructure; and

185.23 (3) \$33,000,000 plus associated bonding costs for construction of an expansion to the
185.24 Bloomington Center for the Arts Concert Hall and associated infrastructure.

185.25 (b)(1) For purposes of this subdivision, "associated infrastructure" includes any or all
185.26 of the following activities: demolition, reconstruction, expansion, improvement, construction,
185.27 or rehabilitation, related to the existing facility or the new project, or both.

185.28 (2) Associated infrastructure activities described in clause (1) include but are not limited
185.29 to the following activities associated with the capital project or projects that are needed for
185.30 safe access or use: facilities, roads, lighting, sidewalks, parking, landscaping, or utilities.

185.31 (3) Costs include all the costs associated with delivering the projects.

186.1 Subd. 3. **Bonding authority.** (a) The city of Bloomington may issue bonds under
186.2 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
186.3 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
186.4 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
186.5 issued under this subdivision may not exceed:

186.6 (1) \$32,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be
186.7 applied to the payment of the costs of issuing the bonds;

186.8 (2) \$70,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be
186.9 applied to the payment of the costs of issuing the bonds; and

186.10 (3) \$33,000,000 for the project listed in subdivision 2, clause (3), plus an amount to be
186.11 applied to the payment of the costs of issuing the bonds.

186.12 The bonds may be paid from or secured by any funds available to the city of Bloomington,
186.13 including the tax authorized under subdivision 1. The issuance of bonds under this
186.14 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

186.15 (b) The bonds are not included in computing any debt limitation applicable to the city
186.16 of Bloomington, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
186.17 principal and interest on the bonds is not subject to any levy limitation. A separate election
186.18 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

186.19 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
186.20 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
186.21 after being first imposed, or (2) when the city council determines that the amount received
186.22 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
186.23 projects approved by voters as required under Minnesota Statutes, section 297A.99,
186.24 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
186.25 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
186.26 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
186.27 any funds remaining after payment of the allowed costs due to the timing of the termination
186.28 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
186.29 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
186.30 if the city so determines by ordinance.

186.31 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
186.32 city of Bloomington and its chief clerical officer comply with Minnesota Statutes, section
186.33 645.021, subdivisions 2 and 3.

187.1 **Sec. 16. CITY OF BROOKLYN CENTER; TAXES AUTHORIZED.**

187.2 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
187.3 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
187.4 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
187.5 the city of Brooklyn Center may impose by ordinance a sales and use tax of one-half of one
187.6 percent for the purposes specified in subdivision 2. Except as otherwise provided in this
187.7 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
187.8 administration, collection, and enforcement of the tax authorized under this subdivision.
187.9 The tax imposed under this subdivision is in addition to any local sales and use tax imposed
187.10 under any other special law.

187.11 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
187.12 under subdivision 1 must be used by the city of Brooklyn Center to pay the costs of collecting
187.13 and administering the tax and to finance up to \$55,000,000, plus associated bonding costs,
187.14 for the renovation and expansion of the Brooklyn Center Community Center.

187.15 **Subd. 3. Bonding authority.** (a) The city of Brooklyn Center may issue bonds under
187.16 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
187.17 authorized in subdivision 2. The aggregate principal amount of bonds issued under this
187.18 subdivision may not exceed \$55,000,000 plus an amount to be applied to the payment of
187.19 the costs of issuing the bonds. The bonds may be paid from or secured by any funds available
187.20 to the city of Brooklyn Center, including the tax authorized under subdivision 1 and the full
187.21 faith and credit of the city. The issuance of bonds under this subdivision is not subject to
187.22 Minnesota Statutes, sections 275.60 and 275.61.

187.23 (b) The bonds are not included in computing any debt limitation applicable to the city
187.24 of Brooklyn Center and any levy of taxes under Minnesota Statutes, section 475.61, to pay
187.25 principal and interest on the bonds is not subject to any levy limitation. A separate election
187.26 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

187.27 **Subd. 4. Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
187.28 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
187.29 after being first imposed, or (2) when the city council determines that the amount received
187.30 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
187.31 projects approved by voters as required under Minnesota Statutes, section 297A.99,
187.32 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
187.33 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
187.34 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),

188.1 any funds remaining after payment of the allowed costs due to the timing of the termination
188.2 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
188.3 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
188.4 if the city so determines by ordinance.

188.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
188.6 city of Brooklyn Center and its chief clerical officer comply with Minnesota Statutes, section
188.7 645.021, subdivisions 2 and 3.

188.8 **Sec. 17. CITY OF EAST GRAND FORKS; TAXES AUTHORIZED.**

188.9 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
188.10 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
188.11 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
188.12 the city of East Grand Forks may impose by ordinance a sales and use tax of 1.25 percent
188.13 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
188.14 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
188.15 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
188.16 under this subdivision is in addition to any local sales and use tax imposed under any other
188.17 special law.

188.18 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
188.19 under subdivision 1 must be used by the city of East Grand Forks to pay the costs of
188.20 collecting and administering the tax and paying for the following projects in the city,
188.21 including securing and paying debt service on bonds issued to finance all or part of the
188.22 following projects:

188.23 (1) \$15,500,000 plus associated bonding costs for reconstruction and remodeling of,
188.24 and upgrades and additions to, the Civic Center Sports Complex; and

188.25 (2) \$6,000,000 plus associated bonding costs for reconstruction and remodeling of, and
188.26 upgrades and additions to, the VFW Memorial and Blue Line Arena.

188.27 Subd. 3. **Bonding authority.** (a) The city of East Grand Forks may issue bonds under
188.28 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
188.29 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
188.30 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
188.31 issued under this subdivision may not exceed:

188.32 (1) \$15,500,000 for the projects listed in subdivision 2, clause (1), plus an amount to be
188.33 applied to the payment of the costs of issuing the bonds; and

189.1 (2) \$6,000,000 for the projects listed in subdivision 2, clause (2), plus an amount to be
189.2 applied to the payment of the costs of issuing the bonds.

189.3 (b) The bonds may be paid from or secured by any funds available to the city of East
189.4 Grand Forks, including the tax authorized under subdivision 1 and the full faith and credit
189.5 of the city. The issuance of bonds under this subdivision is not subject to Minnesota Statutes,
189.6 sections 275.60 and 275.61.

189.7 (c) The bonds are not included in computing any debt limitation applicable to the city
189.8 of East Grand Forks and any levy of taxes under Minnesota Statutes, section 475.61, to pay
189.9 principal and interest on the bonds is not subject to any levy limitation. A separate election
189.10 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

189.11 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
189.12 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
189.13 after being first imposed, or (2) when the city council determines that the amount received
189.14 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
189.15 projects approved by voters as required under Minnesota Statutes, section 297A.99,
189.16 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
189.17 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
189.18 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
189.19 any funds remaining after payment of the allowed costs due to the timing of the termination
189.20 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
189.21 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
189.22 if the city so determines by ordinance.

189.23 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
189.24 city of East Grand Forks and its chief clerical officer comply with Minnesota Statutes,
189.25 section 645.021, subdivisions 2 and 3.

189.26 Sec. 18. **CITY OF GOLDEN VALLEY; TAXES AUTHORIZED.**

189.27 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
189.28 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
189.29 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
189.30 the city of Golden Valley may impose by ordinance a sales and use tax of three-quarters of
189.31 one percent for the purposes specified in subdivision 2. Except as otherwise provided in
189.32 this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
189.33 administration, collection, and enforcement of the tax authorized under this subdivision.

190.1 The tax imposed under this subdivision is in addition to any local sales and use tax imposed
190.2 under any other special law.

190.3 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
190.4 under subdivision 1 must be used by the city of Golden Valley to pay the costs of collecting
190.5 and administering the tax and paying for the following projects in the city, including securing
190.6 and paying debt service on bonds issued to finance all or part of the following projects:

190.7 (1) \$38,000,000 plus associated bonding costs for construction of a new public works
190.8 facility; and

190.9 (2) \$35,000,000 plus associated bonding costs for construction of a new public safety
190.10 facility.

190.11 Subd. 3. **Bonding authority.** (a) The city of Golden Valley may issue bonds under
190.12 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects
190.13 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
190.14 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
190.15 issued under this subdivision may not exceed:

190.16 (1) \$38,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be
190.17 applied to the payment of the costs of issuing the bonds; and

190.18 (2) \$35,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be
190.19 applied to the payment of the costs of issuing the bonds.

190.20 (b) The bonds may be paid from or secured by any funds available to the city of Golden
190.21 Valley, including the tax authorized under subdivision 1. The issuance of bonds under this
190.22 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

190.23 (c) The bonds are not included in computing any debt limitation applicable to the city
190.24 of Golden Valley, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
190.25 principal and interest on the bonds is not subject to any levy limitation. A separate election
190.26 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

190.27 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
190.28 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years
190.29 after the tax is first imposed, or (2) when the city council determines that the amount received
190.30 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
190.31 projects approved by voters as required under Minnesota Statutes, section 297A.99,
190.32 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
190.33 of any bonds authorized under subdivision 3, including interest on the bonds. Except as

191.1 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
191.2 any funds remaining after payment of the allowed costs due to the timing of the termination
191.3 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the
191.4 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
191.5 if the city so determines by ordinance.

191.6 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
191.7 city of Golden Valley and its chief clerical officer comply with Minnesota Statutes, section
191.8 645.021, subdivisions 2 and 3.

191.9 Sec. 19. **CITY OF HENDERSON; TAXES AUTHORIZED.**

191.10 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
191.11 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
191.12 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
191.13 the city of Henderson may impose by ordinance a sales and use tax of one-half of one percent
191.14 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
191.15 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
191.16 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
191.17 under this subdivision is in addition to any local sales and use tax imposed under any other
191.18 special law.

191.19 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
191.20 under subdivision 1 must be used by the city of Henderson to pay the costs of collecting
191.21 and administering the tax, and to finance up to \$240,000 plus associated bonding costs for
191.22 the Allanson's Park Campground and Trail project. Authorized project costs include
191.23 improvements to trails, improvements to the park campground and related facilities, utility
191.24 improvements, handicap access improvements, and other improvements related to linkage
191.25 to other local trails, as well as the associated bond costs for any bonds issued under
191.26 subdivision 3.

191.27 Subd. 3. **Bonding authority.** (a) The city of Henderson may issue bonds under Minnesota
191.28 Statutes, chapter 475, to finance up to \$240,000 of the portion of the costs of the project
191.29 authorized in subdivision 2, and approved by the voters as required under Minnesota Statutes,
191.30 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
191.31 issued under this subdivision may not exceed \$240,000 plus an amount to be applied to the
191.32 payment of the costs of issuing the bonds. The bonds may be paid from or secured by any
191.33 funds available to the city of Henderson, including the tax authorized under subdivision 1.

192.1 The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections
192.2 275.60 and 275.61.

192.3 (b) The bonds are not included in computing any debt limitation applicable to the city
192.4 of Henderson, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
192.5 principal and interest on the bonds is not subject to any levy limitation. A separate election
192.6 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

192.7 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
192.8 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 15 years
192.9 after the tax is first imposed; or (2) when the city council determines that the amount received
192.10 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
192.11 projects approved by voters as required under Minnesota Statutes, section 297A.99,
192.12 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
192.13 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
192.14 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
192.15 any funds remaining after payment of the allowed costs due to the timing of the termination
192.16 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
192.17 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
192.18 if the city so determines by ordinance.

192.19 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
192.20 city of Henderson and its chief clerical officer comply with Minnesota Statutes, section
192.21 645.021, subdivisions 2 and 3.

192.22 Sec. 20. **CITY OF PROCTOR; TAXES AUTHORIZED.**

192.23 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
192.24 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
192.25 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
192.26 the city of Proctor may impose by ordinance a sales and use tax of one-half of one percent
192.27 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
192.28 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
192.29 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
192.30 under this subdivision is in addition to any local sales and use tax imposed under any other
192.31 special law.

192.32 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
192.33 under subdivision 1 must be used by the city of Proctor to pay the costs of collecting and
192.34 administering the tax and to finance up to \$3,850,000 plus associated bonding costs for

193.1 construction of a new regional and statewide trail spur in the city, including securing and
193.2 paying debt service on bonds issued to finance all or part of the project.

193.3 Subd. 3. **Bonding authority.** The city of Proctor may issue bonds under Minnesota
193.4 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in
193.5 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
193.6 not exceed \$3,850,000, plus an amount to be applied to the payment of the costs of issuing
193.7 the bonds.

193.8 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
193.9 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
193.10 after being first imposed, or (2) when the city council determines that the amount received
193.11 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus
193.12 an amount sufficient to pay the costs related to issuance of any bonds authorized under
193.13 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota
193.14 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment
193.15 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,
193.16 section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax
193.17 imposed under subdivision 1 may expire at an earlier time if the city so determines by
193.18 ordinance.

193.19 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
193.20 city of Proctor and its chief clerical officer comply with Minnesota Statutes, section 645.021,
193.21 subdivisions 2 and 3.

193.22 Sec. 21. **RICE COUNTY; TAXES AUTHORIZED.**

193.23 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
193.24 section 477A.016, or any other law or ordinance, and if approved by the voters at a general
193.25 election as required under Minnesota Statutes, section 297A.99, subdivision 3, Rice County
193.26 may impose by ordinance a sales and use tax of three-eighths of one percent for the purposes
193.27 specified in subdivision 2. Except as otherwise provided in this section, the provisions of
193.28 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and
193.29 enforcement of the tax authorized under this subdivision. The tax imposed under this
193.30 subdivision is in addition to any local sales and use tax imposed under any other special
193.31 law.

193.32 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
193.33 under subdivision 1 must be used by Rice County to pay the costs of collecting and
193.34 administering the tax and paying for up to \$77,000,000 plus associated bonding costs for

194.1 construction of a public safety facility in the county, including associated bond costs for
194.2 any bonds issued under subdivision 3.

194.3 Subd. 3. **Bonding authority.** (a) Rice County may issue bonds under Minnesota Statutes,
194.4 chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision
194.5 2 and approved by the voters as required under Minnesota Statutes, section 297A.99,
194.6 subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this
194.7 subdivision may not exceed \$77,000,000, plus an amount to be applied to the payment of
194.8 the costs of issuing the bonds. The bonds may be paid from or secured by any funds available
194.9 to Rice County, including the tax authorized under subdivision 1. The issuance of bonds
194.10 under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

194.11 (b) The bonds are not included in computing any debt limitation applicable to Rice
194.12 County, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
194.13 and interest on the bonds is not subject to any levy limitation. A separate election to approve
194.14 the bonds under Minnesota Statutes, section 475.58, is not required.

194.15 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
194.16 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years
194.17 after being first imposed, or (2) when the county board of commissioners determines that
194.18 the amount received from the tax is sufficient to pay for the project costs authorized under
194.19 subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds
194.20 authorized under subdivision 3, including interest on the bonds. Except as otherwise provided
194.21 in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining
194.22 after payment of the allowed costs due to the timing of the termination of the tax under
194.23 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of
194.24 the county. The tax imposed under subdivision 1 may expire at an earlier time if the county
194.25 so determines by ordinance.

194.26 **EFFECTIVE DATE.** This section is effective the day after the governing body of Rice
194.27 County and its chief clerical officer comply with Minnesota Statutes, section 645.021,
194.28 subdivisions 2 and 3.

194.29 Sec. 22. **CITY OF ROSEVILLE; TAXES AUTHORIZED.**

194.30 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
194.31 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
194.32 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
194.33 the city of Roseville may impose by ordinance a sales and use tax of one-half of one percent
194.34 for the purposes specified in subdivision 2. Except as otherwise provided in this section,

195.1 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
195.2 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
195.3 under this subdivision is in addition to any local sales and use tax imposed under any other
195.4 special law.

195.5 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
195.6 under subdivision 1 must be used by the city of Roseville to pay the costs of collecting and
195.7 administering the tax and paying for the following projects in the city, including securing
195.8 and paying debt service on bonds issued to finance all or part of the following projects:

195.9 (1) \$42,000,000 plus associated bonding costs for construction of a new maintenance
195.10 facility;

195.11 (2) \$7,000,000 plus associated bonding costs for construction of a new license and
195.12 passport center; and

195.13 (3) \$16,000,000 plus associated bonding costs for construction of a pedestrian bridge.

195.14 Subd. 3. **Bonding authority.** (a) The city of Roseville may issue bonds under Minnesota
195.15 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in
195.16 subdivision 2 and approved by the voters as required under Minnesota Statutes, section
195.17 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
195.18 under this subdivision may not exceed:

195.19 (1) \$42,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be
195.20 applied to the payment of the costs of issuing the bonds;

195.21 (2) \$7,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be
195.22 applied to the payment of the costs of issuing the bonds; and

195.23 (3) \$16,000,000 for the project listed in subdivision 2, clause (3), plus an amount to be
195.24 applied to the payment of the costs of issuing the bonds.

195.25 The bonds may be paid from or secured by any funds available to the city of Roseville,
195.26 including the tax authorized under subdivision 1. The issuance of bonds under this
195.27 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

195.28 (b) The bonds are not included in computing any debt limitation applicable to the city
195.29 of Roseville, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
195.30 and interest on the bonds is not subject to any levy limitation. A separate election to approve
195.31 the bonds under Minnesota Statutes, section 475.58, is not required.

196.1 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
196.2 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 16 years
196.3 after the tax is first imposed, or (2) when the city council determines that the amount received
196.4 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
196.5 projects approved by voters as required under Minnesota Statutes, section 297A.99,
196.6 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
196.7 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
196.8 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
196.9 any funds remaining after payment of the allowed costs due to the timing of the termination
196.10 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
196.11 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
196.12 if the city so determines by ordinance.

196.13 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
196.14 city of Roseville and its chief clerical officer comply with Minnesota Statutes, section
196.15 645.021, subdivisions 2 and 3.

196.16 **Sec. 23. WINONA COUNTY; TAXES AUTHORIZED.**

196.17 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
196.18 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
196.19 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
196.20 Winona County may impose, by ordinance, a sales and use tax of one-quarter of one percent
196.21 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
196.22 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
196.23 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
196.24 under this subdivision is in addition to any local sales and use tax imposed under any other
196.25 special law.

196.26 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
196.27 under subdivision 1 must be used by Winona County to pay the costs of collecting and
196.28 administering the tax, and to finance up to \$28,000,000 plus associated bonding costs for
196.29 construction of a new correctional facility or upgrades to an existing correctional facility,
196.30 as well as the associated bond costs for any bonds issued under subdivision 3.

196.31 Subd. 3. **Bonding authority.** (a) Winona County may issue bonds under Minnesota
196.32 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
196.33 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
196.34 not exceed \$28,000,000, plus an amount applied to the payment of costs of issuing the

197.1 bonds. The bonds may be paid from or secured by any funds available to the county,
197.2 including the tax authorized under subdivision 1. The issuance of bonds under this
197.3 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

197.4 (b) The bonds are not included in computing any debt limitation applicable to the county.
197.5 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
197.6 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
197.7 under Minnesota Statutes, section 475.58, is not required.

197.8 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
197.9 earlier of: (1) 25 years after the tax is first imposed; or (2) when the county determines that
197.10 it has received from this tax \$28,000,000 to fund the project listed in subdivision 2, plus an
197.11 amount sufficient to pay costs related to issuance of any bonds authorized under subdivision
197.12 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes,
197.13 section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the
197.14 allowed costs due to timing of the termination of the tax under Minnesota Statutes, section
197.15 297A.99, subdivision 12, shall be placed in the county's general fund. The tax imposed
197.16 under subdivision 1 may expire at an earlier time if the county determines by ordinance.

197.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of
197.18 Winona County and its chief clerical officer comply with Minnesota Statutes, section
197.19 645.021, subdivisions 2 and 3.

197.20 Sec. 24. **CITY OF WOODBURY; LOCAL LODGING TAX AUTHORIZED.**

197.21 Notwithstanding the disposition of proceeds requirement in Minnesota Statutes, section
197.22 469.190, subdivision 3, or any other provision of law, ordinance, or city charter, the city
197.23 council for the city of Woodbury may by ordinance dedicate two-thirds of the revenue
197.24 derived from a tax imposed under Minnesota Statutes, section 469.190, to be used for capital
197.25 improvements to public recreational facilities. The remaining one-third must be used as
197.26 required under Minnesota Statutes, section 469.190, subdivision 3.

197.27 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
197.28 city of Woodbury and its chief clerical officer comply with Minnesota Statutes, section
197.29 645.021, subdivisions 2 and 3.

198.1

ARTICLE 8

198.2

RENTER'S TAX CREDIT

198.3 Section 1. Minnesota Statutes 2020, section 270B.12, subdivision 8, is amended to read:

198.4 Subd. 8. **County assessors; homestead classification and ~~renter~~ renter's credit.** The
198.5 commissioner may disclose names and Social Security numbers of individuals who have
198.6 applied for both homestead classification under section 273.13 and a ~~property tax refund~~
198.7 ~~as a renter under chapter 290A~~ renter's credit under section 290.0693 for the purpose of and
198.8 to the extent necessary to administer section 290A.25.

198.9 **EFFECTIVE DATE.** This section is effective for credits based on rent paid after
198.10 December 31, 2021.

198.11 Sec. 2. Minnesota Statutes 2020, section 289A.38, subdivision 4, is amended to read:

198.12 Subd. 4. **Property tax refund.** For purposes of computing the limitation under this
198.13 section, the due date of the property tax refund return as provided for in chapter 290A is
198.14 the due date for an income tax return covering ~~the year in which the rent was paid or the~~
198.15 year preceding the year in which the property taxes are payable.

198.16 **EFFECTIVE DATE.** This section is effective for credits based on rent paid after
198.17 December 31, 2021.

198.18 Sec. 3. Minnesota Statutes 2020, section 289A.56, subdivision 6, is amended to read:

198.19 Subd. 6. **Property tax refunds under chapter 290A.** ~~(a) When a renter is owed a~~
198.20 ~~property tax refund, an unpaid refund bears interest after August 14, or 60 days after the~~
198.21 ~~refund claim was made, whichever is later, until the date the refund is paid.~~

198.22 ~~(b)~~ (b) When any other a claimant is owed a property tax refund under chapter 290A, the
198.23 unpaid refund bears interest after September 29, or 60 days after the refund claim was made,
198.24 whichever is later, until the date the refund is paid.

198.25 **EFFECTIVE DATE.** This section is effective for credits based on rent paid after
198.26 December 31, 2021.

198.27 Sec. 4. Minnesota Statutes 2020, section 289A.60, subdivision 12, is amended to read:

198.28 Subd. 12. **Penalties relating to property tax refunds.** (a) If it is determined that a
198.29 property tax refund claim is excessive and was negligently prepared, a claimant is liable

199.1 for a penalty of ten percent of the disallowed claim. If the claim has been paid, the amount
199.2 disallowed must be recovered by assessment and collection.

199.3 (b) An owner who without reasonable cause fails to give a certificate of rent constituting
199.4 property tax to a renter, as required by ~~section~~ sections 290.0693, subdivision 4, and 290A.19,
199.5 paragraph (a), is liable to the commissioner for a penalty of \$100 for each failure.

199.6 (c) If the owner or managing agent knowingly gives rent certificates that report total
199.7 rent constituting property taxes in excess of the amount of actual rent constituting property
199.8 taxes paid on the rented part of a property, the owner or managing agent is liable for a
199.9 penalty equal to the greater of (1) \$100 or (2) 50 percent of the excess that is reported. An
199.10 overstatement of rent constituting property taxes is presumed to be knowingly made if it
199.11 exceeds by ten percent or more the actual rent constituting property taxes.

199.12 **EFFECTIVE DATE.** This section is effective for credits based on rent paid after
199.13 December 31, 2021.

199.14 Sec. 5. **[290.0693] RENTER'S CREDIT.**

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

199.17 (b) "Dependent" means any individual who is considered a dependent under sections
199.18 151 and 152 of the Internal Revenue Code.

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

199.20 (d) "Exemption amount" means the exemption amount under section 290.0121,
199.21 subdivision 1, paragraph (b).

199.22 (e) "Gross rent" means rent paid for the right of occupancy, at arm's length, of a
199.23 homestead, exclusive of charges for any medical services furnished by the landlord as a
199.24 part of the rental agreement, whether expressly set out in the rental agreement or not. The
199.25 gross rent of a resident of a nursing home or intermediate care facility is \$530 per month.
199.26 The gross rent of a resident of an adult foster care home is \$830 per month. The commissioner
199.27 shall annually adjust the amounts in this paragraph as provided in section 270C.22. The
199.28 statutory year is 2022. If the landlord and tenant have not dealt with each other at arm's
199.29 length and the commissioner determines that the gross rent charged was excessive, the
199.30 commissioner may adjust the gross rent to a reasonable amount for purposes of this chapter.

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

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

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

200.3 (i) "Income" means adjusted gross income, minus:

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

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

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

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

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

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

200.11 (j) "Rent constituting property taxes" means 17 percent of the gross rent actually paid
200.12 in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any taxable
200.13 year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the
200.14 taxable year, and which rent constitutes the basis, in the succeeding taxable year of a claim
200.15 for a credit under this section by the claimant. If an individual occupies a homestead with
200.16 another person or persons not related to the individual as the individual's spouse or as
200.17 dependents, and the other person or persons are residing at the homestead under a rental or
200.18 lease agreement with the individual, the amount of rent constituting property tax for the
200.19 individual equals that portion not covered by the rental agreement.

200.20 Subd. 2. **Credit allowed; refundable.** (a) An individual is allowed a credit against the
200.21 tax due under this chapter equal to the amount that rent constituting property taxes exceeds
200.22 the percentage of the household income of the claimant specified in subdivision 3 in the
200.23 taxable year in which the rent was paid as specified in that subdivision.

200.24 (b) If the amount of credit which a taxpayer is eligible to receive under this section
200.25 exceeds the taxpayer's liability for tax under this chapter, the commissioner shall refund the
200.26 excess to the taxpayer.

200.27 Subd. 3. **Renters.** (a) A taxpayer whose rent constituting property taxes exceeds the
200.28 percentage of the household income stated below must pay an amount equal to the percent
200.29 of income shown for the appropriate household income level along with the co-payment of
200.30 the remaining amount of rent constituting property taxes. The credit under subdivision 2
200.31 equals the amount of rent constituting property taxes that remain, up to the maximum credit
200.32 amount shown below.

	<u>Household Income</u>	<u>Percent of Income</u>	<u>Co-payment</u>	<u>Maximum Credit</u>
201.1				
201.2	<u>\$0 to 5,879</u>	<u>1.0 percent</u>	<u>5 percent</u>	<u>\$ 2,400</u>
201.3	<u>5,880 to 7,809</u>	<u>1.0 percent</u>	<u>10 percent</u>	<u>\$ 2,400</u>
201.4	<u>7,810 to 9,769</u>	<u>1.1 percent</u>	<u>10 percent</u>	<u>\$ 2,330</u>
201.5	<u>9,770 to 13,699</u>	<u>1.2 percent</u>	<u>10 percent</u>	<u>\$ 2,280</u>
201.6	<u>13,700 to 17,609</u>	<u>1.3 percent</u>	<u>15 percent</u>	<u>\$ 2,210</u>
201.7	<u>17,610 to 19,559</u>	<u>1.4 percent</u>	<u>15 percent</u>	<u>\$ 2,150</u>
201.8	<u>19,560 to 21,499</u>	<u>1.4 percent</u>	<u>20 percent</u>	<u>\$ 2,100</u>
201.9	<u>21,500 to 25,429</u>	<u>1.5 percent</u>	<u>20 percent</u>	<u>\$ 2,030</u>
201.10	<u>25,430 to 27,379</u>	<u>1.6 percent</u>	<u>20 percent</u>	<u>\$ 1,980</u>
201.11	<u>27,380 to 29,329</u>	<u>1.7 percent</u>	<u>25 percent</u>	<u>\$ 1,980</u>
201.12	<u>29,330 to 33,249</u>	<u>1.8 percent</u>	<u>25 percent</u>	<u>\$ 1,980</u>
201.13	<u>33,250 to 35,189</u>	<u>1.9 percent</u>	<u>30 percent</u>	<u>\$ 1,980</u>
201.14	<u>35,190 to 41,059</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$ 1,980</u>
201.15	<u>41,060 to 46,919</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$ 1,980</u>
201.16	<u>46,920 to 54,759</u>	<u>2.0 percent</u>	<u>40 percent</u>	<u>\$ 1,980</u>
201.17	<u>54,760 to 56,699</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,800</u>
201.18	<u>56,700 to 58,669</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,620</u>
201.19	<u>58,670 to 60,629</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,370</u>
201.20	<u>60,630 to 62,569</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 1,190</u>
201.21	<u>62,570 to 64,539</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 1,080</u>
201.22	<u>64,540 to 66,489</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 600</u>
201.23	<u>66,490 to 68,439</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 230</u>

201.24 The credit is the amount calculated under this subdivision. No credit is allowed if the
 201.25 taxpayer's household income is \$68,440 or more.

201.26 (b) The commissioner must annually adjust the dollar amounts of the income thresholds
 201.27 and the maximum refunds in paragraph (a), as provided in section 270C.22. The statutory
 201.28 year is 2022.

201.29 (c) The commissioner shall construct and make available to taxpayers a comprehensive
 201.30 table showing the rent constituting property taxes to be paid and refund allowed at various
 201.31 levels of income and assessment. The table shall follow the schedule of income percentages,
 201.32 maximums, and other provisions specified in paragraph (a), except that the commissioner
 201.33 may graduate the transition between income brackets. All refunds shall be computed in
 201.34 accordance with tables prepared and issued by the commissioner.

201.35 Subd. 4. Owner or managing agent to furnish rent certificate. (a) The owner or
 201.36 managing agent of any property for which rent is paid for occupancy as a homestead must

202.1 furnish a certificate of rent paid to a person who is a renter on December 31, in the form
202.2 prescribed by the commissioner. If the renter moves before December 31, the owner or
202.3 managing agent may give the certificate to the renter at the time of moving, or mail the
202.4 certificate to the forwarding address if an address has been provided by the renter. The
202.5 certificate must be made available to the renter before February 1 of the year following the
202.6 year in which the rent was paid. The owner or managing agent must retain a duplicate of
202.7 each certificate or an equivalent record showing the same information for a period of three
202.8 years. The duplicate or other record must be made available to the commissioner upon
202.9 request.

202.10 (b) The commissioner may require the owner or managing agent, through a simple
202.11 process, to furnish to the commissioner on or before March 1 a copy of each certificate of
202.12 rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe
202.13 the content, format, and manner of the form pursuant to section 270C.30. The commissioner
202.14 may require the Social Security number, individual taxpayer identification number, federal
202.15 employer identification number, or Minnesota taxpayer identification number of the owner
202.16 or managing agent who is required to furnish a certificate of rent paid under this paragraph.
202.17 Before implementation, the commissioner, after consulting with representatives of owners
202.18 or managing agents, shall develop an implementation and administration plan for the
202.19 requirements of this paragraph that attempts to minimize financial burdens, administration
202.20 and compliance costs, and takes into consideration existing systems of owners and managing
202.21 agents.

202.22 Subd. 5. **Eligibility; residency.** (a) A taxpayer is eligible for the credit under this section
202.23 if the taxpayer is an individual, other than a dependent, as defined under sections 151 and
202.24 152 of the Internal Revenue Code, disregarding section 152(b)(3) of the Internal Revenue
202.25 Code, who filed for a credit and who was a resident of this state during the taxable year for
202.26 which the credit was claimed.

202.27 (b) In the case of a credit for rent constituting property taxes of a part-year Minnesota
202.28 resident, the household income and rent constituting property taxes reflected in this
202.29 computation shall be for the period of Minnesota residency only. Any rental expenses paid
202.30 that may be reflected in arriving at federal adjusted gross income cannot be utilized for this
202.31 computation.

202.32 (c) When two individuals of a household are able to meet the qualifications to claim a
202.33 credit under this section, the individuals may determine among them as to which individual
202.34 may claim the credit. If the individuals are unable to agree, the matter shall be referred to
202.35 the commissioner of revenue whose decision shall be final.

203.1 (d) To claim a credit under this section, the taxpayer must have resided in a rented or
203.2 leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes,
203.3 including payments of special assessments imposed in lieu of ad valorem taxes, are payable
203.4 at some time during the taxable year for which the taxpayer claimed the credit.

203.5 Subd. 6. Residents of nursing homes, intermediate care facilities, long-term care
203.6 facilities, or facilities accepting housing support payments. (a) A taxpayer must not claim
203.7 a credit under this section if the taxpayer is a resident of a nursing home, intermediate care
203.8 facility, long-term residential facility, or a facility that accepts housing support payments
203.9 whose rent constituting property taxes is paid pursuant to the Supplemental Security Income
203.10 program under title XVI of the Social Security Act, the Minnesota supplemental aid program
203.11 under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX
203.12 of the Social Security Act, or the housing support program under chapter 256I.

203.13 (b) If only a portion of the rent constituting property taxes is paid by these programs,
203.14 the resident is eligible for a credit, but the credit calculated must be multiplied by a fraction,
203.15 the numerator of which is adjusted gross income, reduced by the total amount of income
203.16 from the above sources other than vendor payments under the medical assistance program
203.17 and the denominator of which is adjusted gross income, plus vendor payments under the
203.18 medical assistance program, to determine the allowable credit.

203.19 (c) Notwithstanding paragraphs (a) and (b), if the taxpayer was a resident of the nursing
203.20 home, intermediate care facility, long-term residential facility, or facility for which the rent
203.21 was paid for the claimant by the housing support program for only a portion of the taxable
203.22 year covered by the claim, the taxpayer may compute rent constituting property taxes by
203.23 disregarding the rent constituting property taxes from the nursing home or facility and may
203.24 use only that amount of rent constituting property taxes or property taxes payable relating
203.25 to that portion of the year when the taxpayer was not in the facility. The taxpayer's household
203.26 income is the income for the entire taxable year covered by the claim.

203.27 Subd. 7. Credit for unmarried taxpayers residing in the same household. If a
203.28 homestead is occupied by two or more renters who are not married to each other, the rent
203.29 shall be deemed to be paid equally by each renter, and separate claims shall be filed by each
203.30 renter. The income of each renter shall be each renter's household income for purposes of
203.31 computing the amount of credit to be allowed.

203.32 Subd. 8. One claimant per household. Only one taxpayer per household per year is
203.33 entitled to claim a credit under this section. In the case of a married taxpayer filing a separate
203.34 return, only one spouse may claim the credit under this section. The credit amount for the

204.1 spouse that claims the credit must be calculated based on household income and not solely
204.2 on the income of the spouse.

204.3 Subd. 9. **Proof of claim.** (a) Every taxpayer claiming a credit under this section shall
204.4 supply to the commissioner of revenue, in support of the claim, proof of eligibility under
204.5 this section, including but not limited to amount of rent paid, name and address of owner
204.6 or managing agent of property rented, changes in household membership, and household
204.7 income.

204.8 (b) Taxpayers with a disability shall submit proof of disability in the form and manner
204.9 as the commissioner prescribes. The department may require examination and certification
204.10 by the taxpayer's physician or by a physician designated by the commissioner. The cost of
204.11 any examination shall be borne by the taxpayer, unless the examination proves the disability,
204.12 in which case the cost of the examination shall be borne by the commissioner.

204.13 (c) A determination of disability of a taxpayer by the Social Security Administration
204.14 under Title II or Title XVI of the Social Security Act shall constitute presumptive proof of
204.15 disability.

204.16 Subd. 10. **No relief allowed in certain cases.** No claim for a credit under this section
204.17 shall be allowed if the commissioner determines that the claimant received tenancy to the
204.18 homestead primarily for the purpose of receiving a credit under this section and not for bona
204.19 fide residence purposes.

204.20 Subd. 11. **Appropriation.** The amount necessary to pay the refunds under this section
204.21 is appropriated from the general fund to the commissioner.

204.22 Subd. 12. **Simplified filing for individuals without an income tax liability.** The
204.23 commissioner of revenue must establish a simplified filing process through which a taxpayer
204.24 who did not file an individual income tax return due to a lack of tax liability may file a
204.25 return to claim the credit under this section. The filing process and forms may be in the
204.26 form or manner determined by the commissioner, but must be designed to reduce the
204.27 complexity of the filing process and the time needed to file for individuals without an income
204.28 tax liability.

204.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
204.30 31, 2021.

205.1 Sec. 6. Minnesota Statutes 2020, section 290A.02, is amended to read:

205.2 **290A.02 PURPOSE.**

205.3 The purpose of this chapter is to provide property tax relief to certain persons who own
205.4 ~~or rent~~ their homesteads.

205.5 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
205.6 and following years.

205.7 Sec. 7. Minnesota Statutes 2021 Supplement, section 290A.03, subdivision 3, is amended
205.8 to read:

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

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

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

205.12 (i) all nontaxable income;

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

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

205.19 (iv) cash public assistance and relief;

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

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

205.27 (vii) workers' compensation;

205.28 (viii) nontaxable strike benefits;

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

206.4 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of
206.5 1986, as amended through December 31, 1995;

206.6 (xi) contributions made by the claimant to an individual retirement account, including
206.7 a qualified voluntary employee contribution; simplified employee pension plan;
206.8 self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of
206.9 the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal
206.10 Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for
206.11 the claimant and spouse;

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

206.14 (xiii) nontaxable scholarship or fellowship grants;

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

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

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

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

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

206.27 (b) "Income" does not include:

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

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

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

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

207.6 (5) relief granted under this chapter;

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

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

207.12 (8) alimony paid; or

207.13 (9) veterans disability compensation paid under title 38 of the United States Code.

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

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

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

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

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

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

207.20 (6) if the claimant or claimant's spouse had a disability or attained the age of 65 on or
207.21 before December 31 of the year for which the taxes were levied ~~or rent paid~~, the exemption
207.22 amount.

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

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

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

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

208.3 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
208.4 and following years.

208.5 Sec. 8. Minnesota Statutes 2020, section 290A.03, subdivision 6, is amended to read:

208.6 Subd. 6. **Homestead.** "Homestead" means the dwelling occupied as the claimant's
208.7 principal residence and so much of the land surrounding it, not exceeding ten acres, as is
208.8 reasonably necessary for use of the dwelling as a home and any other property used for
208.9 purposes of a homestead as defined in section 273.13, subdivision 22, except for agricultural
208.10 land assessed as part of a homestead pursuant to section 273.13, subdivision 23, "homestead"
208.11 is limited to the house and garage and immediately surrounding one acre of land. The
208.12 homestead may be owned ~~or rented and may be~~ as a part of a multidwelling or multipurpose
208.13 building and the land on which it is built. A manufactured home, as defined in section
208.14 273.125, subdivision 8, or a park trailer taxed as a manufactured home under section 168.012,
208.15 subdivision 9, assessed as personal property may be a dwelling for purposes of this
208.16 subdivision.

208.17 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
208.18 and following years.

208.19 Sec. 9. Minnesota Statutes 2020, section 290A.03, subdivision 8, is amended to read:

208.20 Subd. 8. **Claimant.** ~~(a)~~ "Claimant" means a person, other than a dependent, as defined
208.21 under sections 151 and 152 of the Internal Revenue Code disregarding section 152(b)(3)
208.22 of the Internal Revenue Code, who filed a claim authorized by this chapter and who was a
208.23 resident of this state as provided in chapter 290 during the calendar year for which the claim
208.24 for relief was filed.

208.25 ~~(b) In the case of a claim relating to rent constituting property taxes, the claimant shall~~
208.26 ~~have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu~~
208.27 ~~of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem~~
208.28 ~~taxes, are payable at some time during the calendar year covered by the claim.~~

208.29 ~~(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility,~~
208.30 ~~long-term residential facility, or a facility that accepts housing support payments whose~~
208.31 ~~rent constituting property taxes is paid pursuant to the Supplemental Security Income~~
208.32 ~~program under title XVI of the Social Security Act, the Minnesota supplemental aid program~~

209.1 ~~under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX~~
209.2 ~~of the Social Security Act, or the housing support program under chapter 256I.~~

209.3 ~~If only a portion of the rent constituting property taxes is paid by these programs, the~~
209.4 ~~resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant~~
209.5 ~~to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as~~
209.6 ~~defined in subdivision 3, paragraphs (a) and (b), reduced by the total amount of income~~
209.7 ~~from the above sources other than vendor payments under the medical assistance program~~
209.8 ~~and the denominator of which is income as defined in subdivision 3, paragraphs (a) and (b),~~
209.9 ~~plus vendor payments under the medical assistance program, to determine the allowable~~
209.10 ~~refund pursuant to this chapter.~~

209.11 ~~(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home,~~
209.12 ~~intermediate care facility, long-term residential facility, or facility for which the rent was~~
209.13 ~~paid for the claimant by the housing support program for only a portion of the calendar year~~
209.14 ~~covered by the claim, the claimant may compute rent constituting property taxes by~~
209.15 ~~disregarding the rent constituting property taxes from the nursing home or facility and use~~
209.16 ~~only that amount of rent constituting property taxes or property taxes payable relating to~~
209.17 ~~that portion of the year when the claimant was not in the facility. The claimant's household~~
209.18 ~~income is the income for the entire calendar year covered by the claim.~~

209.19 ~~(e) In the case of a claim for rent constituting property taxes of a part-year Minnesota~~
209.20 ~~resident, the income and rent reflected in this computation shall be for the period of~~
209.21 ~~Minnesota residency only. Any rental expenses paid which may be reflected in arriving at~~
209.22 ~~federal adjusted gross income cannot be utilized for this computation. When two individuals~~
209.23 ~~of a household are able to meet the qualifications for a claimant, they may determine among~~
209.24 ~~them as to who the claimant shall be. If they are unable to agree, the matter shall be referred~~
209.25 ~~to the commissioner of revenue whose decision shall be final. If a homestead property owner~~
209.26 ~~was a part-year Minnesota resident, the income reflected in the computation made pursuant~~
209.27 ~~to section 290A.04 shall be for the entire calendar year, including income not assignable to~~
209.28 ~~Minnesota.~~

209.29 ~~(f) If a homestead is occupied by two or more renters, who are not married to each other,~~
209.30 ~~the rent shall be deemed to be paid equally by each, and separate claims shall be filed by~~
209.31 ~~each. The income of each shall be each renter's household income for purposes of computing~~
209.32 ~~the amount of credit to be allowed.~~

209.33 EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022
209.34 and following years.

210.1 Sec. 10. Minnesota Statutes 2020, section 290A.03, subdivision 12, is amended to read:

210.2 Subd. 12. **Gross rent.** (a) "Gross rent" means rent paid for the right of occupancy, at
210.3 arm's length, of a site on which a homestead, ~~exclusive of charges for any medical services~~
210.4 ~~furnished by the landlord as a part of the rental agreement, whether expressly set out in the~~
210.5 ~~rental agreement or not~~ which is a manufactured home as defined in section 273.125,
210.6 subdivision 8, including a manufactured home located in a manufactured home community
210.7 owned by a cooperative organized under chapter 308A or 308B, and park trailers taxed as
210.8 manufactured homes under section 168.012, subdivision 9, is located.

210.9 ~~(b) The gross rent of a resident of a nursing home or intermediate care facility is \$500~~
210.10 ~~per month. The gross rent of a resident of an adult foster care home is \$780 per month. The~~
210.11 ~~commissioner shall annually adjust the amounts in this paragraph as provided in section~~
210.12 ~~270C.22. The statutory year is 2018.~~

210.13 ~~(e)~~ (b) If the landlord and tenant have not dealt with each other at arm's length and the
210.14 commissioner determines that the gross rent charged was excessive, the commissioner may
210.15 adjust the gross rent to a reasonable amount for purposes of this chapter.

210.16 ~~(d)~~ (c) Any amount paid by a claimant residing in property assessed pursuant to section
210.17 273.124, subdivision 3, 4, 5, or 6 for occupancy in that property ~~shall be excluded from~~
210.18 ~~gross rent for purposes of this chapter. However, property taxes imputed to the homestead~~
210.19 ~~of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead~~
210.20 ~~treatment pursuant to section 273.124, subdivision 3, 4, 5, or 6 shall be included within the~~
210.21 term "property taxes payable" as defined in subdivision 13, to the extent allowed,
210.22 notwithstanding the fact that ownership is not in the name of the claimant.

210.23 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
210.24 and following years.

210.25 Sec. 11. Minnesota Statutes 2020, section 290A.04, subdivision 1, is amended to read:

210.26 Subdivision 1. **Refund.** A refund shall be allowed each claimant in the amount that
210.27 property taxes payable ~~or rent constituting property taxes~~ exceed the percentage of the
210.28 household income of the claimant specified in subdivision 2 ~~or 2a~~ in the year for which the
210.29 taxes were levied ~~or in the year in which the rent was paid~~ as specified in subdivision 2 ~~or~~
210.30 2a. If the amount of property taxes payable ~~or rent constituting property taxes~~ is equal to
210.31 or less than the percentage of the household income of the claimant specified in subdivision
210.32 2 ~~or 2a~~ in the year for which the taxes were levied ~~or in the year in which the rent was paid,~~
210.33 the claimant shall not be eligible for a state refund pursuant to this section.

211.1 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 211.2 and following years.

211.3 Sec. 12. Minnesota Statutes 2020, section 290A.04, subdivision 4, is amended to read:

211.4 Subd. 4. **Inflation adjustment.** The commissioner shall annually adjust the dollar
 211.5 amounts of the income thresholds and the maximum refunds under ~~subdivisions~~ subdivision
 211.6 2 and 2a as provided in section 270C.22. The statutory year is 2018.

211.7 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 211.8 and following years.

211.9 Sec. 13. Minnesota Statutes 2020, section 290A.05, is amended to read:

211.10 **290A.05 COMBINED HOUSEHOLD INCOME; RENTAL AGREEMENTS AND**
 211.11 **REDUCTION OF PROPERTY TAXES PAYABLE.**

211.12 (a) If a person occupies a homestead with another person not related to the person as
 211.13 the person's spouse, excluding dependents, roomers or boarders on contract, and has property
 211.14 tax payable with respect to the homestead, the household income of the claimant or claimants
 211.15 for the purpose of computing the refund allowed by section 290A.04 shall include the total
 211.16 income received by the other persons residing in the homestead. For purposes of this section,
 211.17 "dependent" includes a parent of the claimant or spouse who lives in the claimant's homestead
 211.18 and does not have an ownership interest in the homestead.

211.19 (b) If a person occupies a homestead with another person or persons not related to the
 211.20 person as the person's spouse or as dependents, ~~the property tax payable or rent constituting~~
 211.21 ~~property tax shall be reduced as follows.~~

211.22 ~~If~~ and the other person or persons are residing at the homestead under a rental or lease
 211.23 agreement with the homeowner, the amount of property tax payable ~~or rent constituting~~
 211.24 ~~property tax shall be~~ equals that portion not covered by the rental agreement.

211.25 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 211.26 and property taxes payable in 2023, and following years.

211.27 Sec. 14. Minnesota Statutes 2020, section 290A.07, subdivision 2a, is amended to read:

211.28 Subd. 2a. **Time of payment to ~~renter~~ or manufactured home homeowner.** A claimant
 211.29 who is ~~a renter~~ or a homeowner who occupies a manufactured home, as defined in section
 211.30 273.125, subdivision 8, paragraph (c), or a park trailer taxed as a manufactured home under

212.1 section 168.012, subdivision 9, shall receive full payment after August 1 and before August
212.2 15 or 60 days after receipt of the application, whichever is later.

212.3 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
212.4 and following years.

212.5 Sec. 15. Minnesota Statutes 2020, section 290A.08, is amended to read:

212.6 **290A.08 ONE CLAIMANT PER HOUSEHOLD.**

212.7 Only one claimant per household per year is entitled to relief under this chapter. Payment
212.8 of the claim for relief may be made payable to the spouses as one claimant. The
212.9 commissioner, upon written request, may issue separate checks, to the spouses for one-half
212.10 of the relief provided the original check has not been issued or has been returned. Individuals
212.11 related as spouses who were married during the year may elect to file a joint claim which
212.12 shall include each spouse's income, ~~rent constituting property taxes,~~ and property taxes
212.13 payable. Spouses who were married for the entire year and were domiciled in the same
212.14 household for the entire year must file a joint claim. The maximum dollar amount allowable
212.15 for a joint claim shall not exceed the amount that one person could receive.

212.16 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
212.17 and following years.

212.18 Sec. 16. Minnesota Statutes 2020, section 290A.09, is amended to read:

212.19 **290A.09 PROOF OF CLAIM.**

212.20 Every claimant shall supply to the commissioner of revenue, in support of the claim,
212.21 proof of eligibility under this chapter, including but not limited to amount of ~~rent paid or~~
212.22 ~~property taxes accrued, name and address of owner or managing agent of property rented,~~
212.23 changes in homestead, household membership, household income, size and nature of property
212.24 claimed as a homestead.

212.25 Persons with a disability filing claims shall submit proof of disability in the form and
212.26 manner as the commissioner may prescribe. The department may require examination and
212.27 certification by the claimant's physician or by a physician designated by the commissioner.
212.28 The cost of any examination shall be borne by the claimant, unless the examination proves
212.29 the disability, in which case the cost of the examination shall be borne by the commissioner.

212.30 A determination of disability of a claimant by the Social Security Administration under
212.31 Title II or Title XVI of the Social Security Act shall constitute presumptive proof of disability.

213.1 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 213.2 and following years.

213.3 Sec. 17. Minnesota Statutes 2020, section 290A.091, is amended to read:

213.4 **290A.091 CLAIMS OF TENANTS IN LEASEHOLD COOPERATIVES.**

213.5 The cooperative manager of a leasehold cooperative shall furnish a statement to each
 213.6 tenant by March 31 of the year in which the property tax is payable showing each unit's
 213.7 share of the gross property tax and each unit's share of any property tax credits. Each tenant
 213.8 may apply for a property tax refund under this chapter as a homeowner based on each
 213.9 tenant's share of property taxes. The tenant may not ~~include any rent constituting property~~
 213.10 ~~taxes paid on that unit~~ claim the renter's credit under section 290.0693. For the purposes of
 213.11 this section, a leasehold cooperative is formed on the day that leasehold cooperative status
 213.12 is granted by the appropriate county official.

213.13 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 213.14 and following years.

213.15 Sec. 18. Minnesota Statutes 2020, section 290A.13, is amended to read:

213.16 **290A.13 NO RELIEF ALLOWED IN CERTAIN CASES.**

213.17 No claim for relief under this chapter shall be allowed if the commissioner determines
 213.18 that the claimant received title ~~or tenancy~~ to the homestead primarily for the purpose of
 213.19 receiving benefits under this chapter and not for bona fide residence purposes.

213.20 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 213.21 and following years.

213.22 Sec. 19. Minnesota Statutes 2020, section 290A.19, is amended to read:

213.23 **290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.**

213.24 (a) The park owner ~~or managing agent of any~~ of a property for which rent is paid for
 213.25 occupancy as a homestead must furnish a certificate of rent paid to a person who is a renter
 213.26 on December 31, in the form prescribed by the commissioner. If the renter moves before
 213.27 December 31, the park owner ~~or managing agent~~ may give the certificate to the renter at
 213.28 the time of moving, or mail the certificate to the forwarding address if an address has been
 213.29 provided by the renter. The certificate must be made available to the renter before February
 213.30 1 of the year following the year in which the rent was paid. The park owner ~~or managing~~
 213.31 ~~agent~~ must retain a duplicate of each certificate or an equivalent record showing the same

214.1 information for a period of three years. The duplicate or other record must be made available
214.2 to the commissioner upon request.

214.3 (b) The commissioner may require the park owner ~~or managing agent~~, through a simple
214.4 process, to furnish to the commissioner on or before March 1 a copy of each certificate of
214.5 rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe
214.6 the content, format, and manner of the form pursuant to section 270C.30. Prior to
214.7 implementation, the commissioner, after consulting with representatives of park owners ~~or~~
214.8 ~~managing agents~~, shall develop an implementation and administration plan for the
214.9 requirements of this paragraph that attempts to minimize financial burdens, administration
214.10 and compliance costs, and takes into consideration existing systems of park owners ~~and~~
214.11 ~~managing agents~~.

214.12 (c) For the purposes of this section, ~~"owner" includes~~ "park owner" means a park owner
214.13 as defined under section 327C.01, subdivision 6, and "property" includes a lot as defined
214.14 under section 327C.01, subdivision 3.

214.15 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
214.16 and following years.

214.17 Sec. 20. Minnesota Statutes 2020, section 290A.25, is amended to read:

214.18 **290A.25 VERIFICATION OF SOCIAL SECURITY NUMBERS.**

214.19 Annually, the commissioner of revenue shall furnish a list to the county assessor
214.20 containing the names and Social Security numbers of persons who have applied for both
214.21 homestead classification under section 273.13 and a ~~property tax refund as a renter under~~
214.22 ~~this chapter~~ renter's credit under section 290.0693.

214.23 Within 90 days of the notification, the county assessor shall investigate to determine if
214.24 the homestead classification was improperly claimed. If the property owner does not qualify,
214.25 the county assessor shall notify the county auditor who will determine the amount of
214.26 homestead benefits that has been improperly allowed. For the purpose of this section,
214.27 "homestead benefits" has the meaning given in section 273.124, subdivision 13b. The county
214.28 auditor shall send a notice to persons who owned the affected property at the time the
214.29 homestead application related to the improper homestead was filed, demanding
214.30 reimbursement of the homestead benefits plus a penalty equal to 100 percent of the homestead
214.31 benefits. The person notified may appeal the county's determination with the Minnesota
214.32 Tax Court within 60 days of the date of the notice from the county as provided in section
214.33 273.124, subdivision 13b.

215.1 If the amount of homestead benefits and penalty is not paid within 60 days, and if no
215.2 appeal has been filed, the county auditor shall certify the amount of taxes and penalty to
215.3 the county treasurer. The county treasurer will add interest to the unpaid homestead benefits
215.4 and penalty amounts at the rate provided for delinquent personal property taxes for the
215.5 period beginning 60 days after demand for payment was made until payment. If the person
215.6 notified is the current owner of the property, the treasurer may add the total amount of
215.7 benefits, penalty, interest, and costs to the real estate taxes otherwise payable on the property
215.8 in the following year. If the person notified is not the current owner of the property, the
215.9 treasurer may collect the amounts due under the Revenue Recapture Act in chapter 270A,
215.10 or use any of the powers granted in sections 277.20 and 277.21 without exclusion, to enforce
215.11 payment of the benefits, penalty, interest, and costs, as if those amounts were delinquent
215.12 tax obligations of the person who owned the property at the time the application related to
215.13 the improperly allowed homestead was filed. The treasurer may relieve a prior owner of
215.14 personal liability for the benefits, penalty, interest, and costs, and instead extend those
215.15 amounts on the tax lists against the property for taxes payable in the following year to the
215.16 extent that the current owner agrees in writing.

215.17 Any amount of homestead benefits recovered by the county from the property owner
215.18 shall be distributed to the county, city or town, and school district where the property is
215.19 located in the same proportion that each taxing district's levy was to the total of the three
215.20 taxing districts' levy for the current year. Any amount recovered attributable to taconite
215.21 homestead credit shall be transmitted to the St. Louis County auditor to be deposited in the
215.22 taconite property tax relief account. Any amount recovered that is attributable to supplemental
215.23 homestead credit is to be transmitted to the commissioner of revenue for deposit in the
215.24 general fund of the state treasury. The total amount of penalty collected must be deposited
215.25 in the county general fund.

215.26 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
215.27 and following years.

215.28 Sec. 21. Minnesota Statutes 2020, section 462A.05, subdivision 24, is amended to read:

215.29 Subd. 24. **Housing for elderly, persons with physical or developmental disabilities,**
215.30 **and single parent families.** (a) It may engage in housing programs for low- and
215.31 moderate-income elderly, persons with physical or developmental disabilities, or single
215.32 parent families in the case of home sharing programs, as defined by the agency, to provide
215.33 grants or loans, with or without interest, for:

215.34 (1) accessibility improvements to residences occupied by elderly persons;

216.1 (2) housing sponsors, as defined by the agency, of home sharing programs to match
216.2 existing homeowners with prospective tenants who will contribute either rent or services
216.3 to the homeowner, where either the homeowner or the prospective tenant is elderly, a person
216.4 with physical or developmental disabilities, or the head of a single parent family;

216.5 (3) the construction of or conversion of existing buildings into structures for occupancy
216.6 by the elderly that contain from three to 12 private sleeping rooms with shared cooking
216.7 facilities and common space; and

216.8 (4) housing sponsors, as defined by the agency, to demonstrate the potential for home
216.9 equity conversion in Minnesota for the elderly, in both rural and urban areas, and to determine
216.10 the need in those equity conversions for consumer safeguards.

216.11 (b) In making the grants or loans, the agency shall determine the terms and conditions
216.12 of repayment and the appropriate security, if any, should repayment be required. The agency
216.13 may provide technical assistance to sponsors of home sharing programs or may contract or
216.14 delegate the provision of the technical assistance in accordance with section 462A.07,
216.15 subdivision 12.

216.16 (c) Housing sponsors who receive funding through these programs shall provide
216.17 homeowners and tenants participating in a home sharing program with information regarding
216.18 their rights and obligations as they relate to federal and state tax law including, but not
216.19 limited to, taxable rental income, homestead classification under chapter 273, the renter's
216.20 credit under section 290.0693, and the property tax refund act under chapter 290A.

216.21 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
216.22 and following years.

216.23 Sec. 22. **REPEALER.**

216.24 Minnesota Statutes 2020, sections 290A.03, subdivisions 9 and 11; 290A.04, subdivisions
216.25 2a and 5; and 290A.23, subdivision 1, are repealed.

216.26 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
216.27 and following years.

217.1

ARTICLE 9

217.2

PUBLIC FINANCE

217.3 Section 1. Minnesota Statutes 2020, section 123B.61, is amended to read:

217.4 **123B.61 PURCHASE OF CERTAIN EQUIPMENT.**

217.5 The board of a district may issue general obligation certificates of indebtedness or capital
217.6 notes subject to the district debt limits to: (a) purchase vehicles, computers, telephone
217.7 systems, cable equipment, photocopy and office equipment, technological equipment for
217.8 instruction, and other capital equipment having an expected useful life at least as long as
217.9 the terms of the certificates or notes; (b) purchase computer hardware and software, without
217.10 regard to its expected useful life, whether bundled with machinery or equipment or
217.11 unbundled, together with application development services and training related to the use
217.12 of the computer; and (c) prepay special assessments. The certificates or notes must be
217.13 payable in not more than ~~ten~~ 20 years and must be issued on the terms and in the manner
217.14 determined by the board, ~~except that certificates or notes issued to prepay special assessments~~
217.15 ~~must be payable in not more than 20 years.~~ The certificates or notes may be issued by
217.16 resolution and without the requirement for an election. The certificates or notes are general
217.17 obligation bonds for purposes of section 126C.55. A tax levy must be made for the payment
217.18 of the principal and interest on the certificates or notes, in accordance with section 475.61,
217.19 as in the case of bonds. The sum of the tax levies under this section and section 123B.62
217.20 for each year must not exceed the lesser of the amount of the district's total operating capital
217.21 revenue or the sum of the district's levy in the general and community service funds excluding
217.22 the adjustments under this section for the year preceding the year the initial debt service
217.23 levies are certified. The district's general fund levy for each year must be reduced by the
217.24 sum of (1) the amount of the tax levies for debt service certified for each year for payment
217.25 of the principal and interest on the certificates or notes issued under this section as required
217.26 by section 475.61, (2) the amount of the tax levies for debt service certified for each year
217.27 for payment of the principal and interest on bonds issued under section 123B.62, and (3)
217.28 any excess amount in the debt redemption fund used to retire bonds, certificates, or notes
217.29 issued under this section or section 123B.62 after April 1, 1997, other than amounts used
217.30 to pay capitalized interest. If the district's general fund levy is less than the amount of the
217.31 reduction, the balance shall be deducted first from the district's community service fund
217.32 levy, and next from the district's general fund or community service fund levies for the
217.33 following year. A district using an excess amount in the debt redemption fund to retire the
217.34 certificates or notes shall report the amount used for this purpose to the commissioner by
217.35 July 15 of the following fiscal year. A district having an outstanding capital loan under

218.1 section 126C.69 or an outstanding debt service loan under section 126C.68 must not use an
218.2 excess amount in the debt redemption fund to retire the certificates or notes.

218.3 Sec. 2. Minnesota Statutes 2020, section 366.095, subdivision 1, is amended to read:

218.4 Subdivision 1. **Certificates of indebtedness.** The town board may issue certificates of
218.5 indebtedness within the debt limits for a town purpose otherwise authorized by law. The
218.6 certificates shall be payable in not more than ~~ten~~ 20 years and be issued on the terms and
218.7 in the manner as determined by the board ~~may determine, provided that notes issued for~~
218.8 ~~projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2), must~~
218.9 ~~be payable in not more than 20 years.~~ If the amount of the certificates to be issued exceeds
218.10 0.25 percent of the estimated market value of the town, they shall not be issued for at least
218.11 ten days after publication in a newspaper of general circulation in the town of the board's
218.12 resolution determining to issue them. If within that time, a petition asking for an election
218.13 on the proposition signed by voters equal to ten percent of the number of voters at the last
218.14 regular town election is filed with the clerk, the certificates shall not be issued until their
218.15 issuance has been approved by a majority of the votes cast on the question at a regular or
218.16 special election. A tax levy shall be made to pay the principal and interest on the certificates
218.17 as in the case of bonds.

218.18 Sec. 3. Minnesota Statutes 2020, section 373.01, subdivision 3, is amended to read:

218.19 Subd. 3. **Capital notes.** (a) A county board may, by resolution and without referendum,
218.20 issue capital notes subject to the county debt limit to purchase capital equipment useful for
218.21 county purposes that has an expected useful life at least equal to the term of the notes. The
218.22 notes shall be payable in not more than ~~ten~~ 20 years and shall be issued on the terms and in
218.23 ~~a~~ the manner determined by the board ~~determines~~. A tax levy shall be made for payment of
218.24 the principal and interest on the notes, in accordance with section 475.61, as in the case of
218.25 bonds.

218.26 (b) For purposes of this subdivision, "capital equipment" means:

218.27 (1) public safety, ambulance, road construction or maintenance, ~~and~~ medical equipment,
218.28 and other capital equipment; and

218.29 (2) computer hardware and software, whether bundled with machinery or equipment or
218.30 unbundled, together with application development services and training related to the use
218.31 of the computer hardware or software.

219.1 Sec. 4. Minnesota Statutes 2020, section 383B.117, subdivision 2, is amended to read:

219.2 Subd. 2. **Equipment acquisition; capital notes.** The board may, by resolution and
219.3 without public referendum, issue capital notes within existing debt limits for the purpose
219.4 of purchasing ambulance and other medical equipment, road construction or maintenance
219.5 equipment, public safety equipment and other capital equipment having an expected useful
219.6 life at least equal to the term of the notes issued. The notes shall be payable in not more
219.7 than ~~ten~~ 20 years and shall be issued on the terms and in ~~a~~ the manner as determined by the
219.8 board ~~determines, provided that notes issued for projects that eliminate R-22, as defined in~~
219.9 ~~section 240A.09, paragraph (b), clause (2), must be payable in not more than 20 years.~~ The
219.10 total principal amount of the notes issued for any fiscal year shall not exceed one percent
219.11 of the total annual budget for that year and shall be issued solely for the purchases authorized
219.12 in this subdivision. A tax levy shall be made for the payment of the principal and interest
219.13 on such notes as in the case of bonds. For purposes of this subdivision, "equipment" includes
219.14 computer hardware and software, whether bundled with machinery or equipment or
219.15 unbundled. For purposes of this subdivision, the term "medical equipment" includes computer
219.16 hardware and software and other intellectual property for use in medical diagnosis, medical
219.17 procedures, research, record keeping, billing, and other hospital applications, together with
219.18 application development services and training related to the use of the computer hardware
219.19 and software and other intellectual property, all without regard to their useful life. For
219.20 purposes of determining the amount of capital notes which the county may issue in any
219.21 year, the budget of the county and Hennepin Healthcare System, Inc. shall be combined
219.22 and the notes issuable under this subdivision shall be in addition to obligations issuable
219.23 under section 373.01, subdivision 3.

219.24 Sec. 5. Minnesota Statutes 2020, section 410.32, is amended to read:

219.25 **410.32 CITIES MAY ISSUE CAPITAL NOTES FOR CAPITAL EQUIPMENT.**

219.26 (a) Notwithstanding any contrary provision of other law or charter, a home rule charter
219.27 city may, by resolution and without public referendum, issue capital notes subject to the
219.28 city debt limit to purchase capital equipment.

219.29 (b) For purposes of this section, "capital equipment" means:

219.30 (1) public safety equipment, ambulance and other medical equipment, road construction
219.31 and maintenance equipment, and other capital equipment; and

220.1 (2) computer hardware and software, whether bundled with machinery or equipment or
220.2 unbundled, together with application development services and training related to the use
220.3 of the computer hardware and software.

220.4 (c) The equipment or software must have an expected useful life at least as long as the
220.5 term of the notes.

220.6 (d) The notes shall be payable in not more than ~~ten~~ 20 years and be issued on the terms
220.7 and in the manner determined by the city ~~determines, provided that notes issued for projects~~
220.8 ~~that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2), must be payable~~
220.9 ~~in not more than 20 years~~. The total principal amount of the capital notes issued in a fiscal
220.10 year shall not exceed 0.03 percent of the estimated market value of taxable property in the
220.11 city for that year.

220.12 (e) A tax levy shall be made for the payment of the principal and interest on the notes,
220.13 in accordance with section 475.61, as in the case of bonds.

220.14 (f) Notes issued under this section shall require an affirmative vote of two-thirds of the
220.15 governing body of the city.

220.16 (g) Notwithstanding a contrary provision of other law or charter, a home rule charter
220.17 city may also issue capital notes subject to its debt limit in the manner and subject to the
220.18 limitations applicable to statutory cities pursuant to section 412.301.

220.19 Sec. 6. Minnesota Statutes 2020, section 412.301, is amended to read:

220.20 **412.301 FINANCING PURCHASE OF CERTAIN EQUIPMENT.**

220.21 (a) The council may issue certificates of indebtedness or capital notes subject to the city
220.22 debt limits to purchase capital equipment.

220.23 (b) For purposes of this section, "capital equipment" means:

220.24 (1) public safety equipment, ambulance and other medical equipment, road construction
220.25 and maintenance equipment, and other capital equipment; and

220.26 (2) computer hardware and software, whether bundled with machinery or equipment or
220.27 unbundled, together with application development services and training related to the use
220.28 of the computer hardware or software.

220.29 (c) The equipment or software must have an expected useful life at least as long as the
220.30 terms of the certificates or notes.

221.1 (d) Such certificates or notes shall be payable in not more than ~~ten~~ 20 years and shall
 221.2 be issued on ~~such~~ the terms and in ~~such~~ the manner as determined by the council ~~may~~
 221.3 ~~determine, provided, however, that notes issued for projects that eliminate R-22, as defined~~
 221.4 ~~in section 240A.09, paragraph (b), clause (2), must be payable in not more than 20 years.~~

221.5 (e) If the amount of the certificates or notes to be issued to finance any such purchase
 221.6 exceeds 0.25 percent of the estimated market value of taxable property in the city, they shall
 221.7 not be issued for at least ten days after publication in the official newspaper of a council
 221.8 resolution determining to issue them; and if before the end of that time, a petition asking
 221.9 for an election on the proposition signed by voters equal to ten percent of the number of
 221.10 voters at the last regular municipal election is filed with the clerk, such certificates or notes
 221.11 shall not be issued until the proposition of their issuance has been approved by a majority
 221.12 of the votes cast on the question at a regular or special election.

221.13 (f) A tax levy shall be made for the payment of the principal and interest on such
 221.14 certificates or notes, in accordance with section 475.61, as in the case of bonds.

221.15 ARTICLE 10

221.16 MISCELLANEOUS

221.17 Section 1. Minnesota Statutes 2021 Supplement, section 3.8855, subdivision 4, is amended
 221.18 to read:

221.19 Subd. 4. **Duties.** (a) ~~In the first~~ For not more than three years after the commission is
 221.20 established, the commission must complete an initial review of the state's tax expenditures.
 221.21 The initial review must identify the purpose of each of the state's tax expenditures, if none
 221.22 was identified in the enacting legislation in accordance with section 3.192. The commission
 221.23 may also identify metrics for evaluating the effectiveness of an expenditure.

221.24 (b) In each year following the initial review under paragraph (a), the commission must
 221.25 review and evaluate Minnesota's tax expenditures on a regular, rotating basis. The
 221.26 commission must establish a review schedule that ensures each tax expenditure will be
 221.27 reviewed by the commission at least once every ten years. The commission may review
 221.28 expenditures affecting similar constituencies or policy areas in the same year, but the
 221.29 commission must review a subset of the tax expenditures within each tax type each year.
 221.30 To the extent possible, the commission must review a similar number of tax expenditures
 221.31 within each tax type each year. The commission may decide not to review a tax expenditure
 221.32 that is adopted by reference to federal law.

222.1 (c) Before December 1 of the year a tax expenditure is included in a commission report,
222.2 the commission must hold a public hearing on the expenditure, including but not limited to
222.3 a presentation of the review components in subdivision 5.

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

222.5 Sec. 2. Minnesota Statutes 2021 Supplement, section 3.8855, subdivision 7, is amended
222.6 to read:

222.7 Subd. 7. **Report to legislature.** (a) By December 15 of each year, the commission must
222.8 submit a written report to the legislative committees with jurisdiction over tax policy. The
222.9 report must detail the results of the commission's review of tax expenditures ~~in~~ for the
222.10 ~~previous calendar~~ year, including the review components detailed in subdivision 5.

222.11 (b) Notwithstanding paragraph (a), during the period of initial review under subdivision
222.12 4, the report may be limited to the purpose statements and metrics for evaluating the
222.13 effectiveness of expenditures, as identified by the commission. The report may also include
222.14 relevant publicly available data on an expenditure.

222.15 (c) The report may include any additional information the commission deems relevant
222.16 to the review of an expenditure.

222.17 (d) The legislative committees with jurisdiction over tax policy must hold a public
222.18 hearing on the report during the regular legislative session in the year following the year in
222.19 which the report was submitted.

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

222.21 Sec. 3. Minnesota Statutes 2021 Supplement, section 16A.152, subdivision 2, is amended
222.22 to read:

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

222.28 (1) the cash flow account established in subdivision 1 until that account reaches
222.29 \$350,000,000;

222.30 (2) the budget reserve account established in subdivision 1a until that account reaches
222.31 \$2,377,399,000;

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

223.5 (4) the amount necessary to restore all or a portion of the net aid reductions under section
223.6 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75,
223.7 subdivision 5, by the same amount;

223.8 (5) the amount necessary to increase the Minnesota 21st century fund by not more than
223.9 the difference between \$5,000,000 and the sum of the amounts credited and canceled to it
223.10 in the previous 12 months under Laws 2020, chapter 71, article 1, section 11, until the sum
223.11 of all transfers under this section and all amounts credited or canceled under Laws 2020,
223.12 chapter 71, article 1, section 11, equals \$20,000,000; ~~and~~

223.13 (6) for a forecast in November only, the amount remaining after the transfer under clause
223.14 (5) must be used to reduce the percentage of accelerated June liability mortgage registry,
223.15 deed, sales, cigarette and tobacco, and liquor tax payments required under section sections
223.16 287.12, paragraph (c); 287.29, subdivision 1, paragraph (c); 289A.20, subdivision 4,
223.17 paragraph (b); 297F.09, subdivision 10; and 297G.09, subdivision 9, until the percentage
223.18 equals zero, rounded to the nearest tenth of a percent. By March 15 following the November
223.19 forecast, the commissioner must provide the commissioner of revenue with the percentage
223.20 of accelerated June liability owed based on the reduction required by this clause. By April
223.21 15 each year, the commissioner of revenue must certify the percentage of June liability
223.22 owed by vendors, counties, and distributors based on the reduction required by this clause;
223.23 and

223.24 (7) for a forecast in November only, the amount remaining after the transfer under clause
223.25 (6) must be used to decrease the percentage of the aids payable in calendar year 2023 and
223.26 every year thereafter for the payments due on July 20 under section 477A.015 until the
223.27 percentage equals zero, rounded to the nearest tenth of a percent. By January 15 following
223.28 the November forecast, the commissioner must provide the commissioner of revenue with
223.29 the percentage reduction in the payments due on July 20, based on the reductions required
223.30 by this clause. By February 15 each year, the commissioner of revenue must notify local
223.31 taxing jurisdictions of the percentage reduction for the payments due on July 20, based on
223.32 the reduction of the payments due on July 20 required by this clause.

223.33 (b) The amounts necessary to meet the requirements of this section are appropriated
223.34 from the general fund within two weeks after the forecast is released or, in the case of

224.1 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations
224.2 schedules otherwise established in statute.

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

224.8 **EFFECTIVE DATE.** This section is effective July 1, 2022.

224.9 Sec. 4. Minnesota Statutes 2020, section 270A.03, subdivision 2, is amended to read:

224.10 Subd. 2. **Claimant agency.** "Claimant agency" means any state agency, as defined by
224.11 section 14.02, subdivision 2, the regents of the University of Minnesota, any district court
224.12 of the state, any county, any statutory or home rule charter city, including a city that is
224.13 presenting a claim for a municipal hospital or a public library or a municipal ambulance
224.14 service, a hospital district, ~~a private nonprofit hospital that leases its building from the county~~
224.15 ~~or city in which it is located~~, any ambulance service licensed under chapter 144E, any public
224.16 agency responsible for child support enforcement, any public agency responsible for the
224.17 collection of court-ordered restitution, and any public agency established by general or
224.18 special law that is responsible for the administration of a low-income housing program.

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

224.20 Sec. 5. Minnesota Statutes 2020, section 287.12, is amended to read:

224.21 **287.12 TAXES, HOW APPORTIONED.**

224.22 (a) All taxes paid to the county treasurer under the provisions of sections 287.01 to
224.23 287.12 must be apportioned, 97 percent to the general fund of the state, and three percent
224.24 to the county revenue fund.

224.25 (b) On or before the 20th day of each month the county treasurer shall determine and
224.26 pay to the commissioner of revenue for deposit in the state treasury and credit to the general
224.27 fund the state's portion of the receipts from the mortgage registry tax during the preceding
224.28 month subject to the electronic payment requirements of section 270C.42. The county
224.29 treasurer shall provide any related reports requested by the commissioner of revenue.

224.30 (c) Counties must remit 100 percent of the state's portion of the June receipts collected
224.31 through June 25, or a reduced percentage of the June receipts as certified by the commissioner
224.32 under section 16A.152, subdivision 2, paragraph (a), clause (6), and 100 percent of the

225.1 estimated state's portion of the receipts to be collected during the remainder of the month
225.2 or a reduced percentage of the June receipts as certified by the commissioner under section
225.3 16A.152, subdivision 2, paragraph (a), clause (6), to the commissioner of revenue two
225.4 business days before June 30 of each year. The remaining amount of the June receipts is
225.5 due on August 20. This paragraph expires after the percentage of estimated payment is
225.6 reduced to zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause
225.7 (6).

225.8 **EFFECTIVE DATE.** This section is effective for remittances required after July 1,
225.9 2022.

225.10 Sec. 6. Minnesota Statutes 2020, section 287.29, is amended to read:

225.11 **287.29 PAYMENT OF RECEIPTS TO STATE GENERAL FUND; REPORTS.**

225.12 Subdivision 1. **Appointment and payment of tax proceeds.** (a) The proceeds of the
225.13 taxes levied and collected under sections 287.21 to 287.385 must be apportioned, 97 percent
225.14 to the general fund of the state, and three percent to the county revenue fund.

225.15 (b) On or before the 20th day of each month, the county treasurer shall determine and
225.16 pay to the commissioner of revenue for deposit in the state treasury and credit to the general
225.17 fund the state's portion of the receipts for deed tax from the preceding month subject to the
225.18 electronic transfer requirements of section 270C.42. The county treasurer shall provide any
225.19 related reports requested by the commissioner of revenue.

225.20 (c) Counties must remit 100 percent of the state's portion of the June receipts collected
225.21 through June 25, or a reduced percentage of the June receipts as certified by the commissioner
225.22 under section 16A.152, subdivision 2, paragraph (a), clause (6), and 100 percent of the
225.23 estimated state's portion of the receipts to be collected during the remainder of the month
225.24 or a reduced percentage of the June receipts as certified by the commissioner under section
225.25 16A.152, subdivision 2, paragraph (a), clause (6), to the commissioner of revenue two
225.26 business days before June 30 of each year. The remaining amount of the June receipts is
225.27 due on August 20. This paragraph expires after the percentage of estimated payment is
225.28 reduced to zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause
225.29 (6).

225.30 **EFFECTIVE DATE.** This section is effective for remittances required after July 1,
225.31 2022.

226.1 Sec. 7. Minnesota Statutes 2020, section 287.31, subdivision 3, is amended to read:

226.2 Subd. 3. **Underpayments of accelerated payment of June tax receipts.** (a) If a county
 226.3 fails to timely remit the state portion of the actual June tax receipts at the time required by
 226.4 section 287.12 or 287.29, the county shall pay a penalty equal to ten percent of the state
 226.5 portion of actual June receipts, or a reduced percentage of the June receipts as certified by
 226.6 the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), less the
 226.7 amount remitted to the commissioner of revenue in June. The penalty must not be imposed,
 226.8 however, if the amount remitted in June equals either:

226.9 (1) 90 percent of the state's portion of the preceding May's receipts, or a reduced
 226.10 percentage of the May receipts using the reduced percentage for June receipts as certified
 226.11 by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6); or

226.12 (2) 90 percent of the average monthly amount of the state's portion for the previous
 226.13 calendar year, or a reduced percentage of the average receipts using the reduced percentage
 226.14 for June receipts as certified by the commissioner under section 16A.152, subdivision 2,
 226.15 paragraph (a), clause (6).

226.16 (b) This subdivision expires after the percentage of estimated payment is reduced to
 226.17 zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).

226.18 **EFFECTIVE DATE.** This section is effective for remittances required after July 1,
 226.19 2022.

226.20 Sec. 8. Minnesota Statutes 2020, section 290A.04, subdivision 2, is amended to read:

226.21 Subd. 2. **Homeowners; homestead credit refund.** A claimant whose property taxes
 226.22 payable are in excess of the percentage of the household income stated below shall pay an
 226.23 amount equal to the percent of income shown for the appropriate household income level
 226.24 along with the percent to be paid by the claimant of the remaining amount of property taxes
 226.25 payable. The state refund equals the amount of property taxes payable that remain, up to
 226.26 the state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to 1,739			2,770
<u>\$0 to \$1,939</u>	1.0 percent	15 percent	<u>\$ 3,290</u>
1,740 to 3,459			2,770
<u>\$1,940 to \$3,859</u>	1.1 percent	15 percent	<u>\$ 3,290</u>
3,460 to 5,239			2,770
<u>\$3,860 to \$5,849</u>	1.2 percent	15 percent	<u>\$ 3,290</u>

227.1	5,240 to 6,989			<u>2,770</u>
227.2	<u>\$5,850 to \$7,799</u>	1.3 percent	20 percent	\$ <u>3,290</u>
227.3	6,990 to 8,719			<u>2,770</u>
227.4	<u>\$7,800 to \$9,729</u>	1.4 percent	20 percent	\$ <u>3,290</u>
227.5	8,720 to 12,219			<u>2,770</u>
227.6	<u>\$9,730 to \$13,639</u>	1.5 percent	20 percent	\$ <u>3,290</u>
227.7	12,220 to 13,949			<u>2,770</u>
227.8	<u>\$13,640 to \$15,569</u>	1.6 percent	20 percent	\$ <u>3,290</u>
227.9	13,950 to 15,709			<u>2,770</u>
227.10	<u>\$15,570 to \$17,529</u>	1.7 percent	20 percent	\$ <u>3,290</u>
227.11	15,710 to 17,449			<u>2,770</u>
227.12	<u>\$17,530 to \$19,479</u>	1.8 percent	20 percent	\$ <u>3,290</u>
227.13	17,450 to 19,179			<u>2,770</u>
227.14	<u>\$19,480 to \$21,409</u>	1.9 percent	25 percent	\$ <u>3,290</u>
227.15	19,180 to 24,429	2.0 percent		<u>2,770</u>
227.16	<u>\$21,410 to \$27,269</u>	<u>1.9 percent</u>	25 percent	\$ <u>3,290</u>
227.17	24,430 to 26,169	2.0 percent		<u>2,770</u>
227.18	<u>\$27,270 to \$29,209</u>	<u>1.9 percent</u>	30 percent	\$ <u>3,290</u>
227.19	26,170 to 29,669	2.0 percent		<u>2,770</u>
227.20	<u>\$29,210 to \$33,119</u>	<u>1.9 percent</u>	30 percent	\$ <u>3,290</u>
227.21	29,670 to 41,859		35 percent	<u>2,770</u>
227.22	<u>\$33,120 to \$46,719</u>	2.0 percent	<u>30 percent</u>	\$ <u>3,290</u>
227.23	41,860 to 61,049		35 percent	<u>2,240</u>
227.24	<u>\$46,720 to \$68,139</u>	2.0 percent	<u>30 percent</u>	\$ <u>2,700</u>
227.25	61,050 to 69,769		40 percent	<u>1,960</u>
227.26	<u>\$68,140 to \$77,869</u>	2.0 percent	<u>35 percent</u>	\$ <u>2,390</u>
227.27	69,770 to 78,499			<u>1,620</u>
227.28	<u>\$77,870 to \$87,619</u>	2.1 percent	40 percent	\$ <u>2,010</u>
227.29	78,500 to 87,219			<u>1,450</u>
227.30	<u>\$87,620 to \$97,349</u>	2.2 percent	40 percent	\$ <u>1,820</u>
227.31	87,220 to 95,939			<u>1,270</u>
227.32	<u>\$97,350 to \$107,079</u>	2.3 percent	40 percent	\$ <u>1,620</u>
227.33	95,940 to 101,179			<u>1,070</u>
227.34	<u>\$107,080 to \$112,929</u>	2.4 percent	45 percent	\$ <u>1,390</u>
227.35	101,180 to 104,689			<u>890</u>
227.36	<u>\$112,930 to \$116,849</u>	2.5 percent	45 percent	\$ <u>1,190</u>
227.37	104,690 to 108,919			<u>730</u>
227.38	<u>\$116,850 to \$121,569</u>	2.5 percent	50 percent	\$ <u>1,010</u>
227.39	108,920 to 113,149			<u>540</u>
227.40	<u>\$121,570 to \$126,289</u>	2.5 percent	50 percent	\$ <u>800</u>

227.41 The payment made to a claimant shall be the amount of the state refund calculated under
 227.42 this subdivision. No payment is allowed if the claimant's household income is ~~\$113,150~~
 227.43 \$126,290 or more.

228.1 **EFFECTIVE DATE.** This section is effective for claims based on property taxes payable
228.2 in 2023 and following years.

228.3 Sec. 9. Minnesota Statutes 2020, section 290A.04, subdivision 2h, is amended to read:

228.4 Subd. 2h. **Additional refund.** (a) If the gross property taxes payable on a homestead
228.5 increase more than ~~12~~ ten percent over the property taxes payable in the prior year on the
228.6 same property that is owned and occupied by the same owner on January 2 of both years,
228.7 and the amount of that increase is \$100 or more, a claimant who is a homeowner shall be
228.8 allowed an additional refund equal to 60 percent of the amount of the increase over the
228.9 greater of ~~12~~ ten percent of the prior year's property taxes payable or \$100. This subdivision
228.10 shall not apply to any increase in the gross property taxes payable attributable to
228.11 improvements made to the homestead after the assessment date for the prior year's taxes.
228.12 This subdivision shall not apply to any increase in the gross property taxes payable
228.13 attributable to the termination of valuation exclusions under section 273.11, subdivision
228.14 16.

228.15 The maximum refund allowed under this subdivision is ~~\$1,000~~ \$2,000.

228.16 (b) For purposes of this subdivision "gross property taxes payable" means property taxes
228.17 payable determined without regard to the refund allowed under this subdivision.

228.18 (c) In addition to the other proofs required by this chapter, each claimant under this
228.19 subdivision shall file with the property tax refund return a copy of the property tax statement
228.20 for taxes payable in the preceding year or other documents required by the commissioner.

228.21 (d) Upon request, the appropriate county official shall make available the names and
228.22 addresses of the property taxpayers who may be eligible for the additional property tax
228.23 refund under this section. The information shall be provided on a magnetic computer disk.
228.24 The county may recover its costs by charging the person requesting the information the
228.25 reasonable cost for preparing the data. The information may not be used for any purpose
228.26 other than for notifying the homeowner of potential eligibility and assisting the homeowner,
228.27 without charge, in preparing a refund claim.

228.28 **EFFECTIVE DATE.** This section is effective for refund claims based on taxes payable
228.29 in 2023 and thereafter.

228.30 Sec. 10. Minnesota Statutes 2020, section 290A.04, subdivision 4, is amended to read:

228.31 Subd. 4. **Inflation adjustment.** The commissioner shall annually adjust the dollar
228.32 amounts of the income thresholds and the maximum refunds under subdivisions 2 and 2a

229.1 as provided in section 270C.22. The statutory year for subdivision 2 is 2022. The statutory
229.2 year for subdivision 2a is 2018.

229.3 **EFFECTIVE DATE.** This section is effective for claims based on property taxes payable
229.4 in 2024 and following years.

229.5 Sec. 11. Minnesota Statutes 2021 Supplement, section 297F.09, subdivision 10, is amended
229.6 to read:

229.7 Subd. 10. **Accelerated tax payment.** A cigarette distributor, tobacco products distributor,
229.8 retailer, or out-of-state retailer having a liability of \$250,000 or more during a fiscal year
229.9 ending June 30, shall remit the June liability for the next year in the following manner:

229.10 (a) Two business days before June 30 of calendar year 2021, the distributor shall remit
229.11 the actual May liability and 87.5 percent of the estimated June liability to the commissioner
229.12 and file the return in the form and manner prescribed by the commissioner. Two business
229.13 days before June 30 of calendar year 2022 and each calendar year thereafter, the distributor
229.14 must remit the actual May liability and 84.5 percent, or a reduced percentage as certified
229.15 by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the
229.16 estimated June liability to the commissioner and file the return in the form and manner
229.17 prescribed by the commissioner.

229.18 (b) On or before August 18 of the year, the distributor, retailer, or out-of-state retailer
229.19 shall submit a return showing the actual June liability and pay any additional amount of tax
229.20 not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability
229.21 required to be paid in June, less the amount remitted in June. However, the penalty is not
229.22 imposed if the amount remitted in June equals:

229.23 (1) for calendar year 2021, the lesser of 87.5 percent of the actual June liability for that
229.24 calendar year or 87.5 percent of the May liability for that calendar year; or

229.25 (2) for calendar year 2022 and each calendar year thereafter, the lesser of 84.5 percent,
229.26 or a reduced percentage as certified by the commissioner under section 16A.152, subdivision
229.27 2, paragraph (a), clause (6), of the actual June liability for that calendar year or 84.5 percent,
229.28 or a reduced percentage as certified by the commissioner under section 16A.152, subdivision
229.29 2, paragraph (a), clause (6), of the May liability for that calendar year.

229.30 (c) This subdivision expires after the percentage of estimated payment is reduced to zero
229.31 in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).

229.32 **EFFECTIVE DATE.** This section is effective for estimated payments required to be
229.33 made after July 1, 2022.

230.1 Sec. 12. Minnesota Statutes 2021 Supplement, section 297G.09, subdivision 9, is amended
230.2 to read:

230.3 Subd. 9. **Accelerated tax payment; penalty.** A person liable for tax under this chapter
230.4 having a liability of \$250,000 or more during a fiscal year ending June 30, shall remit the
230.5 June liability for the next year in the following manner:

230.6 (a) Two business days before June 30 of calendar year 2021, the taxpayer shall remit
230.7 the actual May liability and 87.5 percent of the estimated June liability to the commissioner
230.8 and file the return in the form and manner prescribed by the commissioner. Two business
230.9 days before June 30 of calendar year 2022 and each calendar year thereafter, the distributor
230.10 must remit the actual May liability and 84.5 percent, or a reduced percentage as certified
230.11 by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the
230.12 estimated June liability to the commissioner and file the return in the form and manner
230.13 prescribed by the commissioner.

230.14 (b) On or before August 18 of the year, the taxpayer shall submit a return showing the
230.15 actual June liability and pay any additional amount of tax not remitted in June. A penalty
230.16 is imposed equal to ten percent of the amount of June liability required to be paid in June
230.17 less the amount remitted in June. However, the penalty is not imposed if the amount remitted
230.18 in June equals:

230.19 (1) for calendar year 2021, the lesser of 87.5 percent of the actual June liability for that
230.20 calendar year or 87.5 percent of the May liability for that calendar year; or

230.21 (2) for calendar year 2022 and each calendar year thereafter, the lesser of 84.5 percent,
230.22 or a reduced percentage as certified by the commissioner under section 16A.152, subdivision
230.23 2, paragraph (a), clause (6), of the actual June liability for that calendar year or 84.5 percent,
230.24 or a reduced percentage as certified by the commissioner under section 16A.152, subdivision
230.25 2, paragraph (a), clause (6), of the May liability for that calendar year.

230.26 (c) This subdivision expires after the percentage of estimated payment is reduced to zero
230.27 in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).

230.28 **EFFECTIVE DATE.** This section is effective for estimated payments required to be
230.29 made after July 1, 2022.

230.30 Sec. 13. Minnesota Statutes 2020, section 297H.13, subdivision 2, is amended to read:

230.31 Subd. 2. **Allocation of revenues.** (a) ~~\$33,760,000, or 70 percent, whichever is greater,~~
230.32 Of the amounts remitted under this chapter, 73 percent in fiscal year 2023 and thereafter
230.33 must be credited to the environmental fund established in section 16A.531, subdivision 1.

231.1 (b) The remainder must be deposited into the general fund.

231.2 (c) Beginning in fiscal year 2023 and continuing each year thereafter, the difference
231.3 between the amount deposited in the environmental fund under paragraph (a) and the amount
231.4 that would have been deposited under paragraph (a) before being amended by this act must
231.5 be expended on activities listed in section 115A.557, subdivision 2, paragraph (a), clauses
231.6 (1) to (7) and (9) to (11).

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

231.8 Sec. 14. Minnesota Statutes 2020, section 298.28, subdivision 7a, is amended to read:

231.9 Subd. 7a. **Iron Range school consolidation and cooperatively operated school**
231.10 **account.** (a) The following amounts must be allocated to the commissioner of Iron Range
231.11 resources and rehabilitation to be deposited in the Iron Range school consolidation and
231.12 cooperatively operated school account that is hereby created:

231.13 (1)(i) for distributions in 2015 through ~~2023~~ 2043, ten cents per taxable ton of the tax
231.14 imposed under section 298.24; and

231.15 (ii) for distributions beginning in ~~2024~~ 2044, five cents per taxable ton of the tax imposed
231.16 under section 298.24;

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

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

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

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

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

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

232.5 Sec. 15. Minnesota Statutes 2020, section 298.28, subdivision 9b, is amended to read:

232.6 Subd. 9b. **Taconite environmental fund.** Five cents per ton through distributions in
 232.7 2043 must be paid to the taconite environmental fund for use under section 298.2961,
 232.8 subdivision 4. Beginning with distributions in 2044, ten cents per ton must be paid to the
 232.9 taconite environmental fund of which five cents per ton must be used as provided under
 232.10 section 298.2961, subdivision 4.

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

232.12 Sec. 16. **[428B.01] DEFINITIONS.**

232.13 Subdivision 1. **Applicability.** As used in sections 428B.01 to 428B.09, the terms in this
 232.14 section have the meanings given them.

232.15 Subd. 2. **Activity.** "Activity" means but is not limited to all of the following:

232.16 (1) promotion of tourism within the district;

232.17 (2) promotion of business activity, including but not limited to tourism, of businesses
 232.18 subject to the service charge within the tourism improvement district;

232.19 (3) marketing, sales, and economic development; and

232.20 (4) other services provided for the purpose of conferring benefits upon businesses located
 232.21 in the tourism improvement district that are subject to the tourism improvement district
 232.22 service charge.

232.23 Subd. 3. **Business.** "Business" means the type or class of lodging business that is
 232.24 described in the municipality's ordinance, which benefits from district activities, adopted
 232.25 under section 428B.02.

232.26 Subd. 4. **Business owner.** "Business owner" means a person recognized by a municipality
 232.27 as the owner of a business.

232.28 Subd. 5. **City.** "City" means a home rule charter or statutory city.

232.29 Subd. 6. **Clerk.** "Clerk" means the chief clerical officer of the municipality.

233.1 Subd. 7. **Governing body.** "Governing body" means, with respect to a city, a city council
 233.2 or other governing body of a city. With respect to a town, governing body means a town
 233.3 board or other governing body of a town. With respect to a county, governing body means
 233.4 a board of commissioners or other governing body of a county.

233.5 Subd. 8. **Impacted business owners.** "Impacted business owners" means a majority of
 233.6 business owners located within a proposed or established tourism improvement district.

233.7 Subd. 9. **Municipality.** "Municipality" means a county, city, or town.

233.8 Subd. 10. **Tourism improvement association.** "Tourism improvement association"
 233.9 means a new or existing and tax-exempt nonprofit corporation, entity, or agency charged
 233.10 with promoting tourism within the tourism improvement district and that is under contract
 233.11 with the municipality to administer the tourism improvement district and implement the
 233.12 activities and improvements listed in the municipality's ordinance.

233.13 Subd. 11. **Tourism improvement district.** "Tourism improvement district" means a
 233.14 tourism improvement district established under this chapter.

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

233.16 Sec. 17. **[428B.02] ESTABLISHMENT OF TOURISM IMPROVEMENT DISTRICT.**

233.17 Subdivision 1. **Ordinance.** (a) Upon a petition by impacted business owners, a governing
 233.18 body of a municipality may adopt an ordinance establishing a tourism improvement district
 233.19 after holding a public hearing on the district. The ordinance must include:

233.20 (1) a map that identifies the tourism improvement district boundaries in sufficient detail
 233.21 to allow a business owner to determine whether a business is located within the tourism
 233.22 improvement district boundaries;

233.23 (2) the name of the tourism improvement association designated to administer the tourism
 233.24 improvement district and implement the approved activities and improvements;

233.25 (3) a list of the proposed activities and improvements in the tourism improvement district;

233.26 (4) the time and manner of collecting the service charge and any interest and penalties
 233.27 for nonpayment;

233.28 (5) a definition describing the type or class of businesses to be included in the tourism
 233.29 improvement district and subject to the service charge;

234.1 (6) the rate, method, and basis of the service charge with intent, and penalties on
234.2 delinquent payments for the district, including the portion dedicated to covering expenses
234.3 listed in subdivision 4, paragraph (b); and

234.4 (7) the number of years the service charge will be in effect.

234.5 (b) If the boundaries of a proposed tourism improvement district overlap with the
234.6 boundaries of an existing special service district, the tourism improvement district ordinance
234.7 may list measures to avoid any impediments on the ability of the special service district to
234.8 continue to provide its services to benefit its property owners.

234.9 Subd. 2. **Notice.** A municipality must provide notice of the hearing by publication in at
234.10 least two issues of the official newspaper of the municipality. The two publications must
234.11 be two weeks apart and the municipality must hold the hearing at least three days after the
234.12 last publication. Not less than ten days before the hearing, the municipality must mail, or
234.13 deliver by electronic means, notice to the business owner of each business subject to the
234.14 proposed service charge by the tourism improvement district. The notice must include:

234.15 (1) a map showing the boundaries of the proposed district;

234.16 (2) the time and place of the hearing;

234.17 (3) a statement that all interested persons will be given an opportunity to be heard at the
234.18 hearing regarding the proposed service charge; and

234.19 (4) a brief description of the proposed activities, improvements, and service charge.

234.20 Subd. 3. **Business owner determination.** A business must provide ownership information
234.21 to the municipality. A municipality has no obligation to obtain other information regarding
234.22 the ownership of businesses, and its determination of ownership shall be final for the purposes
234.23 of this chapter. If this chapter requires the signature of a business owner, the signature of
234.24 the authorized representative of a business owner is sufficient.

234.25 Subd. 4. **Service charges; relationship to services.** (a) A municipality may impose a
234.26 service charge on a business pursuant to this chapter for the purpose of providing activities
234.27 and improvements that will provide benefits to a business that is located within the tourism
234.28 improvement district and subject to the tourism improvement district service charge. Each
234.29 business paying a service charge within a district must benefit directly or indirectly from
234.30 improvements provided by a tourism improvement association, provided, however, the
234.31 business need not benefit equally. Service charges must be based on a percent of gross
234.32 business revenue, a fixed dollar amount per transaction, or any other reasonable method
234.33 based upon benefit and approved by the municipality.

235.1 (b) Service charges may be used to cover the costs of collections, as well as other
235.2 administrative costs associated with operating, forming, or maintaining the district.

235.3 Subd. 5. **Public hearing.** At the hearing regarding the adoption of the ordinance
235.4 establishing a tourism improvement district, business owners and persons affected by the
235.5 proposed district may testify on issues relevant to the proposed district. The hearing may
235.6 be adjourned from time to time. The ordinance establishing the district may be adopted at
235.7 any time within six months after the date of the conclusion of the hearing by a vote of the
235.8 majority of the governing body of the municipality.

235.9 Subd. 6. **Appeal to district court.** Within 45 days after the adoption of the ordinance
235.10 establishing a tourism improvement district, a person aggrieved, who is not precluded by
235.11 failure to object before or at the hearing, may appeal to the district court by serving a notice
235.12 on the clerk of the municipality or governing body. The validity of the tourism improvement
235.13 district and the service charge imposed under this chapter shall not be contested in an action
235.14 or proceeding unless the action or proceeding is commenced within 45 days after the adoption
235.15 of the ordinance establishing a tourism improvement district. The petitioner must file notice
235.16 with the court administrator of the district court within ten days after its service. The clerk
235.17 of the municipality must provide the petitioner with a certified copy of the findings and
235.18 determination of the governing body. The court may affirm the action objected to or, if the
235.19 petitioner's objections have merit, modify or cancel it. If the petitioner does not prevail on
235.20 the appeal, the costs incurred shall be charged to the petitioner by the court and judgment
235.21 entered for them. All objections shall be deemed waived unless presented on appeal.

235.22 Subd. 7. **Notice to the commissioner of revenue.** Within 30 days of adoption of the
235.23 ordinance, the governing body must send a copy of the ordinance to the commissioner of
235.24 revenue.

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

235.26 Sec. 18. **[428B.03] SERVICE CHARGE AUTHORITY; NOTICE; HEARING**
235.27 **REQUIREMENT.**

235.28 Subdivision 1. **Authority.** A municipality may impose service charges authorized under
235.29 section 428B.02, subdivision 4, to finance an activity or improvement in the tourism
235.30 improvement district that is provided by the municipality if the activity or improvement is
235.31 provided in the tourism improvement district at an increased level of service. The service
235.32 charges may be imposed in the amount needed to pay for the increased level of service
235.33 provided by the activity or improvement.

236.1 Subd. 2. Annual hearing requirement; notice. Beginning one year after the
 236.2 establishment of the tourism improvement district, the municipality must hold an annual
 236.3 public hearing regarding continuation of the service charges in the tourism improvement
 236.4 district. The municipality must provide notice of the hearing by publication in the official
 236.5 newspaper at least seven days before the hearing. The municipality must mail, or deliver
 236.6 by electronic means, notice of the hearing to business owners subject to the service charge
 236.7 at least seven days before the hearing. At the hearing, a person affected by the proposed
 236.8 district may testify on issues relevant to the proposed district. Within six months of the
 236.9 hearing, the municipality may adopt a resolution to continue imposing service charges within
 236.10 the district not exceeding the amount or rate expressed in the notice. For purposes of this
 236.11 section, the notice must include:

236.12 (1) a map showing the boundaries of the district;

236.13 (2) the time and place of the hearing;

236.14 (3) a statement that all interested persons will be given an opportunity to be heard at the
 236.15 hearing regarding the proposed service charge;

236.16 (4) a brief description of the proposed activities and improvements;

236.17 (5) the estimated annual amount of proposed expenditures for activities and
 236.18 improvements;

236.19 (6) the rate of the service charge for the district during the year and the nature and
 236.20 character of the proposed activities and improvements for the district during the year in
 236.21 which service charges are collected;

236.22 (7) the number of years the service charge will be in effect; and

236.23 (8) a statement that the petition requirement of section 428B.07 has either been met or
 236.24 does not apply to the proposed service charge.

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

236.26 Sec. 19. **[428B.04] MODIFICATION OF ORDINANCE.**

236.27 Subdivision 1. Adoption of ordinance; request for modification. Upon written request
 236.28 of the tourism improvement association, the governing body of a municipality may adopt
 236.29 an ordinance to modify the district after conducting a public hearing on the proposed
 236.30 modifications. If the modification includes a change to the rate, method, and basis of
 236.31 imposing the service charge or the expansion of the tourism improvement district's geographic

237.1 boundaries, a petition as described in section 428B.07 must be submitted by impacted
237.2 business owners to initiate proceedings for modification.

237.3 Subd. 2. **Notice of modification.** A municipality must provide notice of the hearing by
237.4 publication in at least two issues of the municipality's official newspaper. The two
237.5 publications must be two weeks apart and the municipality must hold a hearing at least three
237.6 days after the last publication. Not less than ten days before the hearing, the municipality
237.7 must mail, or deliver by electronic means, notice to the business owner of each business
237.8 subject to the service charge by the tourism improvement district. The notice must include:

237.9 (1) a map showing the boundaries of the district and any proposed changes to the
237.10 boundaries of the district;

237.11 (2) the time and place of the hearing;

237.12 (3) a statement that all interested persons will be given an opportunity to be heard at the
237.13 hearing regarding the proposed service charge; and

237.14 (4) a brief description of the proposed modification to the ordinance.

237.15 Subd. 3. **Hearing on modification.** At the hearing regarding modification to the
237.16 ordinance, business owners and persons affected by the proposed modification may testify
237.17 on issues relevant to the proposed modification. Within six months after the conclusion of
237.18 the hearing, the municipality may adopt the ordinance modifying the district by a vote of
237.19 the majority of the governing body in accordance with the request for modification by the
237.20 tourism improvement association and as described in the notice.

237.21 Subd. 4. **Objection.** If the modification of the ordinance includes the expansion of the
237.22 tourism improvement district's geographic boundaries, the ordinance modifying the district
237.23 may be adopted after following the notice and veto requirements in section 428B.08;
237.24 however, a successful objection will be determined based on a majority of business owners
237.25 who will pay the service charge in the expanded area of the district. For all other
237.26 modifications, the ordinance modifying the district may be adopted following the notice
237.27 and veto requirements in section 428B.08.

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

237.29 Sec. 20. **[428B.05] COLLECTION OF SERVICE CHARGES; PENALTIES.**

237.30 The service charges imposed under this chapter may be collected by the municipality,
237.31 tourism improvement association, or other designated agency or entity. Collection of the
237.32 service charges must be made at the time and in the manner set forth in the ordinance. The

238.1 entity collecting the service charges may charge interest and penalties on delinquent payments
238.2 for service charges imposed under this chapter as set forth in the municipality's ordinance.

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

238.4 Sec. 21. **[428B.06] TOURISM IMPROVEMENT ASSOCIATION.**

238.5 Subdivision 1. **Composition and duties.** The tourism improvement association must
238.6 be designated in the municipality's ordinance. The tourism improvement association shall
238.7 appoint a governing board or committee composed of a majority of business owners who
238.8 pay the tourism improvement district service charge, or the representatives of those business
238.9 owners. The governing board or committee must manage the funds raised by the tourism
238.10 improvement district and fulfill the obligations of the tourism improvement district. A
238.11 tourism improvement association has full discretion to select the specific activities and
238.12 improvements that are funded with tourism improvement district service charges within the
238.13 authorized activities and improvements described in the ordinance.

238.14 Subd. 2. **Annual report.** The tourism improvement association must submit to the
238.15 municipality an annual report for each year in which a service charge is imposed. The report
238.16 must include a financial statement of revenue raised by the district. The municipality may
238.17 also, as part of the enabling ordinance, require the submission of other relevant information
238.18 related to the association.

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

238.20 Sec. 22. **[428B.07] PETITION REQUIRED.**

238.21 A municipality may not establish a tourism improvement district under section 428B.02
238.22 unless impacted business owners file a petition requesting a public hearing on the proposed
238.23 action with the clerk of the municipality.

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

238.25 Sec. 23. **[428B.08] VETO POWER OF OWNERS.**

238.26 Subdivision 1. **Notice of right to file objections.** The effective date of an ordinance or
238.27 resolution adopted under this chapter must be at least 45 days after it is adopted by the
238.28 municipality. Within five days after the municipality adopts the ordinance or resolution,
238.29 the municipality must mail a summary of the ordinance or resolution to each business owner
238.30 subject to the service charge within the tourism improvement district in the same manner
238.31 that notice is mailed, or delivered by electronic means, under section 428B.02. The mailing

239.1 must include a notice that business owners subject to the service charge have the right to
239.2 veto, by a simple majority, the ordinance or resolution by filing the required number of
239.3 objections with the clerk of the municipality before the effective date of the ordinance or
239.4 resolution and include notice that a copy of the ordinance or resolution is available for public
239.5 inspection with the clerk of the municipality.

239.6 Subd. 2. **Requirements for veto.** If impacted business owners file an objection to the
239.7 ordinance or resolution before the effective date of the ordinance or resolution, the ordinance
239.8 or resolution does not become effective.

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

239.10 Sec. 24. **[428B.09] DISESTABLISHMENT.**

239.11 Subdivision 1. **Procedure for disestablishment.** An ordinance adopted under this chapter
239.12 must provide a 30-day period each year in which business owners subject to the service
239.13 charge may request disestablishment of the district. Beginning one year after establishment
239.14 of the tourism improvement district, an annual 30-day period of disestablishment begins
239.15 with the anniversary of the date of establishment. Upon submission of a petition from
239.16 impacted business owners, the municipality may disestablish a tourism improvement district
239.17 by adopting an ordinance after holding a public hearing on the disestablishment. Prior to
239.18 the hearing, the municipality must publish notice of the hearing on disestablishment in at
239.19 least two issues of the municipality's official newspaper. The two publications must be two
239.20 weeks apart and the municipality must hold the hearing at least three days after the last
239.21 publication. Not less than ten days before the hearing, the municipality must mail, or deliver
239.22 by electronic means, notice to the business owner of each business subject to the service
239.23 charge. The notice must include:

239.24 (1) the time and place of the hearing;

239.25 (2) a statement that all interested persons will be given an opportunity to be heard at the
239.26 hearing regarding disestablishment;

239.27 (3) the reason for disestablishment; and

239.28 (4) a proposal to dispose of any assets acquired with the revenues of the service charge
239.29 imposed under the tourism improvement district.

239.30 Subd. 2. **Objection.** An ordinance disestablishing the tourism improvement district
239.31 becomes effective following the notice and veto requirements in section 428B.08.

240.1 Subd. 3. Refund to business owners. (a) Upon the disestablishment of a tourism
 240.2 improvement district, any remaining revenues derived from the service charge, or any
 240.3 revenues derived from the sale of assets acquired with the service charge revenues, shall
 240.4 be refunded to business owners located and operating within the tourism improvement
 240.5 district in which service charges were imposed by applying the same method and basis that
 240.6 was used to calculate the service charges levied in the fiscal year in which the district is
 240.7 disestablished.

240.8 (b) If the disestablishment occurs before the service charge is imposed for the fiscal
 240.9 year, the method and basis that was used to calculate the service charge imposed in the
 240.10 immediate prior fiscal year shall be used to calculate the amount of a refund, if any.

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

240.12 **Sec. 25. [428B.10] COORDINATION OF DISTRICTS.**

240.13 If a county establishes a tourism improvement district in a city or town under this chapter,
 240.14 a city or town may not establish a tourism improvement district in the part of the city or
 240.15 town located in the county-established district. If a city or town establishes a tourism
 240.16 improvement district under this chapter, a county may not establish a tourism improvement
 240.17 district in the part of the city or town located in the city- or town-established district.

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

240.19 Sec. 26. Minnesota Statutes 2020, section 462A.38, is amended to read:

240.20 **462A.38 WORKFORCE AND AFFORDABLE HOMEOWNERSHIP**
 240.21 **DEVELOPMENT PROGRAM.**

240.22 **Subdivision 1. Establishment.** A workforce and affordable homeownership development
 240.23 program is established to award homeownership development grants and loans to cities,
 240.24 counties, Tribal governments, nonprofit organizations, cooperatives created under chapter
 240.25 308A or 308B, and community land trusts created for the purposes outlined in section
 240.26 462A.31, subdivision 1, for development of workforce and affordable homeownership
 240.27 projects. The purpose of the program is to increase the supply of workforce and affordable,
 240.28 owner-occupied multifamily or single-family housing throughout Minnesota.

240.29 **Subd. 2. Use of funds.** (a) Grant funds and loans awarded under this program may be
 240.30 used for:

240.31 (1) development costs;

241.1 (2) rehabilitation;

241.2 (3) land development; and

241.3 (4) residential housing, including storm shelters and related community facilities.

241.4 (b) A project funded through ~~the grant~~ this program shall serve households that meet
241.5 the income limits as provided in section 462A.33, subdivision 5, unless a project is intended
241.6 for the purpose outlined in section 462A.02, subdivision 6.

241.7 Subd. 3. **Application.** The commissioner shall develop forms and procedures for soliciting
241.8 and reviewing applications for grants and loans under this section. The commissioner shall
241.9 consult with interested stakeholders when developing the guidelines and procedures for the
241.10 program. In making grants and loans, the commissioner shall establish semiannual application
241.11 deadlines in which grants and loans will be authorized from all or part of the available
241.12 appropriations.

241.13 Subd. 4. **Awarding grants and loans.** Among comparable proposals, preference must
241.14 be given to proposals that include contributions from nonstate resources for the greatest
241.15 portion of the total development cost.

241.16 Subd. 5. **Statewide program.** The agency shall attempt to make grants and loans in
241.17 approximately equal amounts to applicants outside and within the metropolitan area, as
241.18 defined in section 473.121, subdivision 2.

241.19 Subd. 6. **Report.** Beginning January 15, ~~2018~~ 2023, the commissioner must annually
241.20 submit a report to the chairs and ranking minority members of the senate and house of
241.21 representatives committees having jurisdiction over housing and workforce development
241.22 specifying the projects that received grants and loans under this section and the specific
241.23 purposes for which the grant or loan funds were used.

241.24 Subd. 7. **Workforce and affordable homeownership development account.** A
241.25 workforce and affordable homeownership development account is established in the housing
241.26 development fund. Money in the account, including interest, is appropriated to the
241.27 commissioner of the Housing Finance Agency for the purposes of this section. The amount
241.28 appropriated under this section must supplement traditional sources of funding for this
241.29 purpose and must not be used as a substitute or to pay debt service on bonds.

241.30 Subd. 8. **Deposits; funding amount.** (a) In fiscal years 2023 to 2030, an amount equal
241.31 to \$10,000,000 of the state's portion of the proceeds derived from the mortgage registry tax
241.32 imposed under section 287.035 and the deed tax imposed under section 287.21 is appropriated
241.33 from the general fund to the commissioner of the Housing Finance Agency to transfer to

242.1 the housing development fund for deposit into the workforce and affordable homeownership
242.2 development account. The appropriation must be made annually by September 15.

242.3 (b) All loan repayments received under this section are to be deposited into the workforce
242.4 and affordable homeownership development account in the housing development fund.

242.5 (c) This subdivision expires September 16, 2029.

242.6 **EFFECTIVE DATE.** This section is effective July 1, 2022.

242.7 Sec. 27. Minnesota Statutes 2020, section 477A.015, is amended to read:

242.8 **477A.015 PAYMENT DATES.**

242.9 (a) The commissioner of revenue shall annually make the payments of local government
242.10 aid to affected taxing authorities in two installments. Except as provided in paragraph (b),
242.11 the first installment of 50 percent, or a reduced percentage certified by the commissioner
242.12 under section 16A.152, subdivision 2, paragraph (a), clause (7), of the payment is due on
242.13 July 20 and the remaining amount of the first installment, if any, is due on March 15. The
242.14 second installment of 50 percent is due on December 26 annually.

242.15 (b) The reduced percentage certified by the commissioner under section 16A.152,
242.16 subdivision 2, paragraph (a), clause (7), does not apply to aid payments made pursuant to
242.17 sections 6.91, 162.145, 477A.13, 477A.15, and 477A.23. Notwithstanding paragraph (a),
242.18 for aids payable in 2019 only, the commissioner of revenue shall make payments of the aid
242.19 payable under section 477A.013, subdivision 9, in three installments as follows: (1) 14.6
242.20 percent of the aid shall be paid on June 15, 2019; (2) 35.4 percent of the aid shall be paid
242.21 on July 20, 2019; and (3) 50 percent of the aid shall be paid on December 26, 2019.

242.22 (c) When the commissioner of public safety determines that a local government has
242.23 suffered financial hardship due to a natural disaster, the commissioner of public safety shall
242.24 notify the commissioner of revenue, who shall make payments of aids under sections
242.25 477A.011 to 477A.014, which are otherwise due on December 26, as soon as is practical
242.26 after the determination is made but not before July 20.

242.27 (d) The commissioner may pay all or part of the payments of aids under sections
242.28 477A.011 to 477A.014, which are due on December 26 at any time after August 15 if a
242.29 local government requests such payment as being necessary for meeting its cash flow needs.

242.30 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
242.31 and thereafter.

243.1 **Sec. 28. CITY OF VIRGINIA; NET DEBT LIMIT EXEMPTION.**

243.2 The city of Virginia may finance the construction of a public safety building in the city
243.3 of Virginia by obtaining a loan from the United States Department of Agriculture secured
243.4 by its general obligation pledge. Any bonds issued relating to this construction project or
243.5 repayment of the loan must not be included in the computation of the city's limit on net debt
243.6 under Minnesota Statutes, section 475.53, subdivision 1.

243.7 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
243.8 city of Virginia and its chief clerical officer comply with Minnesota Statutes, section 645.021,
243.9 subdivisions 2 and 3.

243.10 **Sec. 29. POLAR VORTEX RESPONSE; DISCLOSURE OF COSTS;**
243.11 **REIMBURSEMENT FOR RESERVE FUNDS.**

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

243.14 (b) "Critical period" means the period beginning February 12, 2021, and ending February
243.15 17, 2021.

243.16 (c) "Impacted volume" means the volume of natural gas a utility purchased for immediate
243.17 delivery in Minnesota during the critical period.

243.18 (d) "Incremental cost" means the incremental cost of natural gas purchased during the
243.19 critical period, calculated by multiplying the utility's incremental price by its impacted
243.20 volume.

243.21 (e) "Incremental price" means the average unit price a utility paid for natural gas
243.22 purchased for immediate delivery during the critical period, minus the average natural gas
243.23 unit price for wholesale natural gas the utility paid during the period between February 5,
243.24 2021, and February 10, 2021.

243.25 (f) "Utility" means a nonprofit municipal utility established under Minnesota Statutes,
243.26 chapter 412, that (1) is owned by the city to which it provides service, and (2) sells natural
243.27 gas to retail customers in Minnesota.

243.28 **Subd. 2. Utilities must disclose increased energy costs.** No later than July 1, 2022, a
243.29 utility must calculate, for each customer to which the utility provided natural gas service
243.30 during the critical period, the incremental price multiplied by the volume of natural gas
243.31 consumed by the customer during the critical period. The utility must certify and forward
243.32 that calculation in a written notice to each customer.

244.1 Subd. 3. **Reimbursement for reserve revenues.** A utility that paid for wholesale natural
244.2 gas purchased during the critical period, in whole or in part, by drawing down accumulated
244.3 reserve revenues may apply to the commissioner of commerce for a rebate equal to its
244.4 incremental cost minus any payment of its incremental cost by natural gas customers. The
244.5 commissioner shall require a utility to submit evidence supporting the rebate request amount
244.6 with a rebate application.

244.7 Subd. 4. **Appropriation.** \$20,000,000 in fiscal year 2023 is appropriated from the general
244.8 fund to the commissioner of commerce for the purpose of making rebates to municipal
244.9 utilities under subdivision 3. This is a onetime appropriation. Any unexpended funds
244.10 remaining on December 31, 2022, cancel to the general fund.

244.11 Sec. 30. **TAX CREDIT FOR EXCESS ENERGY COSTS DUE TO THE POLAR**
244.12 **VORTEX.**

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

244.15 (b) "Excess energy costs" means the amount of energy costs disclosed to a taxpayer by
244.16 a utility under section 27, subdivision 2, but is limited to amounts actually paid by the
244.17 taxpayer.

244.18 (c) The definitions in section 27, subdivision 1, and Minnesota Statutes, section 290.01,
244.19 apply for this section.

244.20 Subd. 2. **Credit allowed.** (a) An individual income taxpayer is allowed a credit against
244.21 the tax due under Minnesota Statutes, chapter 290, equal to the amount of the taxpayer's
244.22 excess energy costs.

244.23 (b) Credits allowed to a partnership, a limited liability company taxed as a partnership,
244.24 or an S corporation are passed through pro rata to the partners, members, or shareholders
244.25 based on their share of the entity's income for the taxable year.

244.26 Subd. 3. **Credit refundable.** (a) If the amount of credit which a taxpayer would be
244.27 eligible to receive under this section exceeds the claimant's tax liability under Minnesota
244.28 Statutes, chapter 290, the excess amount of the credit shall be refunded to the claimant by
244.29 the commissioner of revenue.

244.30 (b) An amount sufficient to pay the refunds required by this section is appropriated to
244.31 the commissioner of revenue from the general fund.

245.1 Subd. 4. Denial of double benefit. For a taxpayer who deducted excess energy costs in
245.2 calculating adjusted gross income and claimed the credit under this section, the amount of
245.3 excess energy costs is an addition, as defined in Minnesota Statutes, section 290.0131,
245.4 subdivision 1. The rules governing additions in that section apply for this subdivision.

245.5 EFFECTIVE DATE. This section is effective retroactively for taxable years beginning
245.6 after December 31, 2020, and before January 1, 2022.

245.7 Sec. 31. INCOME TAX SUBTRACTION; COVID-19 BUSINESS ASSISTANCE
245.8 PROGRAMS.

245.9 Subdivision 1. Definitions. For the purposes of this section:

245.10 (1) for an individual, estate, or trust, "subtraction" has the meaning given in Minnesota
245.11 Statutes, section 290.0132, subdivision 1, and the rules in that subdivision apply for this
245.12 section;

245.13 (2) for a corporation other than an S corporation, "subtraction" has the meaning given
245.14 in Minnesota Statutes, section 290.0134, subdivision 1, and the rules in that subdivision
245.15 apply for this section;

245.16 (3) the definitions in Minnesota Statutes, section 290.01, apply for this section; and

245.17 (4) "qualifying business assistance" means grants, forgivable loans, and other financial
245.18 assistance to businesses by the state, county, or local government that were included in
245.19 adjusted gross income, and that meet the criteria in subdivision 4.

245.20 Subd. 2. Business assistance subtraction; individuals, estates, and trusts. For an
245.21 individual, estate, or trust, the amount of qualifying business assistance is a subtraction.

245.22 Subd. 3. Business assistance subtraction; C corporations. For a corporation other
245.23 than an S corporation, the amount of qualifying business assistance is a subtraction.

245.24 Subd. 4. Programs eligible for a subtraction. Only qualifying business assistance
245.25 provided under the following sections of state or federal law is considered qualifying business
245.26 assistance for the purposes of this section:

245.27 (1) business assistance provided under section 30, subdivision 2;

245.28 (2) forgivable loans under Executive Order No. 20-15;

245.29 (3) small business relief grants under Laws 2020, First Special Session chapter 1, section
245.30 4;

246.1 (4) business relief payments under Laws 2020, Seventh Special Session chapter 2, article
246.2 1;

246.3 (5) grants to movie theaters and convention centers under Laws 2020, Seventh Special
246.4 Session chapter 2, article 4;

246.5 (6) county relief grants to local businesses under Laws 2020, Seventh Special Session
246.6 chapter 2, article 5;

246.7 (7) grants through the Main Street Economic Revitalization Program in Laws 2021, First
246.8 Special Session chapter 10, article 2, section 5;

246.9 (8) main street COVID-19 relief grants under Laws 2021, First Special Session chapter
246.10 10, article 2, section 22;

246.11 (9) forgivable loans under Laws 2021, First Special Session chapter 10, article 2, section
246.12 24;

246.13 (10) financial assistance to businesses provided by a county, city, or township using
246.14 funds from the Coronavirus Relief Fund under section 5001 of Public Law 116-136; or

246.15 (11) financial assistance to businesses provided by a county, city, or township using
246.16 funds from the State and Local Fiscal Recovery Fund in section 9901 of Public Law 117-2.

246.17 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
246.18 after December 31, 2019.

246.19 **Sec. 32. COUNTY PANDEMIC BUSINESS AND COMMUNITY RELIEF AID;**
246.20 **APPROPRIATION.**

246.21 Subdivision 1. **Appropriation.** (a) \$75,000,000 in fiscal year 2023 is appropriated from
246.22 the general fund to the commissioner of revenue for payments to counties under this section.
246.23 This is a onetime appropriation.

246.24 (b) Of the amount under paragraph (a), \$50,000,000 must be used for payments to
246.25 counties for economic assistance and aid to businesses under subdivision 2.

246.26 (c) Of the amount under paragraph (a), \$25,000,000 must be used for payments to
246.27 counties to provide rental assistance under subdivision 6.

246.28 (d) After June 30, 2023, a county must return any unspent funds to the commissioner
246.29 of revenue, and any amounts returned cancel to the general fund.

246.30 Subd. 2. **Economic assistance and aid to local businesses.** (a) From the amount available
246.31 under subdivision 1, paragraph (b), each county shall be issued a payment of a per capita

247.1 amount determined by reference to the population of each county according to the most
247.2 recently available 2020 population estimate from the state demographer as of January 1,
247.3 2022.

247.4 (b) A county must use funds received under paragraph (a) to provide economic assistance
247.5 to underserved communities under subdivision 3, aid to businesses under subdivision 4, or
247.6 aid to venues under subdivision 5. A county may use funds for one or more of the approved
247.7 uses in subdivisions 3, 4, and 5, but each county must assess the degree of need in the county
247.8 for assistance to underserved communities under subdivision 3. A county that determines
247.9 there is a need for assistance to underserved communities must prioritize aid to businesses
247.10 under that subdivision.

247.11 (c) Each county may use the greater of \$6,250 or 2.5 percent of the total amount received
247.12 under this subdivision for administrative costs incurred from making payments under this
247.13 subdivision. A county may contract with a third party to administer the program on behalf
247.14 of the county.

247.15 (d) Payments under this subdivision must be awarded by March 15, 2023.

247.16 Subd. 3. **Economic assistance to underserved communities.** (a) A county may use
247.17 funds received under subdivision 2 to provide economic assistance to qualifying businesses.
247.18 Economic assistance under this paragraph must be provided to qualifying businesses located
247.19 in areas designated by the county as underserved communities. Economic assistance includes
247.20 but is not limited to:

247.21 (1) grants, loans, or other financial assistance to businesses that pay their employees a
247.22 living wage;

247.23 (2) grants, loans, or other financial assistance for maintenance and repair of commercial
247.24 properties;

247.25 (3) down payment assistance for businesses seeking to purchase commercial property;
247.26 or

247.27 (4) payments to commercial property owners to reduce rent costs for businesses.

247.28 (b) To provide economic assistance to businesses under paragraph (a), a county must
247.29 designate census tracts representing five percent or less of the population in the county as
247.30 "underserved communities." In making a designation under this subdivision, the county
247.31 must consider the following characteristics of a census tract, among other considerations
247.32 deemed relevant by the county:

247.33 (1) the unemployment rate;

248.1 (2) the poverty rate;

248.2 (3) the median income of the tract relative to the rest of the county; and

248.3 (4) the number of vacant commercial properties.

248.4 (c) For the purposes of this section:

248.5 (1) "qualifying business" means a business with 50 or fewer employees; and

248.6 (2) "living wage" means 150 percent of the minimum wage for large employers for 2022
248.7 under Minnesota Statutes, section 177.24.

248.8 Subd. 4. **Aid to businesses without income in 2019.** A county may use funds received
248.9 under subdivision 2 to provide economic assistance to businesses that were in operation in
248.10 calendar year 2020 or 2021, but not in calendar year 2019, and were ineligible to participate
248.11 in a state or federal business assistance program due to the lack of operations or revenue in
248.12 calendar year 2019. Economic assistance includes but is not limited to grants, loans, or any
248.13 other financial assistance deemed appropriate by the county.

248.14 Subd. 5. **Aid to venues.** (a) A county may use funds received under subdivision 2 to
248.15 provide grants to Minnesota-registered businesses in good standing or Minnesota-registered
248.16 nonprofits in good standing that:

248.17 (1) are directly engaged in the procurement, promotion, production, or presentation of
248.18 live entertainment events to an in-person audience; and

248.19 (2) experienced a decrease in revenues due to the COVID-19 pandemic.

248.20 (b) To qualify for a grant under this subdivision, a business or nonprofit must:

248.21 (1) meet the following revenue requirements:

248.22 (i) have derived at least 33 percent of its 2019 revenue from the sale of tickets for live
248.23 events; or

248.24 (ii) be directly reliant on ticketed live entertainment events but not directly in receipt of
248.25 those ticket revenues because the event is free to the general public and the revenue is
248.26 derived from avenues other than ticket sales;

248.27 (2) employ no more than 60 full-time equivalent employees, defined as an employee
248.28 who worked on average at least 30 hours per week or 130 hours per month;

248.29 (3) have been restricted from operating above 25 percent capacity or 250 attendees,
248.30 whichever is less, pursuant to an executive order issued during a peacetime emergency
248.31 declared regarding the infectious disease known as COVID-19;

249.1 (4) not have any current tax delinquency with the Department of Revenue at the time
249.2 of application; and

249.3 (5) have its principal place of business in Minnesota.

249.4 (c) The following entities are ineligible for grants under this subdivision:

249.5 (1) bars, restaurants, and other facilities whose primary source of revenue is not
249.6 entertainment events;

249.7 (2) multinational or publicly owned companies; and

249.8 (3) adult entertainment operations.

249.9 (d) Notwithstanding the requirements of paragraph (b), a county may authorize a grant
249.10 to a business under this subdivision if the county determines that the business has
249.11 substantially met the requirements of this subdivision, but was a new entertainment venue
249.12 that had planned on opening in 2020 but was unable to begin operations based solely on
249.13 the fact that COVID-19-related closures prevented the business from doing so. The business
249.14 shall submit, on a form required by the county, any documentation the county deems
249.15 necessary to determine whether the business applies for a discretionary grant under this
249.16 subdivision.

249.17 Subd. 6. **Rental assistance payments.** (a) From the amount available under subdivision
249.18 1, paragraph (c), each county shall be issued a payment equal to the product of the amount
249.19 available under subdivision 1, paragraph (c), multiplied by the number of rent-burdened
249.20 households in the county, divided by the number of rent-burdened households in the state.
249.21 The number of rent-burdened households shall be determined using the 2020 experimental
249.22 estimates provided by the American Community Survey of the United States Census Bureau.

249.23 (b) For the purposes of this subdivision, the following terms have the meanings given:

249.24 (1) "eligible household" means a household in which household income is at or below
249.25 50 percent of area median income, as adjusted for household size;

249.26 (2) "rent-burdened household" means a household in which gross rent is 30 percent or
249.27 more of household income; and

249.28 (3) "rental assistance" means payments for:

249.29 (i) rent;

249.30 (ii) rental arrears;

249.31 (iii) utilities and home energy costs;

250.1 (iv) utilities and home energy costs arrears; and

250.2 (v) other expenses related to housing incurred due, directly or indirectly, to the novel
250.3 coronavirus disease COVID-19 outbreak.

250.4 (c) A county receiving a payment under this subdivision must spend at least 90 percent
250.5 of the payment received to provide rental assistance to eligible households.

250.6 (d) A county receiving a payment under this subdivision may use the greater of \$6,250
250.7 or 2.5 percent of the total amount received under this subdivision for administrative costs
250.8 attributable to providing rental assistance.

250.9 (e) A county receiving aid under this subdivision may distribute the aid to a community
250.10 action agency or a nonprofit to provide rental assistance to eligible households.

250.11 Subd. 7. **Grants.** Grants and the process of making grants under this section are exempt
250.12 from the following statutes and related policies: Minnesota Statutes, sections 16A.15,
250.13 subdivision 3; 16B.97; and 16B.98, subdivisions 5, 7, and 8. A county opting to use a third
250.14 party to administer grants is exempt from Minnesota Statutes, section 471.345, in the
250.15 selection of the third-party administrator. The exemptions under this paragraph expire on
250.16 March 15, 2023.

250.17 Subd. 8. **Report.** By January 31, 2024, the commissioner of revenue shall report to the
250.18 legislative committees with jurisdiction over taxes on the grants provided under this section.
250.19 The report must comply with Minnesota Statutes, sections 3.195 and 3.197. By July 1, 2023,
250.20 each county must report to the commissioner of revenue how the county used the funds
250.21 provided under this section.

250.22 **Sec. 33. INDEPENDENT SCHOOL DISTRICT NO. 696, ELY; BONDS.**

250.23 Subdivision 1. **Authorization.** Independent School District No. 696, Ely, may issue
250.24 bonds in an aggregate principal amount not exceeding \$9,500,000, in addition to any bonds
250.25 already issued or authorized, to provide funds to construct, equip, furnish, remodel,
250.26 rehabilitate, and acquire land for school facilities and buildings. The district may spend the
250.27 proceeds of the bond sale for those purposes and any architectural, engineering, and legal
250.28 fees incidental to those purposes or the sale. Bonds may be issued under this section without
250.29 a referendum. Except as permitted by this section, the bonds shall be authorized, issued,
250.30 sold, executed, and delivered in the manner provided by Minnesota Statutes, chapter 475.
250.31 An election on the question of issuing the bonds is not required. A resolution of the board
250.32 levying taxes for the payment of principal and interest on the bonds as authorized by this
250.33 section and pledging the proceeds of the levies for the payment of principal and interest on

251.1 the bonds shall be deemed to be in compliance with the provisions of Minnesota Statutes,
251.2 chapter 475, with respect to the levying of taxes for their payment.

251.3 Subd. 2. **Levy limitations.** Taxes levied pursuant to this section shall be disregarded in
251.4 the calculation of any other tax levies or limits on tax levies provided by other law.

251.5 Subd. 3. **Bonding limitations.** Bonds may be issued under authority of this section
251.6 notwithstanding any limitations upon the indebtedness of a district, and their amounts shall
251.7 not be included in computing the indebtedness of a district for any purpose, including the
251.8 issuance of subsequent bonds and the incurring of subsequent indebtedness.

251.9 Subd. 4. **Local approval required.** This section is effective for Independent School
251.10 District No. 696, Ely, the day after its governing body complies with Minnesota Statutes,
251.11 section 645.021, subdivision 3.

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

251.13 Sec. 34. **DEPARTMENT OF REVENUE FREE FILING REPORT.**

251.14 (a) By January 15, 2023, the commissioner of revenue must provide a written report to
251.15 the chairs and ranking minority members of the legislative committees with jurisdiction
251.16 over taxes. The report must comply with the requirements of Minnesota Statutes, sections
251.17 3.195 and 3.197, and must also provide information on free electronic filing options for
251.18 preparing and filing Minnesota individual income tax returns.

251.19 (b) The commissioner must survey tax preparation software vendors for information on
251.20 a free electronic preparation and filing option for taxpayers to file Minnesota individual
251.21 income tax returns. The survey must request information from vendors that addresses the
251.22 following concerns:

251.23 (1) system development, capability, security, and costs for consumer-based tax filing
251.24 software;

251.25 (2) costs per return that would be charged to the state of Minnesota to provide an
251.26 electronic individual income tax return preparation, submission, and payment remittance
251.27 process;

251.28 (3) providing customer service and issue resolution to taxpayers using the software;

251.29 (4) providing and maintaining an appropriate link between the Department of Revenue
251.30 and the Internal Revenue Service Modernized Electronic Filing Program;

252.1 (5) ensuring that taxpayer return information is maintained and protected as required by
252.2 Minnesota Statutes, chapters 13 and 270B, Internal Revenue Service Publication 1075, and
252.3 any other applicable requirements; and

252.4 (6) current availability of products for the free filing and submitting of both Minnesota
252.5 and federal returns offered to customers and the income thresholds for using those products.

252.6 (c) The report by the commissioner must include at a minimum:

252.7 (1) a review of options that other states use for state electronic filing;

252.8 (2) an assessment of taxpayer needs for electronic filing, including current filing practices;

252.9 (3) an analysis of alternative options to provide free filing, such as tax credits, vendor
252.10 incentives, or other benefits; and

252.11 (4) an analysis of the Internal Revenue Service Free File Program usage.

252.12 Sec. 35. **TAX EXPENDITURE PURPOSE STATEMENTS.**

252.13 Subdivision 1. **Intent.** In accordance with the requirements in Minnesota Statutes, section
252.14 3.192, the purpose and goals for the tax expenditures in this act are listed in this section.

252.15 Subd. 2. **Sales tax purpose statements.** (a) The purpose of the tax expenditure in article
252.16 3, sections 9, 11 to 15, and 19 to 27, is to reduce the cost of construction of public facilities,
252.17 buildings, and infrastructure. The standard against which effectiveness is to be measured
252.18 is the decrease in the growth in local property taxes and services in these communities.

252.19 (b) The purpose of the extension of the tax expenditure in article 3, section 17, is to
252.20 provide grants to fund programs for schools and coaches and reduce the fee costs for student
252.21 participants. The standard against which effectiveness is to be measured is the expansion
252.22 and level of participation of these programs.

252.23 Subd. 3. **Income and corporate franchise tax purpose statements.** (a) The purpose
252.24 of the emergency assistance for postsecondary student grants subtraction in article 2, section
252.25 12, is to provide financial support to students experiencing homelessness and extreme
252.26 financial hardship. The standard against which the effectiveness of the expenditure can be
252.27 measured is the reduction in the rate at which grant recipients drop out of postsecondary
252.28 programs due to financial hardship.

252.29 (b) The purpose of the workforce incentive fund grants subtraction in article 2, section
252.30 13, is to recruit and retain behavioral health, housing, disability, and home and
252.31 community-based older adult providers. The standard against which the effectiveness of

253.1 the expenditure can be measured is the reduction in the number of job vacancies in the fields
253.2 eligible for grants under Minnesota Statutes, section 256.4778.

253.3 (c) The purpose of the tax expenditure in article 2, sections 18 to 21 and 27, allowing
253.4 the entirety of the credit for historic structure rehabilitation to be taken in the year property
253.5 is placed in service, is to encourage investment in rehabilitating historic buildings. The
253.6 standard against which effectiveness is to be measured is the increase in the number of
253.7 historic rehabilitation projects in the state.

253.8 (d) The purpose of the tax expenditure in article 2, section 28, providing a subtraction
253.9 for a portion of unemployment compensation, is to provide financial support to unemployed
253.10 persons and to encourage economic activity in the state. The standard against which
253.11 effectiveness is to be measured is the increase in after-tax income of unemployed persons
253.12 and gross state product.

253.13 (e) The purpose of the tax expenditure in article 2, section 29, providing a refundable
253.14 tax credit for qualifying children, is to provide financial support to families with children
253.15 in the state and to reduce child poverty. The standard against which effectiveness is to be
253.16 measured is the increase in after-tax income of families with qualifying children and the
253.17 reduction in the child poverty rate.

253.18 (f) The purpose of the tax expenditure in article 10, section 30, providing a refundable
253.19 tax credit for polar vortex energy costs, is to reduce the energy costs experienced by
253.20 households due to the extreme cold temperatures in February 2021. The standard against
253.21 which effectiveness is to be measured is the reduction in energy costs net of the credit that
253.22 were paid in the covered period by those eligible for the credit.

253.23 (g) The purpose of the tax expenditure in article 10, section 31, providing an income tax
253.24 subtraction for state and local business assistance programs, is to prevent the closure of
253.25 businesses that experienced economic hardship due to the COVID-19 pandemic. The standard
253.26 against which effectiveness is to be measured is the number of employees and the reduction
253.27 in the closure rate for businesses receiving state and local economic assistance.

253.28 Subd. 4. **Property tax purpose statements.** (a) The provision in article 4, section 4,
253.29 providing a reduction in net tax capacity for certain property at airports, is intended to reduce
253.30 the tax burden on airport property located in cities with a population over 50,000 and under
253.31 150,000. The standard against which effectiveness is to be measured is the reduction in
253.32 property tax burden on these properties.

253.33 (b) The provision in article 4, section 6, extending a property tax exemption for certain
253.34 property owned by an Indian Tribe, is intended to reduce the tax burden on Tribe-owned

254.1 property that fails to qualify for an exemption under Minnesota Statutes, section 272.02,
254.2 subdivision 8. The standard against which effectiveness is to be measured is the reduction
254.3 in property tax levied on Tribe-owned property.

254.4 (c) The provision in article 4, section 7, creating an elderly living facility property tax
254.5 exemption, is intended to reduce the tax burden on nonprofit elderly living facilities located
254.6 in a city of the first class with a population less than 110,000 that do not qualify for another
254.7 property tax exemption under Minnesota Statutes, section 272.02. The standard against
254.8 which effectiveness is to be measured is the reduction in property tax burden on these
254.9 properties.

254.10 (d) The provision in article 4, section 8, creating a property tax exemption for energy
254.11 storage systems, is intended to reduce the tax burden on energy storage systems and promote
254.12 the development and use of energy storage systems in Minnesota. The standard against
254.13 which effectiveness is to be measured is the reduction in property tax burden on energy
254.14 storage systems and the number of energy storage systems in Minnesota.

254.15 (e) The provision in article 4, section 20, setting the classification rate of all manufactured
254.16 home park property at 0.75 percent, is intended to reduce the tax burden on manufactured
254.17 home parks and preserve manufactured home parks as an affordable housing option in
254.18 Minnesota. The standard against which effectiveness is to be measured is the reduction in
254.19 property tax burden on manufactured home parks and the number of manufactured home
254.20 parks in Minnesota.

254.21 (f) The provision in article 4, section 20, setting the classification rate of certain
254.22 community land trust property at 0.75 percent, is intended to reduce the tax burden on
254.23 community land trust property and preserve community land trusts as an affordable option
254.24 for home ownership in Minnesota. The standard against which effectiveness is to be measured
254.25 is the reduction in property tax burden on community land trusts and the number of
254.26 community land trust properties in Minnesota.

254.27 **Sec. 36. APPROPRIATION; DEPARTMENT OF REVENUE FREE FILING**
254.28 **REPORT.**

254.29 \$175,000 in fiscal year 2023 is appropriated from the general fund to the commissioner
254.30 of revenue for the free filing report required under section 33. This is a onetime appropriation.

ARTICLE 11

PARTNERSHIP TAXES

255.1

255.2

255.3 Section 1. Minnesota Statutes 2021 Supplement, section 289A.08, subdivision 7a, is
255.4 amended to read:

255.5 Subd. 7a. **Pass-through entity tax.** (a) For the purposes of this subdivision, the following
255.6 terms have the meanings given:

255.7 (1) "income" has the meaning given in subdivision 7, paragraph (j), modified by the
255.8 addition provided in section 290.0131, subdivision 5, and the subtraction provided in section
255.9 290.0132, subdivision 3, except that the provisions that apply to a partnership apply to a
255.10 qualifying entity and the provisions that apply to a partner apply to a qualifying owner. The
255.11 income of both a resident and nonresident qualifying owner is allocated and assigned to
255.12 this state as provided for nonresident partners and shareholders under sections 290.17,
255.13 290.191, and 290.20;

255.14 (2) "qualifying entity" means a partnership, limited liability company taxed as a
255.15 partnership or S corporation, or S corporation including a qualified subchapter S subsidiary
255.16 organized under section 1361(b)(3)(B) of the Internal Revenue Code. Qualifying entity does
255.17 not include a partnership, limited liability company, or corporation that has a partnership,
255.18 limited liability company other than a disregarded entity, or corporation as a partner, member,
255.19 or shareholder; and

255.20 (3) "qualifying owner" means:

255.21 (i) a resident or nonresident individual or estate that is a partner, member, or shareholder
255.22 of a qualifying entity; or

255.23 (ii) a resident or nonresident trust that is a shareholder of a qualifying entity that is an
255.24 S corporation.

255.25 (b) For taxable years beginning after December 31, 2020, in which the taxes of a
255.26 qualifying owner are limited under section 164(b)(6)(B) of the Internal Revenue Code, a
255.27 qualifying entity may elect to file a return and pay the pass-through entity tax imposed under
255.28 paragraph (c). The election:

255.29 (1) must be made on or before the due date or extended due date of the qualifying entity's
255.30 pass-through entity tax return;

255.31 (2) may only be made by qualifying owners who collectively hold more than a 50 percent
255.32 ownership interest in the qualifying entity;

256.1 (3) is binding on all qualifying owners who have an ownership interest in the qualifying
256.2 entity; and

256.3 (4) once made is irrevocable for the taxable year.

256.4 (c) Subject to the election in paragraph (b), a pass-through entity tax is imposed on a
256.5 qualifying entity in an amount equal to the sum of the tax liability of each qualifying owner.

256.6 (d) The amount of a qualifying owner's tax liability under paragraph (c) is the amount
256.7 of the qualifying owner's income multiplied by the highest tax rate for individuals under
256.8 section 290.06, subdivision 2c. When making this determination:

256.9 (1) nonbusiness deductions, standard deductions, or personal exemptions are not allowed;
256.10 and

256.11 (2) a credit or deduction is allowed only to the extent allowed to the qualifying owner.

256.12 (e) The amount of each credit and deduction used to determine a qualifying owner's tax
256.13 liability under paragraph (d) must also be used to determine that qualifying owner's income
256.14 tax liability under chapter 290.

256.15 (f) This subdivision does not negate the requirement that a qualifying owner pay estimated
256.16 tax if the qualifying owner's tax liability would exceed the requirements set forth in section
256.17 289A.25. The qualifying owner's liability to pay estimated tax on the qualifying owner's
256.18 tax liability as determined under paragraph (d) is, however, satisfied when the qualifying
256.19 entity pays estimated tax in the manner prescribed in section 289A.25 for composite estimated
256.20 tax.

256.21 (g) A qualifying owner's adjusted basis in the interest in the qualifying entity, and the
256.22 treatment of distributions, is determined as if the election to pay the pass-through entity tax
256.23 under paragraph (b) is not made.

256.24 (h) To the extent not inconsistent with this subdivision, for purposes of this chapter, a
256.25 pass-through entity tax return must be treated as a composite return and a qualifying entity
256.26 filing a pass-through entity tax return must be treated as a partnership filing a composite
256.27 return.

256.28 (i) The provisions of subdivision 17 apply to the election to pay the pass-through entity
256.29 tax under this subdivision.

256.30 (j) If a nonresident qualifying owner of a qualifying entity making the election to file
256.31 and pay the tax under this subdivision has no other Minnesota source income, filing of the
256.32 pass-through entity tax return is a return for purposes of subdivision 1, provided that the

257.1 nonresident qualifying owner must not have any Minnesota source income other than the
257.2 income from the qualifying entity, other electing qualifying entities, and other partnerships
257.3 electing to file a composite return under subdivision 7. If it is determined that the nonresident
257.4 qualifying owner has other Minnesota source income, the inclusion of the income and tax
257.5 liability for that owner under this provision will not constitute a return to satisfy the
257.6 requirements of subdivision 1. The tax paid for the qualifying owner as part of the
257.7 pass-through entity tax return is allowed as a payment of the tax by the qualifying owner
257.8 on the date on which the pass-through entity tax return payment was made.

257.9 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
257.10 after December 31, 2020.

257.11 Sec. 2. Minnesota Statutes 2021 Supplement, section 289A.382, subdivision 2, is amended
257.12 to read:

257.13 Subd. 2. **Reporting and payment requirements for partnerships and tiered**
257.14 **partners.** (a) Except for when an audited partnership makes the election in subdivision 3,
257.15 and except for negative federal adjustments required under federal law taken into account
257.16 by the partnership in the partnership return for the adjustment or other year, all final federal
257.17 adjustments of an audited partnership must comply with paragraph (b) and each direct
257.18 partner of the audited partnership, other than a tiered partner, must comply with paragraph
257.19 (c).

257.20 (b) No later than 90 days after the final determination date, the audited partnership must:

257.21 (1) file a completed federal adjustments report, including all partner-level information
257.22 required under section 289A.12, subdivision 3, with the commissioner;

257.23 (2) notify each of its direct partners of their distributive share of the final federal
257.24 adjustments;

257.25 (3) file an amended composite report for all direct partners who were included in a
257.26 composite return under section 289A.08, subdivision 7, in the reviewed year, and pay the
257.27 additional amount that would have been due had the federal adjustments been reported
257.28 properly as required; ~~and~~

257.29 (4) file amended withholding reports for all direct partners who were or should have
257.30 been subject to nonresident withholding under section 290.92, subdivision 4b, in the reviewed
257.31 year, and pay the additional amount that would have been due had the federal adjustments
257.32 been reported properly as required; and

258.1 (5) file an amended pass-through entity tax report for all direct partners who were
 258.2 included in a pass-through entity tax return under section 289A.08, subdivision 7a, in the
 258.3 reviewed year, and pay the additional amount that would have been due had the federal
 258.4 adjustments been reported properly as required.

258.5 (c) No later than 180 days after the final determination date, each direct partner, other
 258.6 than a tiered partner, that is subject to a tax administered under this chapter, other than the
 258.7 sales tax, must:

258.8 (1) file a federal adjustments report reporting their distributive share of the adjustments
 258.9 reported to them under paragraph (b), clause (2); and

258.10 (2) pay any additional amount of tax due as if the final federal adjustment had been
 258.11 properly reported, plus any penalty and interest due under this chapter, and less any credit
 258.12 for related amounts paid or withheld and remitted on behalf of the direct partner under
 258.13 paragraph (b), clauses (3) and (4).

258.14 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 258.15 after December 31, 2020.

258.16 **ARTICLE 12**

258.17 **SALES AND USE TAXES AND SPECIAL TAXES**

258.18 Section 1. Minnesota Statutes 2020, section 296A.083, subdivision 3, is amended to read:

258.19 Subd. 3. **Surcharge rate.** (a) By ~~July 16, 2008, and each April 1 thereafter~~ May 1 each
 258.20 year, the commissioner of revenue shall calculate and publish a surcharge as provided in
 258.21 ~~paragraphs~~ paragraph (b) and (e). The surcharge is imposed ~~from August 1, 2008, through~~
 258.22 ~~June 30, 2009, and each new surcharge thereafter is imposed~~ the following beginning July
 258.23 1 of the year it is published through June 30 of the following year.

258.24 (b) ~~For fiscal years 2009 through 2012, the commissioner shall set the surcharge as~~
 258.25 ~~specified in the following surcharge rate schedule.~~

258.26 **Surcharge Rate Schedule**

258.27	Fiscal Year	Rate (in cents per gallon)
258.28	2009	0.5
258.29	2010	2.1
258.30	2011	2.5
258.31	2012	3.0

259.1 ~~(e) For fiscal year 2013 and thereafter,~~ (b) The commissioner shall set the surcharge at
 259.2 the lesser of (1) 3.5 cents, or (2) an amount calculated so that the total proceeds from the
 259.3 surcharge deposited in the trunk highway fund from fiscal year 2009 to the upcoming fiscal
 259.4 year equals the total amount of debt service from fiscal years 2009 to 2039, and the surcharge
 259.5 is rounded to the nearest 0.1 cent.

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

259.7 Sec. 2. Minnesota Statutes 2020, section 297A.61, subdivision 29, is amended to read:

259.8 Subd. 29. **State.** Unless specifically provided otherwise, "state" means any state of the
 259.9 United States, ~~the Commonwealth of Puerto Rico, and the District of Columbia,~~ and any
 259.10 territory of the United States, including American Samoa, Guam, Northern Mariana Islands,
 259.11 Puerto Rico, and the U.S. Virgin Islands.

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

259.13 ARTICLE 13

259.14 FIRE AND POLICE STATE AIDS

259.15 Section 1. Minnesota Statutes 2020, section 6.495, subdivision 3, is amended to read:

259.16 Subd. 3. **Report Reports to commissioner of revenue.** (a) On or before September 15,
 259.17 November 1, March 1, and June 1, the state auditor shall must file with the commissioner
 259.18 of revenue a financial compliance report certifying for each relief association:

259.19 (1) the completion of the annual financial report required under section 424A.014 and
 259.20 the auditing or certification of those financial reports under subdivision 1; and

259.21 (2) the receipt of any actuarial valuations required under section 424A.093 or Laws
 259.22 2013, chapter 111, article 5, sections 31 to 42.

259.23 (b) The commissioner of revenue shall prescribe the content, format, and manner of the
 259.24 financial compliance reports required by paragraph (a), pursuant to section 270C.30.

259.25 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 259.26 and thereafter.

259.27 Sec. 2. Minnesota Statutes 2020, section 477B.01, is amended by adding a subdivision to
 259.28 read:

259.29 Subd. 1a. **Apportionment agreement.** "Apportionment agreement" means an agreement
 259.30 between two or more fire departments that provide contracted fire protection service to the

260.1 same municipality and establishes the percentage of the population and the percentage of
 260.2 the estimated market value within the municipality serviced by each fire department.

260.3 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 260.4 and thereafter.

260.5 Sec. 3. Minnesota Statutes 2020, section 477B.01, subdivision 5, is amended to read:

260.6 Subd. 5. **Fire department.** (a) "Fire department" ~~includes~~ means:

260.7 (1) a municipal fire department and;

260.8 (2) an independent nonprofit firefighting corporation;

260.9 (3) a fire department established as or operated by a joint powers entity; or

260.10 (4) a fire protection special taxing district established under chapter 144F or special law.

260.11 (b) This subdivision only applies to this chapter.

260.12 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 260.13 and thereafter.

260.14 Sec. 4. Minnesota Statutes 2020, section 477B.01, is amended by adding a subdivision to
 260.15 read:

260.16 Subd. 7a. **Joint powers entity.** "Joint powers entity" means a joint powers entity created
 260.17 under section 471.59.

260.18 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 260.19 and thereafter.

260.20 Sec. 5. Minnesota Statutes 2020, section 477B.01, subdivision 10, is amended to read:

260.21 Subd. 10. **Municipality.** (a) "Municipality" means:

260.22 (1) a home rule charter or statutory city;

260.23 (2) an organized town;

260.24 (3) ~~a park district subject to chapter 398~~ a joint powers entity;

260.25 (4) ~~the University of Minnesota~~ a fire protection special taxing district; and or

260.26 (5) an American Indian tribal government entity located within a federally recognized
 260.27 American Indian reservation.

260.28 (b) This subdivision only applies to this chapter ~~477B~~.

261.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
261.2 and thereafter.

261.3 Sec. 6. Minnesota Statutes 2020, section 477B.01, subdivision 11, is amended to read:

261.4 Subd. 11. **Secretary.** (a) "Secretary" means:

261.5 (1) the secretary of an independent nonprofit firefighting corporation that has a subsidiary
261.6 incorporated firefighters' relief association or whose firefighters participate in the statewide
261.7 volunteer firefighter plan; or

261.8 (2) the secretary of a joint powers entity or fire protection special taxing district or, if
261.9 there is no such person, the person primarily responsible for managing the finances of a
261.10 joint powers entity or fire protection special taxing district.

261.11 (b) This subdivision only applies to this chapter.

261.12 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
261.13 and thereafter.

261.14 Sec. 7. Minnesota Statutes 2020, section 477B.02, subdivision 2, is amended to read:

261.15 Subd. 2. **Establishment of fire department.** (a) An independent nonprofit firefighting
261.16 corporation must be created under the nonprofit corporation act of this state operating for
261.17 the exclusive purpose of firefighting, or the governing body of a municipality must officially
261.18 establish a fire department.

261.19 (b) The fire department must have provided firefighting services for at least one calendar
261.20 year, and must have a current fire department identification number issued by the state fire
261.21 marshal.

261.22 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
261.23 and thereafter.

261.24 Sec. 8. Minnesota Statutes 2020, section 477B.02, subdivision 3, is amended to read:

261.25 Subd. 3. ~~Personnel and Benefits requirements.~~ (a) ~~A fire department must have a~~
261.26 ~~minimum of ten paid or volunteer firefighters, including a fire chief and assistant fire chief.~~

261.27 (b) ~~The fire department must have regular scheduled meetings and frequent drills that~~
261.28 ~~include instructions in firefighting tactics and in the use, care, and operation of all fire~~
261.29 ~~apparatus and equipment.~~

262.1 ~~(e)~~ (a) The fire department must have a separate subsidiary incorporated firefighters'
 262.2 relief association that provides retirement benefits or must participate in the statewide
 262.3 volunteer firefighter plan; or if the municipality solely employs full-time firefighters as
 262.4 defined in section 299N.03, subdivision 5, retirement coverage must be provided by the
 262.5 public employees police and fire retirement plan. For purposes of retirement benefits, a fire
 262.6 department may be associated with only one volunteer firefighters' relief association or one
 262.7 account in the voluntary statewide volunteer firefighter retirement plan at one time.

262.8 ~~(d)~~ (b) Notwithstanding paragraph ~~(e)~~ (a), a municipality without a relief association as
 262.9 described under section 424A.08, paragraph (a), may still qualify to receive fire state aid if
 262.10 all other requirements of this section are met.

262.11 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 262.12 and thereafter.

262.13 Sec. 9. Minnesota Statutes 2020, section 477B.02, is amended by adding a subdivision to
 262.14 read:

262.15 **Subd. 4a. Public safety answering point requirement.** The fire department must be
 262.16 dispatched by a public safety answering point as defined in section 403.02, subdivision 19.

262.17 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 262.18 and thereafter.

262.19 Sec. 10. Minnesota Statutes 2020, section 477B.02, subdivision 5, is amended to read:

262.20 **Subd. 5. Fire service contract or agreement; apportionment agreement filing**
 262.21 **requirement requirements.** (a) Every municipality or independent nonprofit firefighting
 262.22 corporation must file ~~a copy of any duly executed and valid fire service contract or agreement~~
 262.23 with the commissioner (1) a copy of any duly executed and valid fire service contracts, (2)
 262.24 written notification of any fire service contract terminations, and (3) written notification of
 262.25 any dissolution of a fire department, within 60 days of contract execution or termination,
 262.26 or department dissolution.

262.27 (b) If more than one fire department provides service to a municipality, the fire
 262.28 departments furnishing service must ~~enter into an agreement apportioning among themselves~~
 262.29 ~~the percentage of the population and the percentage of the estimated market value of each~~
 262.30 ~~shared service fire department service area. The agreement must be in writing and must be~~
 262.31 ~~filed~~ file an apportionment agreement with the commissioner.

263.1 (c) When a municipality is a joint powers entity, it must file its joint powers agreement
263.2 with the commissioner. If the joint powers agreement does not include sufficient information
263.3 defining the fire department service area of the joint powers entity for the purposes of
263.4 calculating fire state aid, the secretary must file a written statement with the commissioner
263.5 defining the fire department service area.

263.6 (d) When a municipality is a fire protection special taxing district, it must file its
263.7 resolution establishing the fire protection special taxing district, and any agreements required
263.8 for the establishment of the fire protection special taxing district, with the commissioner.
263.9 If the resolution or agreement does not include sufficient information defining the fire
263.10 department service area of the fire protection special taxing district, the secretary must file
263.11 a written statement with the commissioner defining the fire department service area.

263.12 (e) The commissioner shall prescribe the content, format, and manner of the notifications,
263.13 apportionment agreements, and written statements under paragraphs (a) to (d), pursuant to
263.14 section 270C.30, except that copies of fire service contracts, joint powers agreements, and
263.15 resolutions establishing fire protection special taxing districts shall be filed in their existing
263.16 form.

263.17 (f) A document filed with the commissioner under this subdivision must be refiled any
263.18 time it is updated within 60 days of the update. An apportionment agreement must be refiled
263.19 only when a change in the averaged sum of the percentage of population and percentage of
263.20 estimated market value serviced by a fire department subject to the apportionment agreement
263.21 is at least one percent. The percentage amount must be rounded to the nearest whole
263.22 percentage.

263.23 (g) Upon the request of the commissioner, the county auditor must provide information
263.24 that the commissioner requires to accurately apportion the estimated market value of a fire
263.25 department service area for a fire department providing service to an unorganized territory
263.26 located in the county.

263.27 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
263.28 and thereafter.

263.29 Sec. 11. Minnesota Statutes 2020, section 477B.02, subdivision 8, is amended to read:

263.30 Subd. 8. **PERA certification to commissioner.** On or before February 1 each year, if
263.31 ~~retirement coverage for a fire department is provided by the statewide volunteer firefighter~~
263.32 ~~plan,~~ the executive director of the Public Employees Retirement Association must certify
263.33 ~~the existence of retirement coverage.~~ to the commissioner the fire departments that transferred

264.1 retirement coverage to, or terminated participation in, the voluntary statewide volunteer
264.2 firefighter retirement plan since the previous certification under this paragraph. This
264.3 certification must include the number of active volunteer firefighters under section 477B.03,
264.4 subdivision 5, paragraph (e).

264.5 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
264.6 and thereafter.

264.7 Sec. 12. Minnesota Statutes 2020, section 477B.02, subdivision 9, is amended to read:

264.8 Subd. 9. **Fire department certification to commissioner.** On or before March 15 of
264.9 each year, the municipal clerk or the secretary, ~~and the fire chief,~~ must jointly certify to the
264.10 commissioner ~~that the fire department exists and meets the qualification requirements of~~
264.11 ~~this section~~ the fire department service area as of December 31 of the previous year, and
264.12 that the fire department meets the qualification requirements of this section. The municipal
264.13 clerk or the secretary must provide the commissioner with documentation that the
264.14 commissioner deems necessary for determining eligibility for fire state aid or for calculating
264.15 and apportioning fire state aid under section 477B.03. The commissioner shall prescribe
264.16 the content, format, and manner of the certification ~~must be on a form prescribed by the~~
264.17 ~~commissioner and must include all other information that the commissioner requires pursuant~~
264.18 to section 270C.30. The municipal clerk or the secretary must send a copy of the certification
264.19 filed under this subdivision to the fire chief within five business days of the date the
264.20 certification was filed with the commissioner.

264.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
264.22 and thereafter.

264.23 Sec. 13. Minnesota Statutes 2020, section 477B.03, subdivision 2, is amended to read:

264.24 Subd. 2. **Apportionment of fire state aid.** (a) The amount of fire state aid available for
264.25 apportionment, before the addition of the minimum fire state aid allocation amount under
264.26 subdivision 5, is equal to 107 percent of the amount of premium taxes paid to the state upon
264.27 the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the
264.28 commissioner by companies or insurance companies on the Minnesota Fire Premium Report,
264.29 except that credits claimed under section 297I.20, subdivisions 3, 4, and 5, do not affect the
264.30 calculation of the amount of fire state aid available for apportionment. This amount must
264.31 be reduced by the amount required to pay the state auditor's costs and expenses of the audits
264.32 or exams of the firefighters' relief associations.

265.1 (b) The total amount available for apportionment must not be less than two percent of
265.2 the premiums less return premiums reported to the commissioner by companies or insurance
265.3 companies on the Minnesota Fire Premium Report after subtracting the following amounts:

265.4 (1) the amount required to pay the state auditor's costs and expenses of the audits or
265.5 exams of the firefighters' relief associations; and

265.6 (2) one percent of the premiums reported by township mutual insurance companies and
265.7 mutual property and casualty companies with total assets of \$5,000,000 or less.

265.8 (c) The commissioner must apportion the fire state aid to each municipality or independent
265.9 nonprofit firefighting corporation qualified under section 477B.02 relative to the premiums
265.10 reported on the Minnesota Fire Premium Reports filed under this chapter.

265.11 (d) The commissioner must calculate the percentage of increase or decrease reflected in
265.12 the apportionment over or under the previous year's available state aid using the same
265.13 premiums as a basis for comparison.

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

265.15 Sec. 14. Minnesota Statutes 2020, section 477B.03, subdivision 3, is amended to read:

265.16 Subd. 3. **Population and estimated market value.** (a) ~~Official statewide federal census~~
265.17 ~~figures~~ The most recent population estimates made by the state demographer pursuant to
265.18 section 4A.02, paragraph (d), must be used in calculations requiring the use of population
265.19 figures under this chapter. ~~Increases or decreases in population disclosed by reason of any~~
265.20 ~~special census must not be taken into consideration.~~

265.21 (b) The ~~latest available~~ estimated market value property figures for the assessment year
265.22 immediately preceding the year the aid is distributed must be used in calculations requiring
265.23 the use of estimated market value property figures under this chapter.

265.24 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
265.25 and thereafter.

265.26 Sec. 15. Minnesota Statutes 2020, section 477B.03, subdivision 4, is amended to read:

265.27 Subd. 4. **Initial fire state aid allocation amount.** (a) The initial fire state aid allocation
265.28 amount is the amount available for apportionment as fire state aid under subdivision 2,
265.29 without the inclusion of any additional funding amount to support a minimum fire state aid
265.30 amount under section 423A.02, subdivision 3. The initial fire state aid allocation amount
265.31 is allocated one-half in proportion to the population for each fire department service area

266.1 and one-half in proportion to the estimated market value of each fire department service
266.2 area, including (1) the estimated market value of tax-exempt property, and (2) the estimated
266.3 market value of natural resources lands receiving in lieu payments under sections 477A.11
266.4 to 477A.14 and 477A.17. The estimated market value of minerals is excluded.

266.5 (b) In the case of a municipality or independent nonprofit firefighting corporation
266.6 furnishing fire protection to other municipalities as evidenced by valid fire service contracts,
266.7 joint powers agreements, resolutions, and other supporting documents filed with the
266.8 commissioner under section 477B.02, subdivision 5, the distribution must be adjusted
266.9 proportionately to take into consideration the crossover fire protection service. Necessary
266.10 adjustments must be made to subsequent apportionments.

266.11 (c) In the case of municipalities or independent nonprofit firefighting corporations
266.12 qualifying for aid, the commissioner must calculate the state aid for the municipality or
266.13 independent nonprofit firefighting corporation on the basis of the population and the estimated
266.14 market value of the area furnished fire protection service by the fire department as evidenced
266.15 by valid fire service agreements contracts, joint powers agreements, resolutions, and other
266.16 supporting documents filed with the commissioner under section 477B.02, subdivision 5.

266.17 (d) In the case of more than one fire department furnishing contracted fire service to a
266.18 municipality, the population and estimated market value in the apportionment agreement
266.19 filed with the commissioner under section 477B.02, subdivision 5, must be used in calculating
266.20 the state aid.

266.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
266.22 and thereafter.

266.23 Sec. 16. Minnesota Statutes 2020, section 477B.03, subdivision 5, is amended to read:

266.24 Subd. 5. **Minimum fire state aid allocation amount.** (a) The minimum fire state aid
266.25 allocation amount is the amount derived from any additional funding amount to support a
266.26 minimum fire state aid amount under section 423A.02, subdivision 3. The minimum fire
266.27 state aid allocation amount is allocated to municipalities or independent nonprofit firefighting
266.28 corporations with volunteer firefighters' relief associations or covered by the statewide
266.29 volunteer firefighter plan. The amount is based on the number of active volunteer firefighters
266.30 who are (1) members of the relief association as reported to the Office of the State Auditor
266.31 in a specific annual financial reporting year as specified in paragraphs (b) to (d), or (2)
266.32 covered by the statewide volunteer firefighter plan as specified in paragraph (e).

267.1 (b) For relief associations established in calendar year 1993 or a prior year, the number
267.2 of active volunteer firefighters equals the number of active volunteer firefighters who were
267.3 members of the relief association as reported in the annual financial reporting for calendar
267.4 year 1993, but not to exceed 30 active volunteer firefighters.

267.5 (c) For relief associations established in calendar year 1994 through calendar year 1999,
267.6 the number of active volunteer firefighters equals the number of active volunteer firefighters
267.7 who were members of the relief association as reported in the annual financial reporting for
267.8 calendar year 1998 to the Office of the State Auditor, but not to exceed 30 active volunteer
267.9 firefighters.

267.10 (d) For relief associations established after calendar year 1999, the number of active
267.11 volunteer firefighters equals the number of active volunteer firefighters who are members
267.12 of the relief association as reported in the first annual financial reporting submitted to the
267.13 Office of the State Auditor, but not to exceed 20 active volunteer firefighters.

267.14 (e) ~~If a relief association is terminated as a result of~~ For a municipality or independent
267.15 nonprofit firefighting corporation that is providing retirement coverage for volunteer
267.16 firefighters by the statewide volunteer firefighter plan under chapter 353G, the number of
267.17 active volunteer firefighters equals the number of active volunteer firefighters of the
267.18 municipality or independent nonprofit firefighting corporation covered by the statewide
267.19 plan as certified by the executive director of the Public Employees Retirement Association
267.20 to the commissioner and the state auditor by February 1 immediately following the date the
267.21 municipality or independent nonprofit firefighting corporation begins coverage in the plan,
267.22 but not to exceed 30 active firefighters.

267.23 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
267.24 and thereafter.

267.25 Sec. 17. Minnesota Statutes 2020, section 477B.03, subdivision 7, is amended to read:

267.26 Subd. 7. **Appeal.** A municipality, an independent nonprofit firefighting corporation, a
267.27 fire relief association, or the statewide volunteer firefighter plan may object to the amount
267.28 of fire state aid apportioned to it by filing a written request with the commissioner to review
267.29 and adjust the apportionment of funds within the state. The objection of a municipality, an
267.30 independent nonprofit firefighting corporation, a fire relief association, or the voluntary
267.31 statewide volunteer firefighter retirement plan must be filed with the commissioner within
267.32 60 days of the date the amount of apportioned fire state aid is paid. The decision of the
267.33 commissioner is subject to appeal, review, and adjustment by the district court in the county
267.34 in which the applicable municipality or independent nonprofit firefighting corporation is

268.1 located or by the Ramsey County District Court with respect to the statewide volunteer
268.2 firefighter plan.

268.3 EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023
268.4 and thereafter.

268.5 Sec. 18. Minnesota Statutes 2020, section 477B.04, subdivision 1, is amended to read:

268.6 Subdivision 1. **Payments.** (a) The commissioner must make payments to the Public
268.7 Employees Retirement Association for deposit in the statewide volunteer firefighter fund
268.8 on behalf of a municipality or independent nonprofit firefighting corporation that is a member
268.9 of the statewide volunteer firefighter plan under chapter 353G, ~~or directly to a municipality~~
268.10 ~~or county designated by an independent nonprofit firefighting corporation.~~ The commissioner
268.11 must directly pay all other municipalities qualifying for fire state aid, except as provided in
268.12 paragraph (d). The payment is equal to the amount of fire state aid apportioned to the
268.13 applicable fire state aid recipient under section 477B.03.

268.14 (b) Fire state aid is payable on October 1 annually. The amount of state aid due and not
268.15 paid by October 1 accrues interest payable to the recipient at the rate of one percent for each
268.16 month or part of a month that the amount remains unpaid after October 1.

268.17 (c) If the commissioner of revenue does not receive a financial compliance report
268.18 described in section 6.495, subdivision 3, for a relief association, the amount of fire state
268.19 aid apportioned to a municipality or independent nonprofit firefighting corporation under
268.20 section 477B.03 for that relief association must be withheld from payment to the Public
268.21 Employees Retirement Association or the municipality. The commissioner of revenue must
268.22 issue a withheld payment within ten business days of receipt of a financial compliance report
268.23 under section 6.495, subdivision 3. The interest under paragraph (b) does not apply ~~when~~
268.24 ~~to a payment has not been made by October 1 due to noncompliance with sections 424A.014~~
268.25 ~~and 477B.02, subdivision 7~~ withheld under this paragraph.

268.26 (d) The commissioner must make payments directly to the largest municipality in
268.27 population located within any area included in a joint powers entity that does not have a
268.28 designated agency under section 471.59, subdivision 3, or within the fire department service
268.29 area of an eligible independent nonprofit firefighting corporation. If there is no city or town
268.30 within the fire department service area of an eligible independent nonprofit firefighting
268.31 corporation, fire state aid must be paid to the county where the independent nonprofit
268.32 firefighting corporation is located.

269.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
269.2 and thereafter.

269.3 Sec. 19. Minnesota Statutes 2020, section 477B.04, is amended by adding a subdivision
269.4 to read:

269.5 Subd. 4. **Aid amount corrections.** (a) An adjustment needed to correct a fire state aid
269.6 overpayment or underpayment due to a clerical error must be made to subsequent fire state
269.7 aid payments as provided in paragraphs (b) and (c). The authority to correct an aid payment
269.8 under this subdivision is limited to three years after the payment was issued.

269.9 (b) If an overpayment equals more than ten percent of the most recently paid aid amount,
269.10 the commissioner must reduce the aid a municipality or independent nonprofit firefighting
269.11 corporation is to receive by the amount overpaid over a period of no more than three years.
269.12 If an overpayment equals or is less than ten percent of the most recently paid aid amount,
269.13 the commissioner must reduce the next aid payment occurring in 30 days or more by the
269.14 amount overpaid.

269.15 (c) In the event of an underpayment, the commissioner must distribute the amount of
269.16 underpaid funds to the municipality or independent nonprofit firefighting corporation over
269.17 a period of no more than three years. An additional distribution to a municipality or
269.18 independent nonprofit firefighting corporation must be paid from the general fund and must
269.19 not diminish the payments made to other municipalities or independent nonprofit firefighting
269.20 corporations under this chapter.

269.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
269.22 and thereafter.

269.23 Sec. 20. Minnesota Statutes 2020, section 477C.03, subdivision 2, is amended to read:

269.24 Subd. 2. **Apportionment of police state aid.** (a) The total amount available for
269.25 apportionment as police state aid is equal to 104 percent of the amount of premium taxes
269.26 paid to the state on the premiums reported to the commissioner by companies or insurance
269.27 companies on the Minnesota Aid to Police Premium Report, except that credits claimed
269.28 under section 297I.20, subdivisions 3, 4, and 5, do not affect the calculation of the total
269.29 amount of police state aid available for apportionment. The total amount for apportionment
269.30 for the police state aid program must not be less than two percent of the amount of premiums
269.31 reported to the commissioner by companies or insurance companies on the Minnesota Aid
269.32 to Police Premium Report.

270.1 (b) The commissioner must calculate the percentage of increase or decrease reflected in
270.2 the apportionment over or under the previous year's available state aid using the same
270.3 premiums as a basis for comparison.

270.4 (c) In addition to the amount for apportionment of police state aid under paragraph (a),
270.5 each year \$100,000 must be apportioned for police state aid. An amount sufficient to pay
270.6 this increase is annually appropriated from the general fund.

270.7 (d) The commissioner must apportion police state aid to all municipalities in proportion
270.8 to the relationship that the total number of peace officers employed by that municipality for
270.9 the prior calendar year and the proportional or fractional number who were employed less
270.10 than a calendar year as credited under section 477C.02, subdivision 1, paragraph (c), bears
270.11 to the total number of peace officers employed by all municipalities subject to any reduction
270.12 under subdivision 3.

270.13 ~~(e) Any necessary additional adjustments must be made to subsequent police state aid~~
270.14 ~~apportionments.~~

270.15 **EFFECTIVE DATE.** (a) The amendment to paragraph (a) is effective the day following
270.16 final enactment.

270.17 (b) The amendment striking paragraph (e) is effective for aids payable in calendar year
270.18 2023 and thereafter.

270.19 Sec. 21. Minnesota Statutes 2020, section 477C.03, subdivision 5, is amended to read:

270.20 Subd. 5. **Appeal.** A municipality may object to the amount of police state aid apportioned
270.21 to it by filing a written request with the commissioner to review and adjust the apportionment
270.22 of funds to the municipality. The objection of a municipality must be filed with the
270.23 commissioner within 60 days of the date the amount of apportioned police state aid is paid.
270.24 The decision of the commissioner is subject to appeal, review, and adjustment by the district
270.25 court in the county in which the applicable municipality is located or by the Ramsey County
270.26 District Court with respect to the Departments of Natural Resources or Public Safety.

270.27 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
270.28 and thereafter.

270.29 Sec. 22. Minnesota Statutes 2020, section 477C.04, is amended by adding a subdivision
270.30 to read:

270.31 **Subd. 4. Aid amount corrections.** (a) An adjustment needed to correct a police state
270.32 aid overpayment or underpayment due to a clerical error must be made to subsequent police

271.1 state aid payments as provided in paragraphs (b) and (c). The authority to correct an aid
 271.2 payment under this subdivision is limited to three years after the payment was issued.

271.3 (b) If an overpayment equals more than ten percent of the most recently paid aid amount,
 271.4 the commissioner must reduce the aid a municipality is to receive by the amount overpaid
 271.5 over a period of no more than three years. If an overpayment equals or is less than ten
 271.6 percent of the most recently paid aid amount, the commissioner must reduce the next aid
 271.7 payment occurring in 30 days or more by the amount overpaid.

271.8 (c) In the event of an underpayment, the commissioner must distribute the amount of
 271.9 underpaid funds to the municipality over a period of no more than three years. An additional
 271.10 distribution to a municipality must be paid from the general fund and must not diminish the
 271.11 payments made to other municipalities under this chapter.

271.12 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 271.13 and thereafter.

271.14 Sec. 23. **REPEALER.**

271.15 Minnesota Statutes 2020, sections 477B.02, subdivision 4; and 477B.03, subdivision 6,
 271.16 are repealed.

271.17 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 271.18 and thereafter.

271.19

ARTICLE 14

271.20

MISCELLANEOUS TAX PROVISIONS

271.21 Section 1. Minnesota Statutes 2020, section 290A.03, subdivision 13, is amended to read:

271.22 Subd. 13. **Property taxes payable.** "Property taxes payable" means the property tax
 271.23 exclusive of special assessments, penalties, and interest payable on a claimant's homestead
 271.24 after deductions made under sections 273.135, 273.1384, 273.1391, 273.42, subdivision 2,
 271.25 and any other state paid property tax credits in any calendar year, and after any refund
 271.26 claimed and allowable under section 290A.04, subdivision 2h, that is first payable in the
 271.27 year that the property tax is payable. In the case of a claimant who makes ground lease
 271.28 payments, "property taxes payable" includes the amount of the payments directly attributable
 271.29 to the property taxes assessed against the parcel on which the house is located. Regardless
 271.30 of the limitations in section 280A(c)(5) of the Internal Revenue Code, "property taxes
 271.31 payable" must be apportioned or reduced for the use of a portion of the claimant's homestead
 271.32 for a business purpose if the claimant deducts any business depreciation expenses for the

272.1 use of a portion of the homestead or deducts expenses under section 280A of the Internal
272.2 Revenue Code for a business operated in the claimant's homestead. For homesteads which
272.3 are manufactured homes as defined in section 273.125, subdivision 8, including manufactured
272.4 homes located in a manufactured home community owned by a cooperative organized under
272.5 chapter 308A or 308B, and park trailers taxed as manufactured homes under section 168.012,
272.6 subdivision 9, "property taxes payable" shall also include 17 percent of the gross rent paid
272.7 in the preceding year for the site on which the homestead is located. When a homestead is
272.8 owned by two or more persons as joint tenants or tenants in common, such tenants shall
272.9 determine between them which tenant may claim the property taxes payable on the
272.10 homestead. If they are unable to agree, the matter shall be referred to the commissioner of
272.11 revenue whose decision shall be final. Property taxes are considered payable in the year
272.12 prescribed by law for payment of the taxes.

272.13 In the case of a claim relating to "property taxes payable," the claimant must have owned
272.14 and occupied the homestead on January 2 of the year in which the tax is payable and (i) the
272.15 property must have been classified as homestead property pursuant to section 273.124, on
272.16 or before December ~~15~~ 31 of the assessment year to which the "property taxes payable"
272.17 relate; or (ii) the claimant must provide documentation from the local assessor that application
272.18 for homestead classification has been made on or before December ~~15~~ 31 of the year in
272.19 which the "property taxes payable" were payable and that the assessor has approved the
272.20 application.

272.21 **EFFECTIVE DATE.** This section is effective for refund claims based on property taxes
272.22 payable in 2022 and thereafter.

272.23 Sec. 2. Minnesota Statutes 2020, section 290A.19, is amended to read:

272.24 **290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.**

272.25 (a) The owner or managing agent of any property for which rent is paid for occupancy
272.26 as a homestead must furnish a certificate of rent paid to a person who is a renter on December
272.27 31, in the form prescribed by the commissioner. If the renter moves before December 31,
272.28 the owner or managing agent may give the certificate to the renter at the time of moving,
272.29 or mail the certificate to the forwarding address if an address has been provided by the
272.30 renter. The certificate must be made available to the renter before February 1 of the year
272.31 following the year in which the rent was paid. The owner or managing agent must retain a
272.32 duplicate of each certificate or an equivalent record showing the same information for a
272.33 period of three years. The duplicate or other record must be made available to the
272.34 commissioner upon request.

273.1 (b) The commissioner may require the owner or managing agent, through a simple
273.2 process, to furnish to the commissioner on or before March 1 a copy of each certificate of
273.3 rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe
273.4 the content, format, and manner of the form pursuant to section 270C.30. The commissioner
273.5 may require the Social Security number, individual taxpayer identification number, federal
273.6 employer identification number, or Minnesota taxpayer identification number of the owner
273.7 or managing agent who is required to furnish a certificate of rent paid under this paragraph.
273.8 Prior to implementation, the commissioner, after consulting with representatives of owners
273.9 or managing agents, shall develop an implementation and administration plan for the
273.10 requirements of this paragraph that attempts to minimize financial burdens, administration
273.11 and compliance costs, and takes into consideration existing systems of owners and managing
273.12 agents.

273.13 (c) For the purposes of this section, "owner" includes a park owner as defined under
273.14 section 327C.01, subdivision 6, and "property" includes a lot as defined under section
273.15 327C.01, subdivision 3.

273.16 **EFFECTIVE DATE.** This section is effective for refund claims based on rent paid in
273.17 2022 and thereafter.

6.91 LOCAL PERFORMANCE MEASUREMENT AND REPORTING.

Subdivision 1. **Reports of local performance measures.** (a) A county or city that elects to participate in the standard measures program must report its results to its citizens annually through publication, direct mailing, posting on the jurisdiction's website, or through a public hearing at which the budget and levy will be discussed and public input allowed.

(b) Each year, jurisdictions participating in the local performance measurement and improvement program must file a report with the state auditor by July 1, in a form prescribed by the auditor. All reports must include a declaration that the jurisdiction has complied with, or will have complied with by the end of the year, the requirement in paragraph (a). For jurisdictions participating in the standard measures program, the report shall consist of the jurisdiction's results for the standard set of performance measures under section 6.90, subdivision 2, paragraph (a). In 2012, jurisdictions participating in the comprehensive performance measurement program must submit a resolution approved by its local governing body indicating that it either has implemented or is in the process of implementing a local performance measurement system that meets the minimum standards specified by the council under section 6.90, subdivision 2, paragraph (b). In 2013 and thereafter, jurisdictions participating in the comprehensive performance measurement program must submit a statement approved by its local governing body affirming that it has implemented a local performance measurement system that meets the minimum standards specified by the council under section 6.90, subdivision 2, paragraph (b).

Subd. 2. **Benefits of participation.** (a) A county or city that elects to participate in the standard measures program for 2011 is: (1) eligible for per capita reimbursement of \$0.14 per capita, but not to exceed \$25,000 for any government entity; and (2) exempt from levy limits under sections 275.70 to 275.74 for taxes payable in 2012, if levy limits are in effect.

(b) Any county or city that elects to participate in the standard measures program for 2012 is eligible for per capita reimbursement of \$0.14 per capita, but not to exceed \$25,000 for any government entity. Any jurisdiction participating in the comprehensive performance measurement program is exempt from levy limits under sections 275.70 to 275.74 for taxes payable in 2013 if levy limits are in effect.

(c) Any county or city that elects to participate in the standard measures program for 2013 or any year thereafter is eligible for per capita reimbursement of \$0.14 per capita, but not to exceed \$25,000 for any government entity. Any jurisdiction participating in the comprehensive performance measurement program for 2013 or any year thereafter is exempt from levy limits under sections 275.70 to 275.74 for taxes payable in the following year, if levy limits are in effect.

Subd. 3. **Certification of participation.** (a) The state auditor shall certify to the commissioner of revenue by August 1 of each year the counties and cities that are participating in the standard measures program and the comprehensive performance measurement program.

(b) The commissioner of revenue shall make per capita aid payments under this section on the second payment date specified in section 477A.015, in the same year that the measurements were reported.

(c) The commissioner of revenue shall notify each county and city that is entitled to exemption from levy limits by August 10 of each levy year.

Subd. 4. **Appropriation.** (a) The amount necessary to fund obligations under subdivision 2 is annually appropriated from the general fund to the commissioner of revenue.

(b) The sum of \$6,000 in fiscal year 2011 and \$2,000 in each fiscal year thereafter is annually appropriated from the general fund to the state auditor to carry out the auditor's responsibilities under sections 6.90 to 6.91.

290.0111 TEMPORARY CONFORMITY TO CERTAIN FEDERAL TAX CHANGES.

Subdivision 1. **Adopting Internal Revenue Code changes.** For the purposes of this chapter, "Internal Revenue Code," as defined in section 290.01, subdivisions 19 and 31, includes the sections of federal law specified in this section as enacted or amended through March 31, 2021.

Subd. 2. **Further Consolidated Appropriations Act, 2020.** (a) "Internal Revenue Code" includes the following provisions of the Taxpayer Certainty and Disaster Tax Relief Act of 2019 in Public Law 116-94:

(1) section 101;

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- (2) section 116;
- (3) section 117;
- (4) section 130;
- (5) section 131;
- (6) section 132;
- (7) section 144;
- (8) section 201;
- (9) section 202; and
- (10) section 204.

(b) "Internal Revenue Code" includes section 301 of the Setting Every Community Up for Retirement Enhancement Act of 2019 in Public Law 116-94.

Subd. 3. **CARES Act.** "Internal Revenue Code" includes the following sections of Public Law 116-136:

- (1) section 1106(i); and
- (2) section 2202.

Subd. 4. **Consolidated Appropriations Act, 2021.** (a) "Internal Revenue Code" includes the following provisions of the COVID-related Tax Relief Act of 2020 in Public Law 116-260:

- (1) section 275;
- (2) section 276; and
- (3) section 277.

(b) For taxable years beginning after December 31, 2019, and before January 1, 2021, "Internal Revenue Code" includes sections 278(b) and 278(c) of the COVID-related Tax Relief Act of 2020 in Public Law 116-260.

Subd. 5. **American Rescue Plan Act.** "Internal Revenue Code" includes section 9042 of Public Law 117-2.

290.0674 MINNESOTA EDUCATION CREDIT.

Subd. 2a. **Income.** (a) For purposes of this section, "income" means the sum of the following:

- (1) federal adjusted gross income as defined in section 62 of the Internal Revenue Code; and
- (2) the sum of the following amounts to the extent not included in clause (1):
 - (i) all nontaxable income;
 - (ii) the amount of a passive activity loss that is not disallowed as a result of section 469, paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b) of the Internal Revenue Code;
 - (iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;
 - (iv) cash public assistance and relief;
 - (v) any pension or annuity (including railroad retirement benefits, all payments received under the federal Social Security Act, Supplemental Security Income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;
 - (vi) interest received from the federal or a state government or any instrumentality or political subdivision thereof;
 - (vii) workers' compensation;
 - (viii) nontaxable strike benefits;

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

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

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

(xii) nontaxable scholarship or fellowship grants;

(xiii) the amount of deduction allowed under section 199 of the Internal Revenue Code;

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

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

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

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

(b) "Income" does not include:

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

(2) amounts of any pension or annuity that were exclusively funded by the claimant or spouse if the funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

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

(4) relief granted under chapter 290A;

(5) child support payments received under a temporary or final decree of dissolution or legal separation; and

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

290A.03 DEFINITIONS.

Subd. 9. **Disabled claimant.** "Disabled claimant" means any claimant who has a disability.

Subd. 11. **Rent constituting property taxes.** "Rent constituting property taxes" means 17 percent of the gross rent actually paid in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any calendar year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the calendar year, and which rent constitutes the basis, in the succeeding calendar year of a claim for relief under this chapter by the claimant.

290A.04 REFUND ALLOWABLE.

Subd. 2a. **Renters.** A claimant whose rent constituting property taxes exceeds the percentage of the household income stated below must pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of rent constituting property taxes. The state refund equals the amount of rent constituting property taxes that remain, up to the maximum state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to 5,269	1.0 percent	5 percent	\$ 2,150
5,270 to 6,999	1.0 percent	10 percent	\$ 2,150

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7,000 to 8,749	1.1 percent	10 percent	\$ 2,090
8,750 to 12,269	1.2 percent	10 percent	\$ 2,040
12,270 to 15,779	1.3 percent	15 percent	\$ 1,980
15,780 to 17,519	1.4 percent	15 percent	\$ 1,930
17,520 to 19,259	1.4 percent	20 percent	\$ 1,880
19,260 to 22,779	1.5 percent	20 percent	\$ 1,820
22,780 to 24,529	1.6 percent	20 percent	\$ 1,770
24,530 to 26,279	1.7 percent	25 percent	\$ 1,770
26,280 to 29,789	1.8 percent	25 percent	\$ 1,770
29,790 to 31,529	1.9 percent	30 percent	\$ 1,770
31,530 to 36,789	2.0 percent	30 percent	\$ 1,770
36,790 to 42,039	2.0 percent	35 percent	\$ 1,770
42,040 to 49,059	2.0 percent	40 percent	\$ 1,770
49,060 to 50,799	2.0 percent	45 percent	\$ 1,610
50,800 to 52,559	2.0 percent	45 percent	\$ 1,450
52,560 to 54,319	2.0 percent	45 percent	\$ 1,230
54,320 to 56,059	2.0 percent	50 percent	\$ 1,070
56,060 to 57,819	2.0 percent	50 percent	\$ 970
57,820 to 59,569	2.0 percent	50 percent	\$ 540
59,570 to 61,319	2.0 percent	50 percent	\$ 210

The payment made to a claimant is the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is \$61,320 or more.

Subd. 5. **Combined renter and homeowner refund.** In the case of a claimant who is entitled to a refund in a calendar year for claims based both on rent constituting property taxes and property taxes payable, the refund allowable equals the sum of the refunds allowable.

290A.23 APPROPRIATION.

Subdivision 1. **Renters credit.** There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make the payments required under section 290A.04, subdivision 2a.

327C.01 DEFINITIONS.

Subd. 13. **Class I manufactured home park.** A "class I manufactured home park" means a park that complies with the provisions of section 327C.16.

327C.16 CLASS I MANUFACTURED HOME PARK.

Subdivision 1. **Qualifications.** (a) To qualify as a class I manufactured home park, as defined in section 327C.01, subdivision 13, a park owner, or on-site attendant as an employee of the manufactured home park, must satisfy 12 hours of qualifying education courses every three years, as prescribed in this subdivision. Park owners or on-site attendants may begin accumulating qualifying hours to qualify as a class I manufactured home park beginning in 2017.

(b) The qualifying education courses required for classification under this subdivision must be continuing education courses approved by the Department of Labor and Industry or the Department of Commerce for:

- (1) continuing education in real estate; or
 - (2) continuing education for residential contractors and manufactured home installers.
- (c) The qualifying education courses must include:

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- (1) two hours on fair housing, approved for real estate licensure or residential contractor licensure;
- (2) one hour on the Americans with Disabilities Act, approved for real estate licensure or residential contractor licensure;
- (3) four hours on legal compliance related to any of the following: landlord/tenant, licensing requirements, or home financing under chapters 58, 327, 327B, 327C, and 504B, and Minnesota Rules, chapter 1350 or 4630;
- (4) three hours of general education approved for real estate, residential contractors, or manufactured home installers; and
- (5) two hours of HUD-specific manufactured home installer courses as required under section 327B.041.

(d) If the qualifying owner or employee attendant is no longer the person meeting the requirements under this subdivision, but did qualify during the current assessment year, then the manufactured home park shall still qualify for the class rate provided for class 4c property classified under section 273.13, subdivision 25, paragraph (d), clause (5), item (iii).

Subd. 2. Proof of compliance. (a) A park owner that has met the requirements of subdivision 1 shall provide an affidavit to the park owner's county assessor certifying that the park owner, corporate officer, or on-site attendant has complied with subdivision 1 and that the park meets the definition of a class I manufactured home park as defined in this section, and is entitled to the property tax classification rate for class I manufactured home parks in section 273.13, subdivision 25. The park owner shall retain the original course completion certificates issued by the course sponsor under this section for three years and, upon written request for verification, provide these to the county assessor within 30 days.

(b) A park owner must provide the county assessor written notice of any change in compliance status of the manufactured home park no later than December 15 of the assessment year.

477A.011 DEFINITIONS.

Subd. 30a. Percent of housing built between 1940 and 1970. "Percent of housing built between 1940 and 1970" is equal to 100 times the most recent count by the United States Bureau of the Census of all housing units in the city built after 1939 but before 1970, divided by the total number of all housing units in the city. Housing units includes both occupied and vacant housing units as defined by the federal census.

Subd. 38. Household size. "Household size" means the average number of persons per household in the jurisdiction as most recently estimated and reported by the state demographer and Metropolitan Council as of July 15 of the aid calculation year. A revision to an estimate or enumeration is effective for these purposes only if it is certified to the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of estimates and counts established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under section 477A.014.

Subd. 42. Jobs per capita in the city. "Jobs per capita in the city" means (1) the average annual number of employees in the city based on the data from the Quarterly Census of Employment and Wages, as reported by the Department of Employment and Economic Development, for the most recent calendar year available November 1 of every odd-numbered year, divided by (2) the city's population for the same calendar year as the employment data. The commissioner of the Department of Employment and Economic Development shall certify to the city the average annual number of employees for each city by January 1 of every even-numbered year beginning with January 1, 2014. A city may challenge an estimate under this paragraph by filing its specific objection, including the names of employers that it feels may have misreported data, in writing with the commissioner by December 1 of every odd-numbered year. The commissioner shall make every reasonable effort to address the specific objection and adjust the data as necessary. The commissioner shall certify the estimates of the annual employment to the commissioner of revenue by January 1 of all even-numbered years, including any estimates still under objection.

Subd. 45. Sparsity adjustment. For a city with a population of 10,000 or more, the sparsity adjustment is 100 for any city with an average population density less than 150 per square mile, according to the most recent federal census. For a city with a population less than 10,000, the sparsity adjustment is 200 for any city with an average population density less than 30 per square mile, according to the most recent federal census. The sparsity adjustment is zero for all other cities.

477A.013 MUNICIPAL GOVERNMENT DISTRIBUTIONS.

Subd. 13. **Certified aid adjustments.** (a) A city that received an aid base increase under Minnesota Statutes 2012, section 477A.011, subdivision 36, paragraph (e), shall have its total aid under subdivision 9 increased by an amount equal to \$150,000 for aids payable in 2014 through 2018.

(b) A city that received an aid base increase under Minnesota Statutes 2012, section 477A.011, subdivision 36, paragraph (r), shall have its total aid under subdivision 9 increased by an amount equal to \$160,000 for aids payable in 2014 and thereafter.

(c) A city that received a temporary aid increase under Minnesota Statutes 2012, section 477A.011, subdivision 36, paragraph (o), shall have its total aid under subdivision 9 increased by an amount equal to \$1,000,000 for aids payable in 2014 only.

477B.02 QUALIFYING FOR FIRE STATE AID.

Subd. 4. **Equipment requirements.** The fire department must have all of the following equipment, or the equivalent as determined by the state fire marshal, by December 31 of the year preceding the certification required in subdivision 8:

- (1) a motorized fire truck equipped with:
 - (i) a motorized pump;
 - (ii) a 250-gallon or larger water tank;
 - (iii) 300 feet of one inch or larger fire hose in two lines with combination spray and straight stream nozzles;
 - (iv) five-gallon hand pumps - tank extinguisher or equivalent;
 - (v) a dry chemical extinguisher or equivalent;
 - (vi) ladders;
 - (vii) extension ladders;
 - (viii) pike poles;
 - (ix) crowbars;
 - (x) axes;
 - (xi) lanterns; and
 - (xii) fire coats, helmets, and boots;
- (2) the items in clause (1) suitably housed in a building of good construction with facilities for care of hoses and equipment;
- (3) a reliable and adequate method of receiving fire alarms by telephone or with electric siren and suitable means of sounding an alarm; and
- (4) if response is to be provided outside the corporate limits of the municipality where the fire department is located, another piece of motorized apparatus to make the response.

477B.03 CALCULATION OF FIRE STATE AID; APPEAL.

Subd. 6. **Corrective aid adjustments.** Any adjustments needed to correct prior misallocations must be made to subsequent fire state aid apportionments.

This Document can be made available in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2809

01/31/2022 Authored by Swedzinski The bill was read for the first time and referred to the Committee on Capital Investment

1.1 A bill for an act
1.2 relating to capital investment; appropriating money for capital improvements at
1.3 the MERIT Center; authorizing the sale and issuance of state bonds.

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

1.5 Section 1. MARSHALL; MERIT CENTER.

1.6 Subdivision 1. Appropriation. \$3,653,000 is appropriated from the bond proceeds fund
1.7 to the commissioner of public safety for a grant to the city of Marshall to design, construct,
1.8 furnish, and equip improvements at the Minnesota Emergency Response and Industrial
1.9 Training Center outlined in Phase 3 of the Master Development Plan, including: a 50-yard
1.10 and 300-yard firearms range; firearms support buildings; and a live burn buildout structure.

1.11 Subd. 2. Bond sale. To provide the money appropriated in this section from the bond
1.12 proceeds fund, the commissioner of management and budget shall sell and issue bonds of
1.13 the state in an amount up to \$3,653,000 in the manner, upon the terms, and with the effect
1.14 prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota
1.15 Constitution, article XI, sections 4 to 7.

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

**CITY OF MARSHALL
AGENDA ITEM REPORT**

Meeting Date:	Tuesday, May 24, 2022
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Consider approval of labor agreements between the City of Marshall and Law Enforcement Labor Services, Inc., Local No. 245
Background Information:	<p>The 2019-2021 labor agreements with Law Enforcement Labor Services, Inc., Local No. 245 expired on December 31, 2021. Tentative agreement with the union on contract terms for new three-year agreements (2022-2024) have been reached.</p> <p>A copy of the documents for consideration and a summary of the amendments are attached.</p> <p>This tentative agreement is consistent with the amendments and general wage increases approved by the Council for the LELS 190 Patrol contract in April.</p>
Fiscal Impact:	Staff will review at the meeting.
Alternative/ Variations:	None recommended.
Recommendations:	to approve a collective bargaining agreement, memorandum of understanding, and memorandum of agreement between the City of Marshall and Law Enforcement Labor Services, Local No. 245.

Summary of LELS-245 proposed contract amendments for the 2022-2024 Labor Agreement:

1. Cover page: update dates of contract
2. Table of Contents: changes to page numbers
3. Article 6–Grievance Procedure:
 - a. amend "*calendar*" to "*business*" days which provides additional time to review the grievance, discuss the grievance with supervisory staff, and conduct interviews/meetings to determine the facts of the issue and possible resolution
 - b. new language that defines the term "business days"
 - c. additional language in Step 4 to comply with MN Statute pertaining to new arbitrator selection procedures
4. Article 12–Insurance: update dates of contract
5. Article 28–Duration: update dates of contract.
6. Appendix A:
 - a. language regarding implementation of the new A-J pay structure and wage schedules for 2022, 2023, and 2024. The union has accepted the new pay structure and has agreed to an implementation plan consistent with what the Council approved for non-union and LELS190 (Patrol unit) employees.
 - b. Wage schedules reflect the following general wage increase:
 - 2022–2%
 - 2023–3%
 - 2024–3%
7. Memorandum of Understanding: update of effective dates of the proposed wage schedule for the term of the agreement (effective 1st day of the pay period that includes January 1).

LABOR AGREEMENT
BETWEEN
THE CITY OF MARSHALL
AND
LAW ENFORCEMENT LABOR SERVICES, INC.
POLICE SUPERVISORS
(Local # 245)

January 1, 2022 - December 31, 2024

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ARTICLE 1 – PURPOSE OF AGREEMENT

This AGREEMENT is between the City of Marshall, hereinafter called the EMPLOYER, and Law Enforcement Labor Services, Inc., hereinafter called the UNION.

The intent and purpose of this AGREEMENT is to:

- 1.1 Establish procedures for the resolution of disputes concerning this AGREEMENT'S interpretation and or application; and
- 1.2 Place in written form the parties' agreement on terms and conditions of employment for the duration of this AGREEMENT.

ARTICLE 2 – RECOGNITION

- 2.1 The EMPLOYER recognizes the UNION as the exclusive representative, under Minnesota Statutes for all Police Sergeants as defined in Bureau of Mediation Services Case No. 98-PCE-785.
- 2.2 In the event the EMPLOYER and the UNION are unable to agree as to the inclusion or exclusion of a new or modified job class, the issue shall be submitted to the Bureau of Mediation Services for determination.

ARTICLE 3 – DEFINITIONS

- 3.1 UNION: Law Enforcement Labor Services, Inc.
- 3.2 UNION MEMBER: A member of Law Enforcement Labor Services, Inc.
- 3.3 EMPLOYEES: A member of the exclusively recognized bargaining unit.
- 3.4 DEPARTMENT: The City of Marshall Police Department.
- 3.5 EMPLOYER: The City of Marshall.
- 3.6 DIRECTOR: The Director of Public Safety of the City of Marshall Police Department.
- 3.7 UNION STEWARD: The Steward elected or appointed by the UNION.
- 3.8 SCHEDULED SHIFT: A consecutive work period including rest breaks and a lunch break.
- 3.9 REST BREAKS: Periods during the scheduled shift during which the employee remains on continual duty and is responsible for assigned duties.
- 3.10 LUNCH BREAK: A period during the scheduled shift during which the employee remains on continual duty and is responsible for assigned duties.

- 3.11 OVERTIME: Work performed at the express authorization of the EMPLOYER in excess of the employees scheduled shift or eighty (80) hours in a pay period.

ARTICLE 4 – EMPLOYER AUTHORITY

- 4.1 The EMPLOYER retains the full and unrestricted right to operate and manage all manpower, facilities, and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct, and determine the number of personnel; to establish work schedules; to hire, promote transfer, and assign Employee(s); to make and enforce reasonable rules and regulations; to take any and all actions necessary to carry out the operations of the Employer in situations involving a disaster or emergency consistent with the terms described in this Agreement to the extent practicable; to lay off Employee(s); to assign duties, tasks, jobs, hours, and shifts to Employee(s); and to perform such other inherent managerial functions as set forth in the Public Employment Labor Relations Act, as amended, hereinafter referred to as PELRA; and to perform any inherent managerial function not specifically limited by this AGREEMENT.
- 4.2 Any term and condition of employment not specifically established or modified by the AGREEMENT shall remain solely within the discretion of the EMPLOYER to modify, establish, or eliminate.
- 4.3 The forgoing enumeration of the Employer’s authority shall not be deemed to exclude other inherent management rights and management functions not expressly delegated in this Agreement and not in violation of the laws of the State of Minnesota.
- 4.4 The Employer’s failure to exercise any right, prerogative, or function hereby reserved to it, or the Employer’s exercise of any such right, prerogative, or function in a particular way, shall not be considered a waiver of the Employer’s right to exercise such right, prerogative or function, or preclude it from exercising the same in some other way not in conflict with the express provisions of this Agreement.

ARTICLE 5 – UNION SECURITY

- 5.1 The EMPLOYER shall deduct, from the wages of an employee who authorizes such a deduction in writing, an amount necessary to cover monthly UNION dues or other fees. Such monies shall be remitted as directed by the UNION.
- 5.2 The UNION may designate employees from the bargaining unit to act as a steward and an alternate and shall inform the EMPLOYER in writing of such choice and changes in the position of steward and/or alternate. The EMPLOYER agrees to inform the UNION in writing within ten (10) days of employment of the name, classification, and home address of each new employee.

- 5.3 The EMPLOYER shall make space available on the employee bulletin board for posting UNION notices and announcements and to make space available for UNION meetings whenever practicable.
- 5.4 The UNION agrees to indemnify and hold the EMPLOYER harmless against any and all claims, suits, orders, or judgments brought or issued against the EMPLOYER as a result of any action taken or not taken by the EMPLOYER under the provisions of this ARTICLE.

ARTICLE 6 – EMPLOYEE RIGHTS - GRIEVANCE PROCEDURE

- 6.1 Definition of a Grievance: A grievance is defined as a dispute or disagreement as to the interpretation or application of the specific terms and conditions of this AGREEMENT.
- 6.2 Union Representatives: The EMPLOYER will recognize representatives designated by the UNION as the grievance representatives of the bargaining unit having the duties and responsibilities established by this ARTICLE. The UNION shall notify the EMPLOYER in writing of the names of such UNION representatives and of their successors when so designated as provided by Sect. 5.2 of this AGREEMENT.
- 6.3 Processing of a Grievance: It is recognized and accepted by the UNION and the EMPLOYER that the processing of grievances as hereinafter provided is limited by the job duties and responsibilities of the employees and shall therefore be accomplished during normal working hours only when consistent with such employee duties and responsibilities. The aggrieved employee and a UNION representative shall be allowed a reasonable amount of time without loss in pay when a grievance is investigated and presented to the EMPLOYER during normal working hours provided that the employee and the UNION representative have notified and received the approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the EMPLOYER.
- 6.4 Procedure: Grievances, as defined by Section 6.1, shall be resolved in conformance with the following procedure:

Step 1

An employee claiming a violation concerning the interpretation or application of this AGREEMENT shall, within fourteen (14) business days after such alleged violation has occurred, present such grievance to the Director of Public Safety. The Director of Public Safety will discuss and give an answer to such Step 1 grievance within ten (10) business days after receipt.

A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing setting forth the nature of the grievance, the facts on which it is based, the provision or provisions of the AGREEMENT allegedly violated, the remedy requested, and shall be appealed to Step 2 within ten (10) business days after the Director of Public Safety's final answer in Step 1. Any

grievance not appealed in writing to Step 2 by the UNION within ten (10) business days shall be considered waived.

The term “business days” in clause 6.4 shall mean the days of Monday through Friday and excludes designated holidays identified in the City Personnel Policy manual.

Step 2

If appealed, the written grievance shall be presented by the UNION and discussed with the City Administrator. The City Administrator shall give the UNION the EMPLOYER's Step 2 answer in writing within ten (10) business days after receipt of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) business days following the City Administrator's final Step 2 answer. Any grievance not appealed in writing to Step 3 by the UNION within ten (10) business days shall be considered waived.

Step 3

If desired by the Union, the Union may submit a written or electronic request to the Employer-designated Step 2 representative to mediate the grievance through the Bureau of Mediation Services. The grievance may be mediated if agreed to by both parties. A grievance not resolved in Step 3 within ten (10) business days following the Employer-designated representative's written refusal to mediate or completion of mediation as designated by the mediator may be appealed to Step 4. Any grievance not appealed in writing to Step 4 by the Union within ten (10) business days shall be considered waived.

Step 4

A grievance unresolved in Step 3 and appealed to Step 4 by the UNION shall be submitted to arbitration subject to the provisions of the Public Employment Labor Relations Act of 1971, as amended. The selection of an arbitrator shall be made consistent with the rules established by the Bureau of Mediation Services. However, a grievance arbitration for written disciplinary action, discharge, or termination shall include the arbitrator selection procedures established in Minnesota Statute 626.892, as amended.

6.5 Arbitrator's Authority:

- A. The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the terms and conditions of this AGREEMENT. The arbitrator shall consider and decide only the specific issue(s) submitted in writing by the EMPLOYER and the UNION, and shall have no authority to make a decision on any other issue not so submitted.
- B. The arbitrator shall be without power to make decisions contrary to, or inconsistent with, or modifying, or varying in any way, the application of laws, rules, or regulations having the force and effect of law. The arbitrator's decision shall be submitted in writing within thirty (30) days following the close of the hearing or the submission of briefs by the parties, whichever be later, unless the

parties agree to an extension. The decision shall be binding on both the EMPLOYER and the UNION and shall be based solely on the arbitrator's interpretation or application of the express terms of this AGREEMENT and to

the facts of the grievance presented. If the grievance is covered by law or statute, or not covered by the express provisions of this Agreement, the arbitrator shall refer the grievance back to the parties without decision or recommendation.

- C. The fees and expenses for the arbitrator's services and proceedings shall be borne equally by the EMPLOYER and the UNION provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire a verbatim record of the proceedings, the cost shall be shared equally.

6.6 Waiver:

If a grievance is not presented within the time limits set forth above, it shall be considered waived. If a grievance is not appealed to the next step within the specified time limit or any agreed extension thereof, it shall be considered settled on the basis of the EMPLOYER's last answer. If the EMPLOYER does not answer a grievance or an appeal thereof within the specified time limits, the UNION may elect to treat the grievance as denied at the step and immediately appeal the grievance to the next step. The time limit in each step may be extended by mutual written agreement of the EMPLOYER and the UNION in each step.

- 6.7 Choice of Remedy: If the event giving rise to a grievance is appealed to or challenged in any procedure other than the grievance procedure in this article, at any time, the grievance is no longer subject to this grievance procedure nor arbitration under such procedure.

- 6.8 Class action grievances are not permitted pursuant to this collective bargaining agreement. Grievances must personally affect the named grievant(s).

ARTICLE 7 – SAVINGS CLAUSE

This AGREEMENT is subject to law. In the event any provision of this AGREEMENT shall be held to be contrary to law by a court of competent jurisdiction from whose final judgment or decree, no appeal is made within the time provided, such provision shall be voided. All other provisions of this AGREEMENT shall continue in full force and effect. The voided provision may be renegotiated at the written request of either party.

ARTICLE 8 – PROBATION

- 8.1 All newly hired or rehired Employees shall serve a probationary period of twelve (12) months of active work (which does not include time spent on a leave of absence except as may be required by law). All promoted EMPLOYEES will serve a six (6) month probationary period.

Said probationary period for promoted employees may be extended up to six (6) months for a total of twelve (12) months at the EMPLOYER'S discretion. The EMPLOYER shall provide notice to the UNION of any such extension.

- 8.2 During the probationary period a newly hired or rehired EMPLOYEE may be disciplined, up to and including discharge at the sole discretion of the EMPLOYER without just cause being required or such discipline or discharge being subject to Article 6 (Grievance Procedure) of this Agreement. During the probationary period, a promoted or reassigned EMPLOYEE may be replaced in his/her previous position at the sole discretion of the EMPLOYER.

ARTICLE 9 – SENIORITY

- 9.1 Job Classification Seniority shall be determined by the Employee's length of continuous service within a classification with the Department.
- 9.2 EMPLOYEES will be given preference by job classification seniority with regard to changes in job classification through transfer, assignment and promotion in the bargaining unit when the job-relevant qualifications of employees are equal.
- 9.3 EMPLOYEES will be laid off by job classification seniority. Employees on layoff will have recall rights for 24 months after layoff. No employees will be hired in any job classification in which employees are laid off who have recall rights.
- 9.4 Seniority shall terminate when an employee is separated from employment.

ARTICLE 10 – DISCIPLINE

- 10.1 The EMPLOYER will discipline employees for just cause only. Discipline will be in one or more of the following forms:
- a) Oral reprimand;
 - b) Written reprimand;
 - c) Suspension;
 - d) Demotion; and
 - e) Discharge.
- 10.2 Suspensions, demotions, and discharges will be in written form. Employees and the UNION shall receive a copy of written reprimands, suspensions, demotions, or discharges.
- 10.3 Written reprimands, notices of suspension, demotions, and discharge shall become part of an employee's personnel file. The EMPLOYEE shall acknowledge receipt of written reprimands, notices of suspension, and demotions by signature.
- 10.4 Employees may examine and duplicate at their own expense their own individual personnel files at reasonable times under the direct supervision of the EMPLOYER.

- 10.5 An employee will not be questioned when the information obtained through such questioning may subject the employee to disciplinary action unless the employee has been given an opportunity to have an attorney or union representative present at such questioning.
- 10.6 Grievances relating to this ARTICLE shall be initiated by the UNION in Step 2 of the grievance procedure under ARTICLE 6.

ARTICLE 11 – WORK SCHEDULES

- 11.1 The normal work year for full-time employees is two thousand and eighty (2,080) hours to be accounted for by each employee through:
 - a) Hours worked on assigned shifts;
 - b) Assigned training; and
 - c) Authorized leave time.

ARTICLE 12 – INSURANCE

- 12.1 The EMPLOYER will contribute for each employee for single group insurance the same amount the City contributes for other City employees in 2022, 2023, and 2024.
- 12.2 The EMPLOYER will contribute for each employee for group insurance, including dependent coverage the same amount the City contributes for other City employees in 2022, 2023, and 2024.

ARTICLE 13 – UNIFORMS

The EMPLOYER shall provide required uniform and equipment items. Refer to Appendix B for the Equipment List. Personal items destroyed or damaged in the line of duty will be repaired/replaced on a reasonable cost basis. The Employer will pay no more than \$150 to repair/replace footwear.

ARTICLE 14—NON-DISCRIMINATION

Neither the EMPLOYER nor the UNION will discriminate against any employee on any basis prohibited by law.

ARTICLE 15 – VACATION

- 15.1 Full-time EMPLOYEES shall earn vacation at the following rates:

Years of Service	Hours per Year of Service
0 to 5 years	80 hours
5 to 10 years	120 hours
10 to 15 years	144 hours
15 to 20 years	160 hours
20+ years	200 hours

- 15.2 An employee terminating employment prior to six months of service shall not receive vacation pay on termination. An employee terminating service after six months of service shall receive accumulated vacation pay provided the employee was not terminated for cause and the employee provided the Employer at least fourteen (14) calendar days' written notice prior to resignation or retirement.
- 15.3 Vacation time must be arranged and approved by the EMPLOYER-designated representative. Employees will be provided an opportunity to select vacation time periods in so far as practicable. Employees may not accumulate more than two (2) times their allowed annual vacation earnings.

ARTICLE 16 – SICK LEAVE

- 16.1 EMPLOYEES shall earn sick leave at the rate of eight (8) hours per month on paid status and be allowed to accumulate up to a maximum of 960 hours of sick leave. After 960 hours of accumulation employees shall earn four (4) hours of sick leave for each month on paid status. Employees using sick leave who have earned 960 hours or more of sick leave shall have such sick leave use deducted from their 960 hour leave bank. Employees hired after January 1, 2001 will be limited to a maximum accumulation of one thousand two hundred (1,200) hours of sick leave.
- 16.2 For the purpose of accruing sick leave only, employees with a date of hire that is on or before the 5th of the month shall be considered to have started employment on the first day of that month. Employees with a date of hire between the 6th and 21st of the month, will receive 4 hours of sick leave for that month. Employees with a date of hire on or after the 22nd of the month shall be considered to have started employment on the first of the month following the date of hire.
- 16.3 To be eligible to receive sick leave benefits employees must notify the EMPLOYER-designated representative at least one hour prior to the start of their scheduled shift unless unusual circumstances prevent the employee from such prior notification. Employees may use sick leave benefits for an absence due to illness or injury. Sick leave may be granted when the employee is unable to perform work duties due to illness, injury or disability, the necessity for medical, dental, or chiropractic, or psychological care, for child birth or pregnancy disability, maternity or paternity leave, or exposure to contagious disease where such exposure may endanger the health of others. Accrued sick leave benefits may also be used for absences due to an illness or injury to the employee's child, adult child, sibling, spouse, parent, mother-in-law, father-in-law, stepparent, grandchild, and grandparent in accordance with Minnesota law (Section 181.9413). For the purposes of this clause, "child" means a step child, biological, adopted, or foster child, either under 18 years of age, or under 20 and still attending secondary school.

An employee may utilize accrued sick leave for “safety leave” for reasonable absences for themselves or the following relatives, the employee’s: child/adult child, spouse, sibling, parent, stepparent, mother/father-in-law, grandchild, and grandparent. Safety leave is leave for the purpose of providing or receiving assistance because of sexual assault, domestic abuse, or stalking. Safety leave will be granted in accordance with Minnesota law. An Employee’s use of accrued sick leave and/or safety leave benefits for the Employee’s adult child, sibling, parent, stepparent, mother/father-in-law, grandchild, and grandparent are limited to 160 hours of combined time per calendar year (January to December).

- 16.4 Employees may use sick leave when disabled and unable to perform the duties of their position and as required by law. Employees injured in the line of duty and eligible for workers' compensation benefits shall receive sick leave benefits to the extent of their accrued sick leave to supplement their workers' compensation benefits to equal their normal compensation. The employee’s sick leave bank will be charged for the amount of the supplemental payments.
- 16.5 On termination, except for just cause, employees or their estate shall receive payment for unused sick leave as follows:
- | | |
|-----------------------------------|--------------------------|
| a. after five years of service | 20% of unused sick leave |
| b. after ten years of service | 30% of unused sick leave |
| c. after fifteen years of service | 40% of unused sick leave |
| d. after twenty years of service | 50% of unused sick leave |

ARTICLE 17 – SEVERANCE PAY

- 17.1 Following 20 years of service with the City, Employee’s (or their estate) are eligible for severance pay if:
- the Employee terminates employment in good standing with the City; or
 - the Employee becomes disabled to the extent that the Employee can no longer work for the City; or
 - in the event of the death of the Employee.

The Employee or the Employee’s estate will receive one (1) month’s current salary plus 3% of the monthly salary for each year of service above 20 years to a maximum of 150% of the monthly salary (applicable taxes will be withheld).

- 17.2 Employees that are terminated from the City due to disciplinary action are not eligible to receive severance pay.
- 17.3 Employees hired after December 31, 2021 are not eligible for Severance Pay.

ARTICLE 18 – HOLIDAYS

- 18.1 The following days are paid holidays:

New Year's Day	(January 1)
Martin Luther King Day	(Third Monday in January)
Presidents Day	(Third Monday in February)
Memorial Day	(Last Monday in May)
Independence Day	(July 4)
Labor Day	(First Monday in September)
Veterans' Day	(November 11)
Thanksgiving Day	(Fourth Thursday in November)
Christmas Day	(December 25)

Employees will be granted two (8) hour floating holidays on a pro-rata basis during a calendar year to be scheduled with permission of the employees designated supervisor and may not be carried over from one year to the next.

- 18.2 Full-time employees in active status will receive payment for the holiday regardless of whether the holiday is worked. The holiday hours may not be taken/accrued as compensatory time off. If a holiday falls on an employee's regularly scheduled day off, the employee shall be entitled to eight (8) hours of pay at the employee's regular hourly rate of pay. When an employee's services are required for an emergency or an essential public service on a holiday, the employee shall be entitled to pay at one and one-half (1-1/2) times the regular rate, plus eight (8) hours regular rate holiday pay.
- 18.3 Employees on an unpaid leave of absence on the holiday will not receive holiday pay specified in this Article.

ARTICLE 19 - JURY DUTY

Employees required to serve on jury duty will be compensated the difference between the employees regular rate of pay and the amount paid for jury duty less mileage.

ARTICLE 20 - LEAVES OF ABSENCE

Employees will be provided leaves of absence with and/or without pay as required by law, including, but not limited to: Family and Medical Leave Act, Parental Leave Act, and Women's Economic Security Act. On request, an employee may be granted an unpaid leave of absence by the EMPLOYER.

ARTICLE 21 – FUNERAL/BEREAVEMENT LEAVE

In case of death in an employee's immediate family, as well as brothers, sisters, step-siblings, mother, father, parent-in-law, grandparents, grandparents-in-law, grandchild(ren), brothers and sisters-in-law, son/daughter-in-law, the Director of Public Safety may authorize a maximum of three (3) consecutive days with pay for each emergency, as funeral leave. Funeral leave may not exceed forty (40) hours per year and may not be carried over to the following year.

ARTICLE 22 – OVERTIME

- 22.1 Employees are eligible to receive overtime compensation but may not accrue compensatory time. Employees will be compensated at one and one-half (1-1/2) times the employees regular base pay rate for hours worked in excess of the employees scheduled shift or an eighty (80) hour pay period. Changes of shifts do not qualify an employee for overtime under this ARTICLE.
- 22.2 Overtime will be distributed as equally as practicable.
- 22.3 For the purpose of computing overtime compensation, overtime hours worked shall not be pyramided, compounded, or paid twice for the same hours worked.
- 22.4 Overtime will be calculated to the nearest fifteen (15) minutes.
- 22.5 Employees have the obligation to work overtime or call backs if requested by the EMPLOYER unless unusual circumstances prevent the employee from so working.

ARTICLE 23 - COURT TIME

An employee who is required to appear in Court during the employee's scheduled off-duty time shall receive a minimum of two (2) hours' pay at one and one-half (1- 1/2) times the employees base pay rate or for time worked whichever is greater. An extension or early report to a regularly scheduled shift for a court appearance does not qualify the employee for the two (2) hour minimum. The Employer will attempt to notify an employee of cancellation as soon as is practicable.

ARTICLE 24 - CALL BACK TIME

An employee who is called to duty during scheduled off-duty time shall receive a minimum of two (2) hours' pay or for time worked whichever is greater at one and one-half (1-1/2) times the employee's base pay rate. An extension or early report to a regularly scheduled shift for duty does not qualify the employee for the two (2) hour minimum.

ARTICLE 25 – WAGES

- 25.1 Wage rates are listed in Appendix A.
- 25.2 Effective January 1, 2014, full-time employees who work hours between five (5) p.m. and seven (7) a.m. will be paid an additional thirty cents (\$0.30) for actual hours worked. Effective the first day of the first full pay period following ratification, full-time employees who work the hours between five (5) p.m. and seven (7) a.m. will be paid an additional fifty cents (\$0.50) for actual hours worked.

ARTICLE 26 - P.O.S.T LICENSE FEE

The Employer shall pay up to ninety dollars (\$90.00) for the P.O.S.T license fee every three years.

ARTICLE 27 – WAIVER

- 27.1 Any and all prior agreements, resolutions, practices, policies, rules and regulations regarding terms and conditions of employment, to the extent inconsistent with the provisions of this AGREEMENT, are hereby superseded.
- 27.2 The parties mutually acknowledge that during the negotiations which resulted in this AGREEMENT, each had the unlimited right and opportunity to make demands and proposals with respect to any term or condition of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in writing in this AGREEMENT for the stipulated duration of this AGREEMENT. The EMPLOYER and the UNION each voluntarily and unqualifiedly waives the right to meet and negotiate regarding any and all terms and conditions of employment referred to or covered in this AGREEMENT or with respect to any term or condition of employment not specifically referred to or covered by this AGREEMENT. Even though such terms or conditions may not have been within the knowledge or contemplation of either or both of the parties at the time this contract was negotiated or executed.

ARTICLE 28 – DURATION

This AGREEMENT shall be effective as of January 1, 2022 and shall remain in full force and effect until the 31st of December, 2024.

In witness whereof, the parties hereto have executed this AGREEMENT on the latest date affixed to the signatures hereto.

FOR THE CITY OF MARSHALL

FOR LAW ENFORCEMENT
LABOR SERVICES, INC

Robert J. Byrnes, Mayor



Business Agent

City Clerk



Union Steward

Date

05-16-2022

Date

APPENDIX A
HOURLY WAGE RATES

- Implementation of the new A-J pay structure in accordance with the following:
 - Retroactive to 12/20/2021, placement of employees onto the new pay structure, onto the step closest to the employee’s base pay rate as of 12/31/2021, that would result in an increase in pay.
- Step movement on employee anniversary date with satisfactory performance evaluation.
- Employees shall not exceed the salary range maximum.

12/31/2021 New Pay Structure

	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
Sergeant	35.06	36.22	37.38	38.54	39.69	40.85	42.30	43.74	45.19	46.64

2022 2% General Wage Increase

	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
Sergeant	35.76	36.94	38.13	39.31	40.48	41.67	43.15	44.61	46.09	47.57

2023 3% General Wage Increase

	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
Sergeant	36.83	38.05	39.27	40.49	41.69	42.92	44.44	45.95	47.47	49.00

2024 3% General Wage Increase

	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
Sergeant	37.93	39.19	40.45	41.70	42.94	44.21	45.77	47.33	48.89	50.47

APPENDIX B

Equipment List for Police Sergeant

Item	Quantity	Item	Quantity
Uniform Hat	1	Business Card	1
Hat Rain Cover	1	Key Holder	1
Winter Cap	1	Cartridge Magazine Pouch	1
Summer Uniform Shirts	3	Duty Ammo	1
Winter Uniform Shirts	3	Glove Pouch	1
Tie	1	Portable Radio, Charger, Accessories	1
Uniform Pants	3	Mace	1
All Season Jacket	1	Mace Holder	1
Rain Jacket	1	Flash Light Holder	1
Badge – Hat	1	Stinger Light w/Charger w/Holder	1
Badge – Uniform	2	Duty Belt	1
Pair Collar Brass - Small	1	Belt Keepers	4
Pair Collar Brass - Large	1	Duty Holster	1
Individual Name Tag	2	Weapon	1
“Serving Since” Service Bar	1	Taser	1
Key Set - Office	1	Taser Holster	1
Body Armor/Carrier	1	Handcuffs w/2 keys	1
Blood Resistant Gloves	1	Handcuff Case	1
Approved Footwear	1		
(Maximum City Cost of \$150.00)			

Additional Equipment List for Detective Sergeant

Item	Quantity
Belt Clip Badge Holder	1
Dress Pants	3
Dress Shirts	3

MEMORANDUM OF UNDERSTANDING (MOU)
Between
The City of Marshall
and
Law Enforcement Labor Services, Inc., Local No. 245

This is an agreement between the City of Marshall hereinafter called the "CITY" and Law Enforcement Labor Services, Inc., Local No. 245 hereinafter called the "UNION."

I. PURPOSE & SCOPE

The purpose of this MOU is to aid in the efficient administration of general wage increases and market adjustments by identifying implementation dates applicable to Appendix A (Wage Schedules) of the 2022-2024 Labor Agreement.

II. IT IS MUTUALLY UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES THAT:

The UNION and the CITY ratified an Agreement on May 24, 2022 providing wage schedules effective on the following dates: January 1, 2022 – December 31, 2022 and January 1, 2023 – December 31, 2023, and January 1, 2024 – December 31, 2024.

To aid in the efficient administration of the wage schedules, the UNION and the CITY agree that the pay rates established in the aforementioned Agreement will be compensated on the following schedule:

January 1, 2022 – December 31, 2022 schedule to be implemented on December 20, 2021.
January 1, 2023 – December 31, 2023 schedule to be implemented on December 19, 2022.
January 1, 2024 – December 31, 2024 schedule to be implemented on January 1, 2024.

III. EFFECTIVE DATE AND SIGNATURE

This MOU shall be effective as of May 24, 2022 and shall remain in full force and effect until December 31, 2024. In witness whereof, the parties hereto have executed this Agreement on the latest date affixed to the signatures hereto.

City of Marshall

Law Enforcement Labor Services, Inc.,
Local No. 245

Mayor



Business Agent

City Clerk



Union Steward

Date: _____

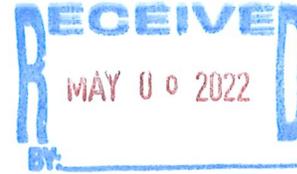
Date: 05-16-2022

**CITY OF MARSHALL
AGENDA ITEM REPORT**

Meeting Date:	Tuesday, May 24, 2022
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Consider Request for Proposals Indoor Recreation Facility and YMCA Collaboration Feasibility
Background Information:	<p>The City of Marshall in January of 2022 approved a resolution requesting sales tax authorization for an aquatic center and an indoor recreation facility. Since that time, current proposed legislation does not include an indoor recreation facility due the sentiment that additional information would be needed to garner legislature and public support.</p> <p>Recently the city received a request from the Marshall Area YMCA to study financial viability and future recreation needs as a community and YMCA. In MN and nationwide, YMCAs and the communities in which they are located have explored or have existing arrangements with cities. The Marshall YMCA had also initiated a capital campaign to raise \$5 million for renovations to the existing multipurpose and fitness spaces. Due to COVID pandemic membership numbers have declined, and interest in pursuing a capital campaign has waned. The declining membership numbers also have meant declining revenues for the Marshall Area YMCA. In late 2020 and again in early 2022, the Marshall Area YMCA Board has approached the City of Marshall and formally requested that the city study the feasibility of the city of Marshall cooperating with the Marshall Area YMCA in the areas of recreation and other related programming as well as capital needs.</p>
Fiscal Impact:	Estimating \$25,000 to \$40,000; requesting a level of cost-share from YMCA
Alternative/ Variations:	Do not proceed with RFPs at this time
Recommendations:	Authorize Request for Proposals Indoor Recreation Facility and YMCA Collaboration Feasibility

Marshall Area Youth Baseball Association
Marshall, MN 56258

April 29, 2022



Marshall City Councilmembers
City of Marshall
344 West Main Street
Marshall, MN 56258

Dear Marshall City Councilmembers:

Please accept this letter as support for an indoor recreation facility that was recently included in the city's adopted resolution to pursue sales tax authorization.

An indoor recreation facility would be beneficial to our community and surrounding areas such as: improving physical activity in children and youth; providing an active and needed venue for community members to utilize; supporting healthier families by providing greater access to a regional recreation facility and creation of a community that attracts families.

Our organization is comprised of 250 members that practice approximately 100 days a year. We have been challenged by available opportunities for our youth due to inadequate indoor space, especially indoor batting cages. This indoor facility would allow our program to continue the development of our players throughout the entire year.

The future of recreation is important to our Association, and we fully support this opportunity if it includes batting cages and/or indoor turf for fielding practice. Having the opportunity to provide hitting/fielding practice in the winter months will positively impact the MAYBA program.

The Marshall Area has proven that regional sports generate youth participation and fitness, spurs economic activity and is a regional amenity of regional significance.

On behalf of the Marshall Area Youth Baseball Organization, I would like to thank the City Council in considering an indoor recreation facility as a priority project for future funding and further support a feasibility study in order to further support the facility.

Sincerely,

MARC CRAIGMILE - PRESIDENT
Board of Directors – Marshall Area Youth Baseball Association



CITY OF MARSHALL AND MARSHALL AREA YMCA

REQUEST FOR PROPOSALS (RFP)

INDOOR RECREATION FEASIBILITY STUDY

AND

**CITY OF MARSHALL AND MARSHALL AREA YMCA
PARTNERSHIP FEASIBILITY STUDY**

May 24, 2022

INTRODUCTION

The City of Marshall MN and the Marshall Area YMCA are seeking a consulting firm to conduct a feasibility of an indoor recreation facility and conduct a feasibility study evaluating future operation options for the existing Marshall Area YMCA, currently owned by the Marshall Area YMCA.

The study should include a comprehensive needs assessment of current and future indoor recreation needs of our residents, and an analysis of the feasibility of constructing and operating an indoor recreation facility and maintaining the Marshall Area YMCA as a viable facility for future years.

BACKGROUND INFORMATION

The City of Marshall is located in Lyon County, Minnesota, and is home to approximately 14,000 residents. Marshall is a regional center in southwest Minnesota, and is the hub for medical care, retail, trade, education, employment, and business. The diverse economic base and strong foundation in agriculture has provided stability to the local economy. Recent studies illustrate a common labor and retail draw of approximately sixty (60) miles. Marshall's current population of 13,680 doubles its daytime population to 25,000+ according to employment estimates.

The city of Marshall and the Marshall Area YMCA is issuing this Request for Proposals (RFP). Both parties seek to retain the services of a consultant firm, or firms working in partnership, to carry out a comprehensive recreation and facility needs assessment. This effort will require close coordination with the city, the YMCA and other partners who have community recreation needs such as Marshall Public Schools and Southwest Minnesota State University (SMSU).

PROJECT HISTORY

The City of Marshall in January of 2022 approved a resolution requesting sales tax authorization for an aquatic center and an indoor recreation facility. Since that time, current proposed legislation does not include an indoor recreation facility due the sentiment that additional information would be needed to garner legislature and public support.

Recently the city received a request from the Marshall Area YMCA to study financial viability and future recreation needs as a community and YMCA. In MN and nationwide, YMCAs and the communities in which they are located have explored or have existing arrangements with cities.

The Marshall YMCA had also initiated a capital campaign to raise \$5 million for renovations to the existing multipurpose and fitness spaces. Due to COVID pandemic membership numbers have declined, and interest in pursuing a capital campaign has waned. The declining membership numbers also have meant declining revenues for the Marshall Area YMCA. In late 2020 and again in early 2022, the Marshall Area YMCA Board has approached the City of Marshall and formally requested that the city study the feasibility of the city of Marshall cooperating with the Marshall Area YMCA in the areas of recreation and other related programming as well as capital needs.

PROJECT SCOPE

Evaluate Current Indoor Programming and Facilities:

- I. An overview of YMCA and City offerings and standards

- II. Gather readily available government demographic data
- III. Indoor Asset inventory and analysis
- IV. Indoor Facility inventory and analysis
- V. Indoor Program inventory and analysis
- VI. Inventory of facilities and indoor programs offered by other government and private organizations

Task Deliverables: A complete inventory and level of service analysis of current indoor programming and facility use.

Determine Current and Future Indoor Recreation and Facility Needs of the Community:

- I. Perform Stakeholder/User Group Interviews with existing sports organizations, the Marshall Area YMCA, Marshall Public Schools and SMSU.
- II. Review and evaluate industry standards and trends

Task Deliverables: The consultant shall prepare summary reports and supporting data for all activities. These summary reports should include photographs, electronic searchable inventory of outreach materials and input provided at all meetings.

Perform a Gap Analysis

- I. Identify staffing requirements and budget necessary to fulfill current and future needs
- II. Identify program changes necessary to fulfill current and future needs
- III. Identify operational requirements necessary to fulfill current and future needs
- IV. Identify facility requirements necessary to fulfill current and future needs

Task Deliverables: Develop a summary report that summarizes all needs identified within the community

Identify Solutions to Meet the Recreation Needs of the Community

- I. Identify staffing requirements and budget necessary to fulfill needs
- II. Identify program changes necessary to fulfill needs
- III. Identify operational requirements necessary to fulfill needs
- IV. Identify facility requirements necessary to fulfill needs

Task Deliverables: Develop a summary report, priority list with anticipated cost, and other visual aids that identify projects and programs that will meet current and future needs of the community.

Final Report and Presentation

- I. The consultant shall prepare a final report and present their findings jointly to the Marshall Area YMCA Board of Directors and the Marshall City Council

Task Deliverables: The consultant shall submit one digital reproducible final report on a USB thumb drive, 16 hard copies of the final report, and all of the supporting data. In addition, the consultant will present the final report with a PowerPoint presentation and any other visual aids to the District Board.

Marshall Area YMCA and City staff intends to work closely with the selected consultant throughout this process to refine the scope of work as is appropriate to complete the objectives of the assessment.

UNDERSTANDING AND METHODOLOGY

In their Statement of Qualifications, consultants must demonstrate an understanding of the business of recreation, the importance of strategic goals, and the ability to develop a business plan and determine the best options for the city. Consultants must demonstrate a solid understanding of what types of programs are typically funded by a dedicated city recreation budget. Consultant should provide details on the approach and methodology it proposes for the scope of work detailed in this Request for

Qualification

Consultant should include the organization of project personnel and any assistance needed from outside sources.

Experience

Provide a general description of the range of relevant activities performed by your firm. Details should provide the following:

- Experience with recreation-related public surveys and public outreach
- Experience in benchmarking against other successful, financially sustainable recreation programs
- Demonstrated knowledge of funding tools available to city recreation programs (i.e., special district and/or general fund, etc.)
- Experience in evaluating and establishing recreation programs
- Experience in recreation program management
- Experience in demonstrating how recreation can support economic development and be incorporated into overall City planning.

Evaluation Criteria

The city will take into account any matters it considers appropriate in selecting the most qualified consultant. Evaluation criteria will include, but not be limited to, the following:

- The consultant's understanding of the assignment
- The consultant's proposed methodology
- The consultant's experience and past performance with similar projects
- Adequacy of project personnel in number, availability, professional and academic qualifications and experience to perform the proposed work and to provide the proposed services

- The quality of written documents submitted
- References (provide a minimum of three references)

Evaluation Process

The city will use the following procedure to select a consultant from among the responders to this RFP:

- Select the most highly qualified consultant as determined by the evaluation criteria.
- Select the next most highly qualified consultant and attempt to negotiate fair and reasonable terms, conditions, and cost with that consultant.
- The City shall continue this process until a consultant is selected for award.
- The City may also choose not to proceed with or to utilize other means to complete the project, if reasonable terms cannot be negotiated with the interested consultants.

TIMELINE AND SUBMITTAL

RFP Approved: May 24, 2022

Proposals Due: June 30, 2022

RFP Consideration by Council: July 26, 2022

One original and 2 additional copies

Format

Secure all copies in a sealed envelope entitled:

Request for Proposals
RFP INDOOR RECREATION AND CITY/YMCA PARTNERSHIP STUDY

Include 1 electronic copy of document in a pdf format. The entire submittal package must be received by or before the time and date indicated above.

Time and date deadlines for submittal will not be waived; however, the City reserves the right to extend the submittal deadline.

The City reserves the right to cancel this Request for Qualifications at any time. The City reserves the right to waive minor informalities or discrepancies contained in any proposal.

QUESTIONS

Questions should be directed to:

Sharon Hanson, City Administrator sharon.hanson@ci.marshall.mn.us



FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

YMCA Board of Directors
Marshall, MN 56258

February 16, 2022

Mayor Bob Byrnes and City Councilmembers
City of Marshall
344 West Main Street
Marshall, MN 56258

Dear Mayor Byrnes and City Councilmembers:

The Marshall Area YMCA has endured great financial stress as a result of COVID-19 and changes in personal fitness arrangements for many members. This has resulted in the loss of 700 membership units since March of 2020. As a result, the future financial viability of the Marshall Area YMCA is at risk. Although we have presented previously to Council that the viability may be in future years, our latest financial review leads us to believe that our current financial situation is more imminent.

Thus, the Marshall Area YMCA Board of Directors hereby requests that the City consider a financial feasibility study of the future of YMCA in partnership with the City of Marshall. This financial feasibility study would examine potential partnerships between the City of Marshall and the Marshall Area YMCA in the area of facilities, recreation and long-term financial stability.

In addition, a presentation to the YMCA Board of Directors regarding the aquatic center also included information on pursuing an indoor recreation facility. The Marshall Area YMCA is interested in pursuing jointly with you a feasibility study on this recreation study on best we can meet the needs of the community.

In order to facilitate the above, we can discuss further the participation financially by the Marshall Area YMCA in both studies.

Please consider this letter a formal request and we would be happy to meet with you to discuss this letter further.

Sincerely,

Marshall Area YMCA Board of Directors



“Art project days are some of the best days at camp. I get excited for the days I get to be creative and make something with my hands. Knowing the Y is going to have an art activities room makes me happy.”
– Cash Heemeyer



FOR YOUTH DEVELOPMENT®
 FOR HEALTHY LIVING
 FOR SOCIAL RESPONSIBILITY

A THRIVING FUTURE FOR ALL



PLEASE VISIT US ONLINE FOR MORE INFORMATION ON HOW TO DONATE

- Visit marshallareaymca.org/give to view additional campaign material.
- Timeframe for fulfilling pledges is flexible
 - All donations are fully tax deductible
 - The YMCA is a 501(c)(3) organization
 - Donations of cash and/or securities are accepted

WE'D LIKE TO RECOGNIZE YOUR GENEROSITY
 Your contribution to this campaign will further the legacy of the Marshall Area YMCA for future generations and it will be recognized as such.

NAMING OPPORTUNITIES ARE AVAILABLE

For more information, please contact:
Tom Bolin **Gabe Pieper**
 Executive Director, CEO Capital Campaign Chair
 507.532.9622
tbolin@marshallareaymca.org



For 18 years the Y facility has been a hub where we gather as a community to learn, grow, play and connect. We are excited to provide new spaces, programs and opportunities which will serve our upcoming community needs and ensure a thriving Y for future generations.

FUNDRAISING GOAL:
\$4.5 MILLION

A THRIVING FUTURE FOR ALL

When the facility renovations and revitalizations are completed, the community will benefit from a state-of-the-art facility that brings people together and emphasizes healthy living and neighborly support.

NOW

FUTURE



FAMILY ADVENTURE

Kid's gym on blue mats in gym



Permanent area for children and families, freeing up gym space



MULTIPURPOSE ROOM

One large Multipurpose Room



Structured areas for Arts, STEM, and classroom activities



TEACHING KITCHEN

No programming that includes healthy eating & food preparation to promote healthy lifestyles



Full nutrition coaching including food preparation for all ages with a teaching kitchen



CHILD WATCH

Child Watch capacity of 13 Children



Capacity increases to 36 with divided age appropriate spaces

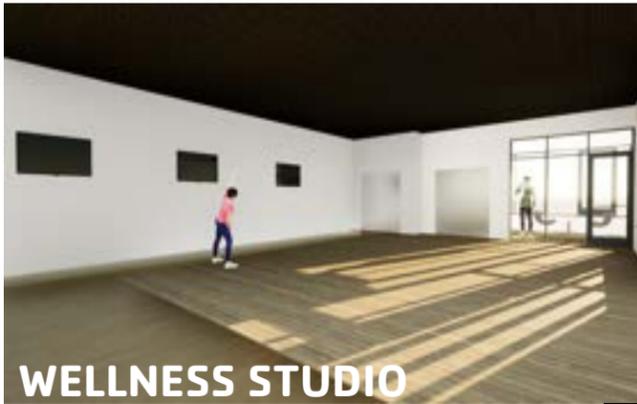


TRAINING CENTER

Small room for individual and group training



New designated space for strength and fitness programs on second level of renovated racquetball court



WELLNESS STUDIO

One Aerobic Studio



Doubling our studio space by renovating the lower lever of one of our existing racquetball courts



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, May 24, 2022
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Consider Request for Proposals- City Attorney Services
Background Information:	<p>Per City Charter: The Mayor shall nominate to the City Council the person to be appointed as City Attorney for the City of Marshall. The City Council and the Mayor shall vote and confirm said appointment by majority vote. The City Attorney shall serve for a term of two (2) years, his/her term of office to begin on the first regular meeting in January after the municipal election and he/she shall continue in office until their successor is appointed.</p> <p>The current term ends December 31, 2022.</p> <p>Earlier this year the Mayor suggested to the Council that he would utilize the RFP process to begin the nomination process.</p>
Fiscal Impact:	To Be Determined
Alternative/ Variations:	Proceed with current process
Recommendations:	Authorize Request for Proposals-City Attorney Services to Be Issued



MARSHALL

CITY OF MARSHALL

REQUEST FOR PROPOSALS (RFP)

APPOINTED CITY ATTORNEY

GENERAL COUNSEL SERVICES

May 24, 2022

INTRODUCTION

The City Council of the City of Marshall invites interested law firms and individuals with a minimum of five years of municipal law experience to submit written proposals to provide City Attorney services to the City to serve as the Appointed City Attorney. The City Attorney will be selected by the City Council and will work closely with the City Administrator and other City staff.

BACKGROUND INFORMATION

The City of Marshall is located in Lyon County, Minnesota, and is home to approximately 14,000 residents. Marshall is a regional center in southwest Minnesota, and is the hub for medical care, retail, trade, education, employment, and business. The diverse economic base and strong foundation in agriculture has provided stability to the local economy. Recent studies illustrate a common labor and retail draw of approximately sixty (60) miles. Marshall's current population of 13,680 doubles its daytime population to 25,000+ according to employment estimates.

The City has been a municipal corporation since 1901 and is governed under a Home Rule Charter, adopted in 1969. The Charter provides for a Mayor and a six-member Council. Council members serve overlapping four-year terms and the Mayor serves a four-year term.

The City employs a compliment of 157 full-time, part-time, and paid-on-call employees and over 350 temporary/seasonal employees in its various departments.

Police protection is provided by a department consisting of 22 full-time officers; one full-time and two part-time community service officers; and two support personnel.

The City's Fire Department is authorized for 48 paid-on-call employees.

The City has its own Wastewater Treatment Facility ("WWTF"). The WWTF is currently permitted to treat 4.5 million gallons per day (mgd) with a carbonaceous biochemical oxygen demand ("CBOD") load of 11,972 pounds per day.

The Marshall Municipal Utilities (MMU) Commission provides electrical and water service to the City residents and businesses.

The City operates a municipal off-sale liquor store, which had \$6,725,560 (unaudited) in gross sales for 2021.

The City, through a Joint Powers Agreement with I.S.D. No. 413 (Marshall), delivers a comprehensive Community Services program for its residents. The program includes eight municipal parks totaling over 150 acres and includes trails, fishing ponds, picnic shelters, basketball and volleyball courts, an Aquatic Center, Red Baron Arena & Expo, Amateur Sports Complex, horseshoe pit, skateboard complex, band shell with summer weekly concerts, and the national award-winning American Legion Field.

Historically the City has retained a private firm or firms to provide City Attorney services. The City has also utilized additional firms to provide bond counsel service and to work with TIF-related development issues.

PROCESS

A City RFP Review Committee will review proposals and qualifications of submitting firms and if necessary, conduct interviews of all or a few of the firms. Upon the recommendation of the Mayor and consent of the City Council the firm will be appointed to provide City Attorney services-Appointed City Attorney.

RFP Approved: May 24, 2022

Proposals Due: July 15, 2022

RFP Consideration by Council: August 23, 2022

Contract Effective Date: January 1, 2023

GENERAL INSTRUCTIONS

A. Responses must include complete information as described in this request. Six (6) copies shall be submitted **by 3:00 p.m. on July 15, 2022 to City Clerk/City of Marshall 344 West Main Street, Marshall, MN 56258**

B. To ensure fairness and uniformity, firms submitting responses are requested to not contact City staff or the City Council. Questions about this RFP may be sent by e-mail to sharon.hanson@ci.marshall.mn.us prior to the submission deadline.

C. The City will not reimburse any expenses incurred by the firm submitting responses including, but not limited to, expenses associated with the preparation and submission of the response and attendance at interviews.

D. The City reserves the right to reject any and all proposals, to request additional information from any and all Proposers.

REQUIRED CONTENTS OF RESPONSE

A. Firm Background: 1. Brief history of firm 2. Number of attorneys, including number of partners and associates and areas of specialty 3. Support personnel: number and expertise 4. Office organization and support capabilities 5. Office location(s) 6. Current use of technology, especially capability for computerized legal research and for sharing and editing documents electronically. 7. Statement of any malpractice claims and/or ethics complaints taken against your firm or firm's attorney(s) over the last five years and the status or outcomes of such action. Indicate whether any action is pending or is currently under review by the State Ethics Board. 8. Describe malpractice insurance coverage: carrier, limits, and exemptions.

B. Attorney Qualifications:

1. Identify the specific attorney who will serve as the lead attorney and indicate the following:

- Academic training and degrees
- Description of background and experience
- Description of prior municipal experience including cities served in a similar capacity

- List of litigation in communities where designated attorney served as lead attorney and outcomes of litigation

2. Identify attorney who will serve in the lead attorney's absence, and provide information as requested in No. 1 above.

3. Identify other attorneys and support staff who will supply services for which the City will be charged.

4. Indicate current responsibilities of person designated to serve as lead attorney.

C. List of cities you currently represent and for what type of service.

D. List of cities you began representing in the last three years and cities you stopped representing in the last three years.

E. Names, telephone numbers, and contact person of at least five (5) client references, at least two (2) of which shall be cities.

F. Description of the firm's view of their responsibilities to the City in the provision of legal services.

G. Copy of Malpractice/liability Insurance Certificate in a minimum amount of \$1,000,000.

Conflict of Interest

1. Indicate whether designated lead attorneys or the law firm represent, or have represented, any client whose representation may conflict with your ability to provide legal services to the City.

2. Indicate whether designated lead attorneys or the law firm currently represent any real estate developers. If so, please identify those companies or persons in detail and provide a percentage breakdown of how much this work represents of your firm's total billings.

3. Indicate whether designated lead attorneys or the law firm currently represents any other local units of government having jurisdiction within, or contiguous to, the City of Marshall.

4. Identify what procedures your firm utilizes to identify and resolve conflicts of interest.

SCOPE OF GENERAL LEGAL SERVICES

Per City Charter: The Mayor shall nominate to the City Council the person to be appointed as City Attorney for the City of Marshall. The City Council and the Mayor shall vote and confirm said appointment by majority vote. The City Attorney shall serve for a term of two (2) years, his/her term of office to begin on the first regular meeting in January after the municipal election and he/she shall continue in office until their successor is appointed.

The law firm/attorney(s) are required to be knowledgeable in a variety of legal areas, including but not limited to:

- General municipal laws
- General state and federal laws relating to municipal government
- Zoning, housing, annexation, subdivision and land use law
- Economic development activities including development, redevelopment, enforcement, and property/real estate law

- Legal knowledge relating to general obligation bonds, revenue bonds, tax increment bonds, tax exempt bonds, and other bonding and financial processes
- Ordinance and resolution development and interpretation • Government Data Practices
- City Charter and City Code issues
- Contract law
- Environmental law
- Franchise law
- Municipal leases
- Eminent Domain
- Trial activity

Except as specifically limited below, the services and qualifications that are required by the City for civil law services covered by a fixed retainer fee include, but are not limited to, the following areas:

General

1. Meetings and/or telephone conversations with and advising Mayor, Council Members, City Administrator, Department Managers and other staff on general legal matters.
2. Research and submission of legal opinions on municipal or other legal matters requested by City staff or City Administrator; availability to answer staff questions by telephone.
3. Legal consultation and general support for Mayor, Council Members, City Administrator, Department Managers and other staff on general legal matters.
4. Provide high level of customer service by responding in a prompt manner.
5. Provide annual training for Council, Boards and Commissions and staff on matters related to open meeting law, MN Data Practices Act, conflict of interest/ethics for government officials, and provide specific training for the Council and Planning Commission on land use and zoning law issues.

Meetings

6. May be requested to attend regular City Council meetings and advise the Mayor, Council Members and City Administrator on matters of parliamentary law and procedures of a general matter. Attendance maybe by telephone, Zoom/Teams or some other method unless otherwise asked to attend in person by Council or Administrator.
7. May be requested to attend such special City Council meetings as the Council or the City Administrator directs. Attendance maybe by telephone, Zoom/Teams or some other method unless otherwise asked to attend in person by Council or Administrator

8. Attend such meetings of boards or commissions as the City Administrator directs. Attendance maybe by telephone, Zoom/Teams or some other method unless otherwise asked to attend in person by Council or Administrator
9. Attend such other meetings, planning sessions, conferences and/or departmental meetings as requested by the City Administrator.
10. Attendance (remotely or in person) at any 24 meetings during a calendar year, as described under items #6-9 above, shall be included in the retainer fee. Meetings attended in excess of 24 in any calendar year, shall be billed at an agreed upon hourly contract rate.
11. Limited consultation with Charter Commission.

Legal Documents

12. Prepare such resolutions as the City Administrator or the City Council shall direct, except resolutions relating to the responsibility of the fiscal consultant or bond approving attorney.
13. Review of municipal contracts, including contracts for public improvements, developments, subdivisions, joint powers agreements, construction, purchase of equipment, and the like for content, form, legality and execution as requested.
14. Examine and advise regarding the legality of all proceedings and actions of the City Council and other boards or commissions.
15. Render written opinions on law when requested, including interpretation of statutes, ordinances, rules and regulations.
16. Drafting and review of ordinances, ordinance amendments, resolutions, developer agreements and contracts, subdivision agreements and correspondence as requested.
17. Review ordinances as requested.
18. Review deeds, and insurance requirements required by or for City contracts or activities.
19. Prepare small business assistance loan documents and related materials.
20. Review data requests and related documents and advise staff regarding release and redactions.

Economic Development

21. Representation of the City on Economic Development related issues, including developer agreements as needed. Finance tax abatement and other forms of public finance assistance. Public financing assistance in public/private partnerships.

Claims Against the City

22. Where no insurance coverage is provided, make appropriate evaluation of claims for legality, investigate facts, and make recommendations to the City Council.

23. Defend in court all litigation where no insurance coverage is available. This includes but is not limited to: (1) condemnation; (2) zoning and land use regulation matters; (3) permits and administrative actions; (4) administrative citations; (5) code enforcement issues.

24. Assist in resolving claims not resulting in litigation.

Claims by the City

25. Investigate and evaluate all claims by the City against others and recommend appropriate course of action, including, but not limited to code enforcement issues and administrative citations.

26. Attempt collection of all proper claims including litigation where necessary and authorized by the City. Intergovernmental Relations and Disputes

27. Provide such services as requested by the City regarding contractual dealings with Federal, State, County, Township, Municipal, and Special Districts by the City, including Joint Powers Act Public Improvements.

28. Handle disputes between the City and other governmental units, including litigation.

FEES

Please quote a retainer fee to be charged for attorney services and the items noted herein that are to be covered by the retainer.

Also state separately the rate for any other cost items proposed to be itemized and billed (i.e. photocopying, Westlaw, or Lexis fees, overhead factor, etc.).

Clearly note any "retainer" items listed above that your firm would not provide as part of the retainer duties and prefer to bill on an hourly basis. Please be specific.

For the hourly fees portion of your proposal, please identify the hourly rate of each attorney and support personnel. Identify the minimum increment of time billed for each service, e.g. phone calls, correspondence, personal conference, etc..

TERMS AND CONDITIONS

The City intends to award a contract to the respondent evaluated to be best qualified to perform the work for the City, based on the extent and quality of the firm's resources, cost, communication and presentation skills, compatibility and quality and extent of municipal representation experience.

Other performance factors may also be considered.

Based upon review of the submitted proposals a number of selected firms may be asked to interview with the City Council and staff.

The Mayor and designees will recommend to the City Council a firm to be retained.

The City of Marshall reserves the right to reject any and all proposals, to waive irregularities and informalities, to request additional information from all respondents, and further reserves the right to select the proposal which furthers the best interest of the City. The approval of the firm selected, and the contract award will be made by the City Council.

The City reserves the right to negotiate the final terms and conditions of the contract to be executed. Should the City and a consultant be unable to mutually agree upon the entire contract, the City reserves the right to discontinue negotiations, select another consultant or reject all of the statements of proposal.

Upon completion of negotiations agreeable to the City and the consultant, a contract shall be executed. Once a contract is awarded, the term of contract duration shall be subject to ongoing review and evaluation by the City Council and City Administrator.



MARSHALL

CITY OF MARSHALL

REQUEST FOR PROPOSALS (RFP)

CITY ATTORNEY

CRIMINAL SERVICES

May 24, 2022

INTRODUCTION

The City Council of the City of Marshall invites interested law firms and individuals with a minimum of five years of municipal law experience to submit written proposals to provide City Attorney services to the City in the area of Criminal Services. The City Attorney will be selected by the City Council and will work closely with the City Administrator and other City staff.

BACKGROUND INFORMATION

The City of Marshall is located in Lyon County, Minnesota, and is home to approximately 14,000 residents. Marshall is a regional center in southwest Minnesota, and is the hub for medical care, retail, trade, education, employment, and business. The diverse economic base and strong foundation in agriculture has provided stability to the local economy. Recent studies illustrate a common labor and retail draw of approximately sixty (60) miles. Marshall's current population of 13,680 doubles its daytime population to 25,000+ according to employment estimates.

Organization The City has been a municipal corporation since 1901 and is governed under a Home Rule Charter, adopted in 1969. The Charter provides for a Mayor and a six-member Council. Council members serve overlapping four-year terms and the Mayor serves a four-year term.

The City employs a compliment of 157 full-time, part-time, and paid-on-call employees and over 350 temporary/seasonal employees in its various departments.

Police protection is provided by a department consisting of 22 full-time officers; one full-time and two part-time community service officers; and two support personnel.

The City's Fire Department is authorized for 48 paid-on-call employees.

The City has its own Wastewater Treatment Facility ("WWTF"). The WWTF is currently permitted to treat 4.5 million gallons per day (mgd) with a carbonaceous biochemical oxygen demand ("CBOD") load of 11,972 pounds per day.

The Marshall Municipal Utilities (MMU) Commission provides electrical and water service to the City residents and businesses.

The City operates a municipal off-sale liquor store, which had \$6,725,560 (unaudited) in gross sales for 2021.

The City, through a Joint Powers Agreement with I.S.D. No. 413 (Marshall), delivers a comprehensive Community Services program for its residents. The program includes eight municipal parks totaling over 150 acres and includes trails, fishing ponds, picnic shelters, basketball and volleyball courts, an Aquatic Center, Red Baron Arena & Expo, Amateur Sports Complex, horseshoe pit, skateboard complex, band shell with summer weekly concerts, and the national award-winning American Legion Field.

Historically the City has retained a private firm or firms to provide City Attorney services. The City has also utilized additional firms to provide bond counsel service and to work with TIF-related development issues.

PROCESS

A City RFP Review Committee will review proposals and qualifications of submitting firms and if necessary, conduct interviews of all or a few of the firms. Upon the recommendation of the Mayor and consent of the City Council the firm will be appointed to provide City Attorney services-Criminal.

RFP Approved: May 24, 2022

Proposals Due: July 15, 2022

RFP Consideration by Council: August 23, 2022

Contract Effective Date: January 1, 2023

GENERAL INSTRUCTIONS

A. Responses must include complete information as described in this request. Six (6) copies shall be submitted by **3:00 p.m. on June 30, 2022 to City Clerk/City of Marshall 344 West Main Street, Marshall, MN 56258**

B. To ensure fairness and uniformity, firms submitting responses are requested to not contact City staff or the City Council. Questions about this RFP may be sent by e-mail to sharon.hanson@ci.marshall.mn.us prior to the submission deadline.

C. The City will not reimburse any expenses incurred by the firm submitting responses including, but not limited to, expenses associated with the preparation and submission of the response and attendance at interviews.

D. The City reserves the right to reject any and all proposals, to request additional information from any and all Proposers.

REQUIRED CONTENTS OF RESPONSE

A. Firm Background: 1. Brief history of firm 2. Number of attorneys, including number of partners and associates and areas of specialty 3. Support personnel: number and expertise 4. Office organization and support capabilities 5. Office location(s) 6. Current use of technology, especially capability for computerized legal research and for sharing and editing documents electronically. 7. Statement of any malpractice claims and/or ethics complaints taken against your firm or firm's attorney(s) over the last five years and the status or outcomes of such action. Indicate whether any action is pending or is currently under review by the State Ethics Board. 8. Describe malpractice insurance coverage: carrier, limits, and exemptions.

B. Attorney Qualifications:

1. Identify the specific attorney who will serve as the lead attorney and indicate the following:

- Academic training and degrees
- Description of background and experience
- Description of prior municipal experience including cities served in a similar capacity

- List of litigation in communities where designated attorney served as lead attorney and outcomes of litigation

2. Identify attorney who will serve in the lead attorney's absence, and provide information as requested in No. 1 above.

3. Identify other attorneys and support staff who will supply services for which the City will be charged.

4. Indicate current responsibilities of person designated to serve as lead attorney.

C. List of cities you currently represent and for what type of service.

D. List of cities you began representing in the last three years and cities you stopped representing in the last three years.

E. Names, telephone numbers, and contact person of at least five (5) client references, at least two (2) of which shall be cities.

F. Description of the firm's view of their responsibilities to the City in the provision of legal services.

G. Copy of Malpractice/liability Insurance Certificate in a minimum amount of \$1,000,000.

Conflict of Interest

1. Indicate whether designated lead attorneys or the law firm represent, or have represented, any client whose representation may conflict with your ability to provide legal services to the City.

2. Indicate whether designated lead attorneys or the law firm currently represent any real estate developers. If so, please identify those companies or persons in detail and provide a percentage breakdown of how much this work represents of your firm's total billings.

3. Indicate whether designated lead attorneys or the law firm currently represents any other local units of government having jurisdiction within, or contiguous to, the City of Marshall.

4. Identify what procedures your firm utilizes to identify and resolve conflicts of interest.

SCOPE OF GENERAL LEGAL SERVICES -CRIMINAL

The City attorney prosecutes petty misdemeanors, misdemeanors, gross misdemeanor DWIs and gross misdemeanor traffic violations for the City of Marshall. This requires meeting with officers, answering questions, drafting Complaints, facilitating settlement offers, communicating with defense attorneys, attending Court and trying cases as needed and include, but are not limited to the following areas:

1. Prosecution of all petty misdemeanor, misdemeanor and statutorily delegated gross misdemeanor offenses committed within the corporate limits of the City. This includes all such cases initiated by any law enforcement agency and citizen complaints including but not limited to traffic violations, DWI cases, theft and City code violations.

2. Provide advice, consultation and training where required to the City's Police Department and to all other departments of the City in the interpretation and enforcement of statutes, ordinances and investigations of violations in connection with the prosecution of criminal cases.

3. Prepare criminal complaints where facts warrant and execute said complaints electronically thru the courts efilng system.

4. Evaluate all cases where a plea of not guilty is entered and prosecute where warranted.

5. Prepare appropriate pre-trial notices as required.

6. Seek such additional investigation as required.
7. Negotiate and enter plea bargains where deemed advisable.
8. Represent the City at all pre-trial motions.
9. Perform all legal research and prepare briefs when required.
10. Try all jury and court cases.
11. Examine, evaluate and provide representation for all appeals to Appellate Courts.

RETAINER – Please quote a retainer fee to be charged for criminal attorney services and the items noted herein that are to be covered by the retainer.

TERMS AND CONDITIONS

The City intends to award a contract to the respondent evaluated to be best qualified to perform the work for the City, based on the extent and quality of the firm's resources, cost, communication and presentation skills, compatibility and quality and extent of municipal representation experience.

Other performance factors may also be considered.

Based upon review of the submitted proposals a number of selected firms will be asked to interview with the City Council and staff.

The Mayor and designees will recommend to the City Council a firm to be retained.

The City of Marshall reserves the right to reject any and all proposals, to waive irregularities and informalities, to request additional information from all respondents, and further reserves the right to select the proposal which furthers the best interest of the City. The approval of the firm selected, and the contract award will be made by the City Council.

The City reserves the right to negotiate the final terms and conditions of the contract to be executed. Should the City and a consultant be unable to mutually agree upon the entire contract, the City reserves the right to discontinue negotiations, select another consultant or reject all of the statements of proposal.

Upon completion of negotiations agreeable to the City and the consultant, a contract shall be executed. Once a contract is awarded, the term of contract duration shall be subject to ongoing review and evaluation by the City Council and City Administrator.



MARSHALL

CITY OF MARSHALL

REQUEST FOR PROPOSALS (RFP)

ATTORNEY

LAND USE SERVICES

May 24, 2022

INTRODUCTION

The City Council of the City of Marshall invites interested law firms and individuals with a minimum of five years of municipal law experience to submit written proposals to provide City Attorney services to the City in the area of Land Use Services. The City Attorney will be selected by the City Council and will work closely with the City Administrator and other City staff.

BACKGROUND INFORMATION

The City of Marshall is located in Lyon County, Minnesota, and is home to approximately 14,000 residents. Marshall is a regional center in southwest Minnesota, and is the hub for medical care, retail, trade, education, employment, and business. The diverse economic base and strong foundation in agriculture has provided stability to the local economy. Recent studies illustrate a common labor and retail draw of approximately sixty (60) miles. Marshall's current population of 13,680 doubles its daytime population to 25,000+ according to employment estimates.

The City has been a municipal corporation since 1901 and is governed under a Home Rule Charter, adopted in 1969. The Charter provides for a Mayor and a six-member Council. Council members serve overlapping four-year terms and the Mayor serves a four-year term.

The City employs a compliment of 157 full-time, part-time, and paid-on-call employees and over 350 temporary/seasonal employees in its various departments.

Police protection is provided by a department consisting of 22 full-time officers; one full-time and two part-time community service officers; and two support personnel.

The City's Fire Department is authorized for 48 paid-on-call employees.

The City has its own Wastewater Treatment Facility ("WWTF"). The WWTF is currently permitted to treat 4.5 million gallons per day (mgd) with a carbonaceous biochemical oxygen demand ("CBOD") load of 11,972 pounds per day.

The Marshall Municipal Utilities (MMU) Commission provides electrical and water service to the City residents and businesses.

The City operates a municipal off-sale liquor store, which had \$6,725,560 (unaudited) in gross sales for 2021.

The City, through a Joint Powers Agreement with I.S.D. No. 413 (Marshall), delivers a comprehensive Community Services program for its residents. The program includes eight municipal parks totaling over 150 acres and includes trails, fishing ponds, picnic shelters, basketball and volleyball courts, an Aquatic Center, Red Baron Arena & Expo, Amateur Sports Complex, horseshoe pit, skateboard complex, band shell with summer weekly concerts, and the national award-winning American Legion Field.

Historically the City has retained a private firm or firms to provide City Attorney services. The City has also utilized additional firms to provide bond counsel service and to work with TIF-related development issues.

PROCESS

A City RFP Review Committee will review proposals and qualifications of submitting firms and if necessary, conduct interviews of all or a few of the firms. Upon the recommendation of the Mayor and consent of the City Council the firm will be appointed to provide City Attorney services-Land Use.

RFP Approved: May 24, 2022

Proposals Due: July 15, 2022

RFP Consideration by Council: August 23, 2022

Contract Effective Date: January 1, 2023

GENERAL INSTRUCTIONS

A. Responses must include complete information as described in this request. Six (6) copies shall be submitted by **3:00 p.m. on July 15, 2022 to City Clerk/City of Marshall 344 West Main Street, Marshall, MN 56258**

B. To ensure fairness and uniformity, firms submitting responses are requested to not contact City staff or the City Council. Questions about this RFP may be sent by e-mail to sharon.hanson@ci.marshall.mn.us prior to the submission deadline.

C. The City will not reimburse any expenses incurred by the firm submitting responses including, but not limited to, expenses associated with the preparation and submission of the response and attendance at interviews.

D. The City reserves the right to reject any and all proposals, to request additional information from any and all Proposers.

REQUIRED CONTENTS OF RESPONSE

A. Firm Background: 1. Brief history of firm 2. Number of attorneys, including number of partners and associates and areas of specialty 3. Support personnel: number and expertise 4. Office organization and support capabilities 5. Office location(s) 6. Current use of technology, especially capability for computerized legal research and for sharing and editing documents electronically. 7. Statement of any malpractice claims and/or ethics complaints taken against your firm or firm's attorney(s) over the last five years and the status or outcomes of such action. Indicate whether any action is pending or is currently under review by the State Ethics Board. 8. Describe malpractice insurance coverage: carrier, limits, and exemptions.

B. Attorney Qualifications:

1. Identify the specific attorney who will serve as the lead attorney and indicate the following:

- Academic training and degrees
- Description of background and experience
- Description of prior municipal experience including cities served in a similar capacity

- List of litigation in communities where designated attorney served as lead attorney and outcomes of litigation

2. Identify attorney who will serve in the lead attorney's absence, and provide information as requested in No. 1 above.

3. Identify other attorneys and support staff who will supply services for which the City will be charged.

4. Indicate current responsibilities of person designated to serve as lead attorney.

C. List of cities you currently represent and for what type of service.

D. List of cities you began representing in the last three years and cities you stopped representing in the last three years.

E. Names, telephone numbers, and contact person of at least five (5) client references, at least two (2) of which shall be cities.

F. Description of the firm's view of their responsibilities to the City in the provision of legal services.

G. Copy of Malpractice/liability Insurance Certificate in a minimum amount of \$1,000,000.

Conflict of Interest

1. Indicate whether designated lead attorneys or the law firm represent, or have represented, any client whose representation may conflict with your ability to provide legal services to the City.

2. Indicate whether designated lead attorneys or the law firm currently represent any real estate developers. If so, please identify those companies or persons in detail and provide a percentage breakdown of how much this work represents of your firm's total billings.

3. Indicate whether designated lead attorneys or the law firm currently represents any other local units of government having jurisdiction within, or contiguous to, the City of Marshall.

4. Identify what procedures your firm utilizes to identify and resolve conflicts of interest.

SCOPE OF GENERAL LEGAL SERVICES -LAND USE RELATED SERVICES

WORK PERFORMED UNDER THIS SCOPE IS SUBJECT TO PRIOR APPROVAL OF CITY ADMINISTRATOR AND ALL WORK IS ULTIMATELY SUPERVISED BY THE APPOINTED CITY ATTORNEY

Real Estate Sale and Acquisition

1. Review acquisition requirements with appropriate departments, evaluate any special legal or cost problems, develop acquisition timetables, make preliminary cost estimates and obtain or develop proper legal descriptions.

2. Examine title to each parcel as requested by the City Administrator.

3. Prepare documents necessary for routine land purchases and/or sales. All such transactions shall be deemed to be routine unless the Attorney contacts the City in advance and obtains the City's approval that the transaction contemplated is non-routine. Any such non-routine transactions shall be billed at the previously agreed to hourly contract rate.

Zoning

4. Provide legal advice to staff, City Administrator, Planning Commission and City Council regarding zoning code matters.
5. Represent the City in matters related to the enforcement of city building, subdivision, and zoning codes.
6. Represent the City in litigation on zoning matters; i.e. rezoning, variances, special permits, subdivisions.

Public Improvements

6. Represent the City in the acquisition of properties for public improvements, easements, parks and the like as needed.
7. Perform all legal work in connection with financing, not usually performed by the fiscal consultant or bond counsel.
8. Receive and evaluate all assessment appeals and try cases in District Court or recommend amendments to assessment if warranted.
9. Handle all legal matters under construction contracts and any resulting litigation. Land Acquisition and Sale
10. Represent the City in condemnation proceedings for public improvement projects, etc.
11. Initiate annexation proceedings at the direction of the City and follow through with all necessary documentation and presentation to the State Boundary Adjustments Division.

FEES

Please quote a retainer fee to be charged for attorney services and the items noted herein that are to be covered by the retainer.

Also state separately the rate for any other cost items proposed to be itemized and billed (i.e. photocopying, Westlaw, or Lexis fees, overhead factor, etc.).

Clearly note any "retainer" items listed above that your firm would not provide as part of the retainer duties and prefer to bill on an hourly basis. Please be specific.

For the hourly fees portion of your proposal, please identify the hourly rate of each attorney and support personnel. Identify the minimum increment of time billed for each service, e.g. phone calls, correspondence, personal conference, etc..

TERMS AND CONDITIONS

The City intends to award a contract to the respondent evaluated to be best qualified to perform the work for the City, based on the extent and quality of the firm's resources, cost, communication and presentation skills, compatibility and quality and extent of municipal representation experience.

Other performance factors may also be considered.

Based upon review of the submitted proposals a number of selected firms may be asked to interview with the City Council and staff.

The Mayor and designees will recommend to the City Council a firm to be retained.

The City of Marshall reserves the right to reject any and all proposals, to waive irregularities and informalities, to request additional information from all respondents, and further reserves the right to select the proposal which furthers the best interest of the City. The approval of the firm selected, and the contract award will be made by the City Council.

The City reserves the right to negotiate the final terms and conditions of the contract to be executed. Should the City and a consultant be unable to mutually agree upon the entire contract, the City reserves the right to discontinue negotiations, select another consultant or reject all of the statements of proposal.

Upon completion of negotiations agreeable to the City and the consultant, a contract shall be executed. Once a contract is awarded, the term of contract duration shall be subject to ongoing review and evaluation by the City Council and City Administrator.

Meeting Date:	Tuesday, May 24, 2022
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Proposed 2023 budget timeline
Background Information:	<p>Director of Administrative Services has reviewed budget timelines used in recent years and requests discussion about setting additional proposed dates and times for work sessions and special meetings relating to the 2023 budget.</p> <p>The proposed dates and times include:</p> <ul style="list-style-type: none"> - July 26 at 4:00 pm – work session - August 16 at 4:30 – work session / special meeting - October 11 at 4:00 pm – work session - November 22 at or after 7:00 pm – work session - December 6 at 6:00 pm – special meeting
Fiscal Impact:	
Alternative/ Variations:	
Recommendations:	After discussion of the proposed 2023 budget timeline, consider ratifying or setting proposed work session or special meeting dates.

City of Marshall

2023 Budget Timeline – Impact to Council

July

26 (Tuesday) at 4:00 pm - Council Work Session

- *Community Organization Requests*

Red = proposed work session or special meeting

Blue = informational detail, not part of the proposed schedule

August

16 (Tuesday) at 4:30 pm - Council Work Session / Special Meeting

- *Capital requests (all funds)*
- *Operating budgets*
- *Presentation on preliminary tax base changes*

September

13 (Tuesday) - Council adopts preliminary 2023 budget and levy and sets public meeting date, time and location for truth in taxation

- Council adopts 2023 fee schedule - (to MMU by Oct 1st for mailing)

30 (Friday) - Deadline to certify preliminary tax levy for payable 2023 & budget to the county auditor; must also set truth-in-taxation [TNT] meeting date, time and location (meeting is required to be held at 6:00 pm or later)

October

11 (Tuesday) at 4:00 pm - Council Work Session - Health and Dental Insurance

25 (Tuesday) - Regular Council Meeting - Adoption of Health and Dental Insurance Rates

November

22 (Tuesday) at or after 7:00 pm - Council Work Session - proposed budgets and levy

25 (Friday) - First day cities with a population over 500 may hold the meeting to allow public input on the final budget and tax levy. The adoption meeting must be held at/ or after 6 p.m. The public must be allowed to speak at the meeting before adoption of the final budget.

December

6 (Tuesday) at 6:00 pm - Special Council Meeting - Public input at the truth-in-taxation (TNT) meeting before final budget adoption can occur - cannot be held before 6:00 pm

13 (Tuesday) - Council adopts final budgets and levy

28 (Wednesday) - The final payable 2023 property tax levy must be certified to the county auditor no later than December 28 and after the public input meeting. Local tax levies must be certified by the city to the county auditor “on or before five working days after December 20 in each year.”

Meeting Date:	Tuesday, May 24, 2022
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Consider Appointments to the Various Boards, Commissions, Bureaus and Authorities.
Background Information:	<p>The City of Marshall has various openings on the Boards, Commission, Bureaus and Authorities.</p> <p>Diversity, Equity, and Inclusion Commission: Joyce Tofte (5/31/25) Michele Knife Sterner (5/31/25)</p> <p>Economic Development Authority: Lucas Tietz (5/31/28)</p> <p>Planning Commission: Amanda Schroeder (5/31/2025) Cathy Lee (5/31/2025) Larry Doom, Expired Term, (5/31/2023)</p>
Fiscal Impact:	
Alternative/ Variations:	
Recommendations:	To approve the appointments to the various boards, commissions, bureaus, and authorities.

City of Marshall Boards and Commissions

Adult Community Center Commission	Incumbent	New Applicants
(1) expired term to expire 5/31/22 (1) expired term to expire 5/31/23		

Airport Commission	Incumbent	New Applicants
(2) expired terms to expire 5/31/22 (2) unexpired terms to expire 5/31/25		

Cable Commission	Incumbent	New Applicants
(2) expired terms to expire 5/31/22 (1) expired terms to expire 5/31/23 (1) unexpired term to expire 5/31/24		

Community Services Advisory Board	Incumbent	New Applicants
(1) expired term to expire 2/28/23 (Student) (2) unexpired terms to expire 2/28/25		

Diversity, Equity, and Inclusion Commission	Incumbent	New Applicants
(4) unexpired term to expire 05/31/25	Joyce Tofte (5/31/25) Michele Knife Sternner (5/31/25)	

Economic Development Authority	Incumbent	New Applicants
(1) unexpired term to expire 5/31/28		Lucas Tietz (5/31/28)

MERIT Center Commission	Incumbent	New Applicants
(1) expired term to expire 12/31/23		

Planning Commission	Incumbent	New Applicants
(2) expired terms to expire 5/31/23 (1) unexpired terms to expire 5/31/24 (2) unexpired terms to expire 5/31/25	Amanda Schroeder (5/31/2025) Cathy Lee (5/31/2025)	Larry Doom Expired Term, (5/31/2023)

Police Advisory Board	Incumbent	New Applicants
(1) unexpired term to expire 5/31/24		

MARSHALL-LYON COUNTY LIBRARY
REGULAR BOARD MEETING MINUTES
APRIL 11TH, 2022

Board Members Present: Linda Baun, Paula Botsford, Russ Labat, Paul Graupmann, Eric DeGroot, Michael Murray, and Saara Raappana. Absent: Ruth Bot and Anne Marie Vorbach. Staff Present: Director Michele A. Leininger, Christine DeGroot, and Paula Nemes. Others Present:

Called to order at 4:00 p.m. by L. Baun, President.

Pledge of Allegiance.

Motion made by P. Botsford, seconded by M. Murray to adopt the agenda as presented. Roll Call Vote: Yes- L. Baun, P. Botsford, R. Labat, P. Graupmann, E. DeGroot, M. Murray, and S. Raappana. No: None. The motion passed unanimously.

Motion made by R. Labat, seconded by M. Murray to adopt the Consent Agenda. Roll Call Vote: Yes- L. Baun, P. Botsford, R. Labat, P. Graupmann, E. DeGroot, M. Murray, and S. Raappana. No: None. The motion passed unanimously.

Old Business:

2021 Reserve Fund Balance: Motion made by E. DeGroot, seconded by P. Graupmann to accept the 2021 Reserve Fund Balance. Roll Call Vote: Yes- L. Baun, P. Botsford, R. Labat, P. Graupmann, E. DeGroot, M. Murray, and S. Raappana. No: None. The motion passed unanimously.

Classification & Compensation Study: Director Leininger distributed two handouts showing what it would cost if the Classification & Compensation Study was passed effective July 5th. We are still waiting on the appeal for the Customer Care position category. Our Adult Services Librarian has decided not to return after her maternity leave. We are assessing the duties of that position. Several options were presented to fill this position. R. Labat was wondering how the Library staff compares to other Libraries in the study. Specifically, the total number of employees at the Libraries and in each position.

From Memorial Day to Labor Day, the Library will be open from 9:00 AM – 2:00 PM on Saturdays this summer.

New Business:

Policy Review:

By-Laws / Policy Review Policy 101: This was tabled.

Records Retention Policy 105: Motion made by P. Graupmann, seconded by S. Raappana to adopt the new Records Retention Policy with the updated date. Roll Call Vote: Yes- L. Baun, P. Botsford, R. Labat, P. Graupmann, E. DeGroot, M. Murray, and S. Raappana. No: None. The motion passed unanimously.

Business Credit Card Policy 202: Motion made by R. Labat, seconded by S. Raappana to approve the Business Credit Card Policy with noted changes. Roll Call Vote: Yes- L. Baun, P. Botsford

R. Labat, P. Graupmann, E. DeGroot, M. Murray, and S. Raappana. No: None. The motion passed unanimously.

2021 State Annual Report: Motion made by E. DeGroot, seconded by P. Botsford to approve the 2021 State Annual Report. Roll Call Vote: Yes- L. Baun, P. Botsford, R. Labat, P. Graupmann, E. DeGroot, M. Murray, and S. Raappana. No: None. The motion passed unanimously.

Reports:

Director's Report – A rising number of families are back in the Children's Department. There has also been an increase in the usage of the meeting rooms and study rooms. There was an update on the Strategic Plan. The Book Bike has been ordered. We are in the process of setting up genealogy classes at the Library. We are looking to partner with different local organizations for topics on our wellness kiosk. The Lyon County Museum is doing a couple of displays at the Library for the 150th Anniversary of Marshall.

The Marshall Youth Sports & Activities Expo was last weekend and the Library had a booth there. We are getting things ready for the children and adult Summer Reading Programs. We are in the process of hiring a new Customer Care position.

There had been an incident involving R. Duffy in the Cottonwood Library. This is his third offense. He has previously been banned for one year for each of the previous incidents. The situation was discussed. Motion made by P. Graupmann, seconded by S. Raappana to ban R. Duffy permanently from the Marshall, Cottonwood, and Balaton Libraries. Roll Call Vote: Yes- L. Baun, P. Botsford, R. Labat, P. Graupmann, E. DeGroot, M. Murray, and S. Raappana. No: None. The motion passed unanimously.

Board President Report: None.

Friends: They had their Book Sale March 31st thru April 2nd. This was their best book sale in this Library. The Eagle Scout who will be doing the story walk should be done with his project by the end of August.

Board Committees: None.

Plum Creek: They are still working on approving Legacy Projects.

L. Baun adjourned the meeting at 5:45 p.m.

Respectfully Submitted,
Christine DeGroot

**PUBLIC HOUSING COMMISSION
OF THE CITY OF MARSHALL
PARKVIEW APARTMENTS**

Minutes of the Meeting of
March 14, 2022

Meeting called to Order: 3:30 P.M. by Chair Reilly.
Members Present: Farrell, Reilly, Knutson, Knobon,
Sailor, Rickgarn.

MOTION by Knutson, seconded by Sailor, to approve the minutes of the February 14th, 2021 meeting. All voted in favor, Motion passed.

REPORTS:

Four Month Operating Statement for FYE 22 was reviewed by the Board. Motion by Reilly, second by Rickgarn to approve the monthly report. All voted in Favor, Motion passed to approve the report. Chair signed report.

Account Receivable/Payable: One month of reports were reviewed; several items were pointed out and discussed to the Board by the Director, including checks from # 020581 to # 020622 in the amount of \$ 76,660.85 Motion by Knutson, second by Knobon, to approve the report. All voted in Favor, Motion Passed.

Occupancy Report: Currently working with several applicants for Parkview, and Family Units. Detailed Maintenance report included.

CFP-2021. Signed contract with Dunnicks for Parkview parking lot and sewer line replacement.

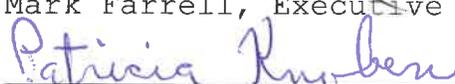
New Business:

- A. Washer /Dryer Update-payment.
- B. Review Letter from Eric at Studio E on Parkview Tile.
- C. Motion by Knobon, second by Reilly, Award lawn contract to Teig's Lawn for 2022 Lawn Season. All voted in favor, motion passed.
- D. Motion by Knobon, second by Knutson, to Approve Resolution # 22-4, CFP Grant 2022. All voted in Favor, Motion passed.
- E. Motion by Rickgarn, second by Knobon, to Approve Resolution # 22-05, CFP Five Year Action Plan. All voted in favor, motion passed.
- F. Motion by Rickgarn, second by Knutson to Approve Resolution # 22-06, Civil Rights Certification. All voted in Favor, Motion passed.
- G. Motion by Sailor, second by Knutson, to Approve Resolution # 22-07, Employee Wage Increase form Gallagher Firm. All voted in favor, Motion passed.
- H. Motion by Rickgarn, second by Knutson, to Approve Resolution # 22-08, Certification of Compliance with PHA plan, All voted in favor, Motion passed.

Next Meeting: April 11th 2021 3:30 p.m. Community Room.

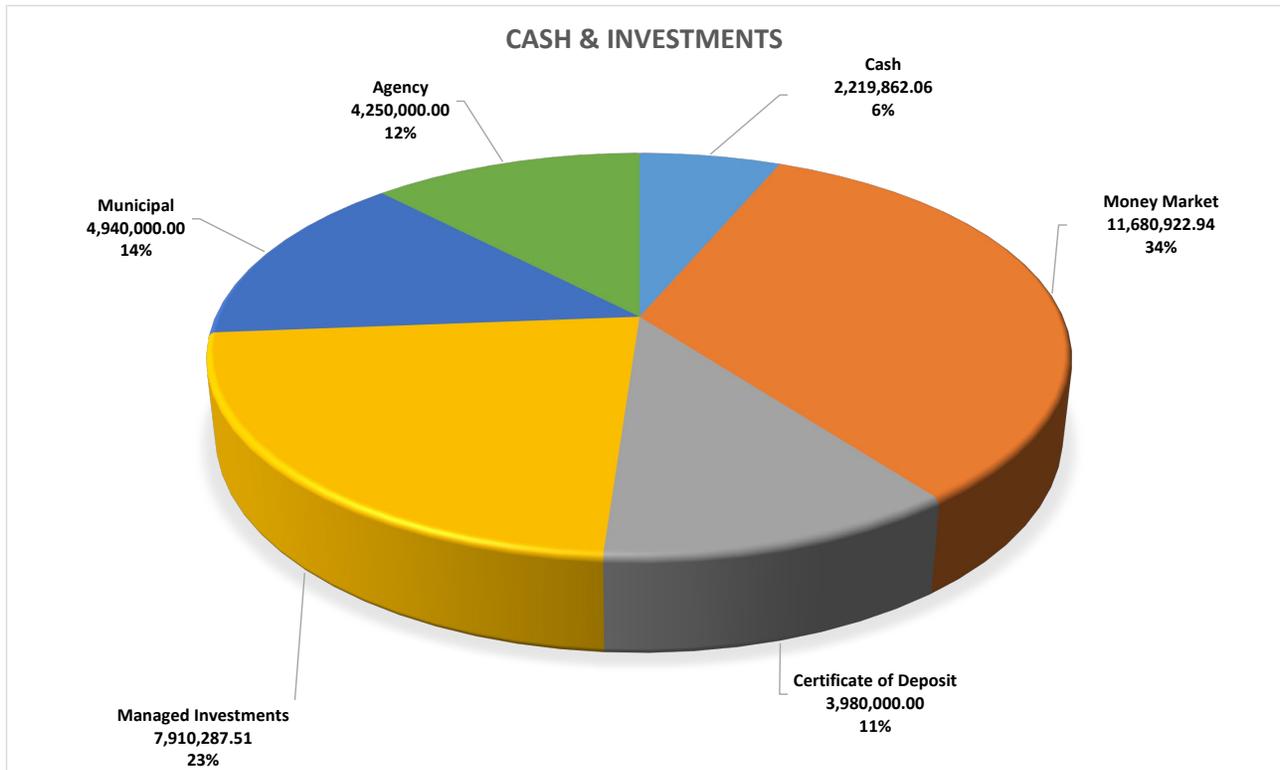
Chairperson Reilly Declared the meeting adjourned at 4:37 p.m.


Mark Farrell, Executive Director


Patricia Knobon
Board Member

**City of Marshall, Minnesota
Cash & Investments
4/30/2022**

	<u>Par</u>	<u>Rate</u>
CASH & INVESTMENTS:		
Checking - Bremer	2,219,862.06	0.00%
Money Market - Bremer	6,495,435.31	0.02%
Money Market - Bank of the West	3,386,139.59	0.10%
Money Market - US Bank	33,426.13	0.22%
Money Market - US Bank (ARP Funds)	737,117.43	0.22%
Money Market - Wells Fargo	1,028,804.48	0.34%
Certificate of Deposit - Bremer	1,000,000.00	0.40%
Certificate of Deposit - Bremer	1,000,000.00	0.40%
Certificate of Deposit - Bremer	1,000,000.00	0.40%
Certificate of Deposit - Wells Fargo	245,000.00	1.80%
Certificate of Deposit - Wells Fargo	245,000.00	1.10%
Investment Portfolio - General Fund	2,652,103.06	
Investment Portfolio - WW/SW Capital Reserve	3,290,405.32	
Investment Portfolio - Endowment Fund	1,967,779.13	
Municipal - US Bank	4,940,000.00	0.30% Average
Certificate of Deposit - US Bank	245,000.00	0.60%
Certificate of Deposit - US Bank	245,000.00	0.60%
Agency - US Bank	4,250,000.00	0.24% Average
TOTAL CASH & INVESTMENTS	<u><u>34,981,072.51</u></u>	





BUILDING PERMIT LIST
May 24, 2022

APPLICANT	LOCATION ADDRESS	DESCRIPTION OF WORK	VALUATION
MARSHALL COMMONS LLP	1005 4TH ST N	INTERIOR REMODEL	30,000.00
MARSHALL COMMONS LLP	1003 - 4TH ST N	INTERIOR REMODEL	30,000.00
MARSHALL COMMONS LLP	1007 4TH ST N	INTERIOR REMODEL	30,000.00
MARSHALL COMMONS LLP	1009 4TH ST N	INTERIOR REMODEL	30,000.00
KELSEY AUSTIN, STEVEN LARSEN &	300 ROBERT ST	DECK	4,300.00
HOME DEPOT	601 HAWTHORN DR	DOORS	5,300.00
MIKE BUYSSE CONSTRUCTION, INC.	304 WHITNEY ST N	Windows	5,000.00
INDEPENDENT LUMBER OF MARSHALL, INC	800 VIKING DR	DECK	16,000.00
Regnier Electric	310 HILL ST S	HVAC	6,500.00
Regnier Electric	807 ELAINE AVE	HVAC	3,200.00
NANCY J GERBER TRUST AGREEMENT, DAVID ,	1105 SKYLINE DR	DECK	15,000.00
MINNESOTA CABINETS, INC.	308 MARSHALL ST E	Windows	1,500.00
LEON, MARIA E	1419 COLLEGE DR E	RE-ROOFING	25,500.00
HAPTONSTALL, DERON & JOELLE	1113 SKYLINE DR	DECK	2,000.00
GESKE HOME IMPROVEMENT CO.	1204 WESTWOOD DR	Windows	2,800.00
RICK SLAGEL CONSTRUCTION INC	633 SOUCY DR	RE-SIDING	10,000.00

2022 Regular Council Meeting Dates

2nd and 4th Tuesday of each month *(Unless otherwise noted)*

5:30 P.M.

City Hall, 344 West Main Street

January

1. January 11, 2022
2. January 25, 2022

February

1. February 08, 2022
2. February 22, 2022

March

1. March 08, 2022
2. March 22, 2022

April

1. April 12, 2022
2. April 26, 2022

May

1. May 10, 2022
2. May 24, 2022

June

1. June 14, 2022
2. June 28, 2022

July

1. July 12, 2022
2. July 26, 2022

August

1. August 08, 2022 *(Monday)*
2. August 23, 2022

September

1. September 13, 2022
2. September 27, 2022

October

1. October 11, 2022
2. October 25, 2022

November

1. November 07, 2022 *(Monday)*
2. November 22, 2022

December

1. December 13, 2022
2. December 27, 2022

2022 Uniform Election Dates

- February 08, 2022
- April 12, 2022
- May 10, 2022
- August 09, 2022
- November 08, 2022

204C.03 PUBLIC MEETINGS PROHIBITED ON ELECTION DAY.

Subdivision 1. School districts; counties; municipalities; special taxing districts. No special taxing district governing body, school board, county board of commissioners, city council, or town board of supervisors shall conduct a meeting between 6:00 p.m. and 8:00 p.m. on the day that an election is held within the boundaries of the special taxing district, school district, county, city, or town. As used in this subdivision, "special taxing district" has the meaning given in section 275.066.



Upcoming Meetings

May

- 05/24 Board Interviews, 4:30 PM, City Hall
 - 05/24 Regular Meeting, 5:30 PM, City Hall
-

June

- 06/14 Board Interviews, 4:30 PM, City Hall
 - 06/14 Regular Meeting, 5:30 PM, City Hall
 - 06/28 Regular Meeting, 5:30 PM, City Hall
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July

- 07/12 Regular Meeting, 5:30 PM, City Hall
- 07/26 Regular Meeting, 5:30 PM, City Hall