

## STATE OF MINNESOTA

## NINETY-SECOND SESSION — 2021

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 FORTY-FIFTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 22, 2021

The House of Representatives convened at 11:30 a.m. and was called to order by Dan Wolgamott, Speaker pro tempore.

Prayer was offered by the Reverend Rick King, Falcon Heights United Church of Christ, Falcon Heights, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Acomb	Davnie	Hansen, R.	Lee	Nelson, N.	Schomacker
Agbaje	Demuth	Hanson, J.	Liebling	Neu Brindley	Schultz
Akland	Dettmer	Hassan	Lillie	Noor	Scott
Albright	Drazkowski	Hausman	Lippert	Novotny	Stephenson
Anderson	Ecklund	Heinrich	Lislegard	O'Driscoll	Sundin
Backer	Edelson	Heintzeman	Long	Olson, B.	Swedzinski
Bahner	Elkins	Her	Lucero	Olson, L.	Theis
Bahr	Erickson	Hertaus	Lueck	O'Neill	Torkelson
Baker	Feist	Hollins	Mariani	Pelowski	Urdahl
Becker-Finn	Fischer	Hornstein	Marquart	Petersburg	Vang
Bennett	Franke	Howard	Masin	Pfarr	Wazlawik
Berg	Franson	Huot	McDonald	Pierson	West
Bernardy	Frazier	Igo	Mekeland	Pinto	Winkler
Bierman	Frederick	Johnson	Miller	Poston	Wolgamott
Bliss	Freiberg	Jordan	Moller	Pryor	Xiong, J.
Boe	Garofalo	Jurgens	Moran	Quam	Xiong, T.
Boldon	Gomez	Keeler	Morrison	Raleigh	Youakim
Burkel	Green	Kiel	Mortensen	Rasmusson	Spk. Hortman
Carlson	Greenman	Klevorn	Mueller	Reyer	
Christensen	Grossell	Koegel	Munson	Richardson	
Daniels	Gruenhagen	Kotyza-Witthuhn	Murphy	Robbins	
Daudt	Haley	Koznick	Nash	Sandell	
Davids	Hamilton	Kresha	Nelson, M.	Sandstede	

A quorum was present.

Thompson was excused until 3:05 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

**REPORTS OF CHIEF CLERK**

S. F. No. 193 and H. F. No. 269, which had been referred to the Chief Clerk for comparison, were examined and found to be not identical.

Morrison moved that S. F. No. 193 be substituted for H. F. No. 269 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 443 and H. F. No. 331, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Edelson moved that S. F. No. 443 be substituted for H. F. No. 331 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1807 and H. F. No. 2245, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Hollins moved that S. F. No. 1807 be substituted for H. F. No. 2245 and that the House File be indefinitely postponed. The motion prevailed.

**SECOND READING OF SENATE BILLS**

S. F. Nos. 193, 443 and 1807 were read for the second time.

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House File was introduced:

Franson introduced:

H. F. No. 2563, A bill for an act relating to liquor; authorizing an on-sale license in Alexandria.

The bill was read for the first time and referred to the Committee on Commerce Finance and Policy.

**MESSAGES FROM THE SENATE**

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1077, A bill for an act relating to housing; establishing a budget for the Minnesota Housing Finance Agency; adopting housing finance agency policy provisions; expanding eligibility requirements for certain affordable housing, workforce housing, and disaster recovery programs; increasing the agency debt limit; increasing the individual and family household income limits under the community land trusts program; expanding requirements and uses and loan amount under the rehabilitation loan program; expanding allowable uses of housing infrastructure bonds; refunding certain deposits to bond issuers; creating the lead safe homes grant program; creating the Naturally Occurring Affordable Housing grant program; establishing a task force on shelter resident rights and shelter provider practices; expanding rental lease covenants and remedies available to tenants; expanding accommodation requirements for service and support animals; expanding procedural and reporting requirements for evictions; limiting public access to pending eviction actions; expanding eligibility for certain expungements of eviction case files; permitting manufactured homes affixed to certain property to be deemed an improvement to real property; providing residents an opportunity to purchase manufactured home parks; making technical and conforming changes; appropriating money; amending Minnesota Statutes 2020, sections 12A.09, subdivision 3; 256C.02; 273.11, subdivision 12; 273.125, subdivision 8; 363A.09, subdivision 5; 462A.05, subdivisions 14, 14a, by adding a subdivision; 462A.07, subdivision 2; 462A.204, subdivision 3; 462A.22, subdivision 1; 462A.30, subdivision 9; 462A.37, subdivisions 1, 2; 462A.38, subdivision 1; 462A.39, subdivisions 2, 5; 474A.21; 484.014, subdivisions 2, 3; 504B.001, subdivision 4; 504B.135; 504B.161, subdivision 1; 504B.211, subdivisions 2, 6; 504B.241, subdivision 4; 504B.245; 504B.321; 504B.331; 504B.335; 504B.345, subdivision 1, by adding a subdivision; 504B.361, subdivision 1; 504B.371, subdivisions 4, 5, 7; 504B.375, subdivision 1; 504B.381, subdivisions 1, 5, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 168A; 327C; 462A; 504B; repealing Minnesota Statutes 2020, sections 168A.141; 327C.096; 504B.341.

The Senate has appointed as such committee:

Senators Draheim, Duckworth, Dahms, Pratt and Dziedzic.

Said House File is herewith returned to the House.

CAL R. LUDEMAN, Secretary of the Senate

Madam Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 972, A bill for an act relating to commerce and energy; appropriating money for the Department of Commerce; modifying the evaluation process for mandated health benefit proposals; requiring the commissioner of commerce to apply for continuation of the state innovation waiver; establishing a revolving loan fund for energy conservation improvements in state buildings; establishing the Minnesota efficient technology accelerator; authorizing a power purchase agreement for certain electric cogeneration activities; encouraging natural gas utilities to develop innovative resources; establishing a program to provide financial incentives for the production of wood pellets; extending provision to assess for certain regulatory duties; abolishing prohibition on issuing certificate of need for new nuclear power plant; establishing a program to promote the use of solar energy on school buildings; establishing a process to compensate businesses for loss of business opportunity resulting from sale and closure of a biomass energy plant; authorizing a local exchange carrier to elect competitive market regulation under certain conditions; appropriating money; requiring reports; amending Minnesota Statutes 2020, sections 16B.86; 16B.87; 62J.03, subdivision 4; 62J.26, subdivisions 1, 2, 3, 4, 5; 116C.779, subdivision 1; 116C.7792; 216B.1691, subdivision 2f; 216B.241, by adding a subdivision; 216B.2422, by adding a subdivision; 216B.2424, by adding subdivisions; 216B.243, subdivision 3b; 216B.62, subdivision 3b; 237.025, subdivisions 6, 9; Laws 2017, chapter 13, article 1, section 15, as amended; proposing coding for new law in Minnesota Statutes, chapters 216B; 216C; repealing Minnesota Statutes 2020, sections 115C.13; 216C.417; Laws 2005, chapter 97, article 10, section 3, as amended.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Dahms, Senjem, Utke, Mathews and Frenz.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

CAL R. LUDEMAN, Secretary of the Senate

Winkler moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 972. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 151.

CAL R. LUDEMAN, Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 151, A bill for an act relating to the State Lottery; providing for second chance drawings; classifying certain lottery prize winner data; amending Minnesota Statutes 2020, sections 349A.01, by adding a subdivision; 349A.08, subdivision 9.

The bill was read for the first time.

Kotzya-Witthuhn moved that S. F. No. 151 and H. F. No. 832, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

### **REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION**

Winkler from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bill to be placed on the Calendar for the Day for Monday, April 26, 2021 and established a prefiling requirement for amendments offered to the following bill:

H. F. No. 2128.

### **MOTIONS AND RESOLUTIONS**

#### **TAKEN FROM TABLE**

Winkler moved that S. F. No. 958 be taken from the table. The motion prevailed.



(b) \$175,000 the first year and \$175,000 the second year are for compensation for destroyed or crippled livestock under Minnesota Statutes, section 3.737. The first year appropriation may be spent to compensate for livestock that were destroyed or crippled during fiscal year 2021. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$5,000 each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If the commissioner receives federal dollars to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to reimburse nonlethal prevention methods performed by federal wildlife services staff.

(c) \$155,000 the first year and \$155,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$10,000 of the appropriation each year to reimburse expenses incurred by the commissioner or the commissioner's approved agent to investigate and resolve claims as well as for costs associated with training for approved agents. The commissioner may use up to \$20,000 of the appropriation each year to make grants to producers for measures to protect stored crops from elk damage.

If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program.

(d) \$225,000 the first year and \$225,000 the second year are for additional funding for the noxious weed and invasive plant program.

(e) \$50,000 the first year is for additional funding for the industrial hemp program for IT development. This is a onetime appropriation and is available until June 30, 2023.

(f) \$110,000 the first year and \$110,000 the second year are for additional funding for meat and poultry inspection services.

(g) \$66,000 the first year and \$66,000 the second year are for additional funding to replace capital equipment in the Department of Agriculture's analytical laboratory.

(h) \$500,000 the first year is to establish a climate smart farm endorsement for the Minnesota Agricultural Water Quality Certification Program that incentivizes and quantifies climate-supportive farming practices. This is a onetime appropriation and is available until June 30, 2026.

(i) \$274,000 the first year and \$550,000 the second year are to maintain the current level of service delivery.

**Subd. 3. Agricultural Marketing and Development**

4,510,000

4,415,000

(a) \$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2023, for Minnesota grown grants in this paragraph are available until June 30, 2025.

(b) \$100,000 the first year is to expand international marketing opportunities for farmers and value-added processors, including in-market representation in Taiwan. This is a onetime appropriation and is available until June 30, 2023.

(c) \$634,000 the first year and \$634,000 the second year are for continuation of the dairy development and profitability enhancement programs including dairy profitability teams and dairy business planning grants. The dairy profitability enhancement teams shall provide one-on-one assistance to all sizes of dairy farms to enhance the financial success and long-term sustainability of dairy farms in the state. The teams may consist of farm business management instructors, dairy extension specialists, and other dairy industry partners to deliver the informational and technical assistance. Activities of the dairy teams must be spread throughout the dairy producing regions of the state. The commissioner must make grants to regional or statewide organizations qualified to manage the various components of the teams. Each regional or statewide organization must designate a coordinator responsible for overseeing the program and making required reports to the commissioner. Dairy development and profitability enhancement teams are encouraged to engage in activities including but not limited to comprehensive financial analysis, risk management education, enhanced milk marketing tools and technologies, and production systems including rotational grazing and other sustainable agriculture methods. The regional and statewide organizations that deliver the dairy development and profitability enhancement program must submit periodic reports to the commissioner on the aggregate changes in producer financial stability, productivity, product quality, animal health, environmental protection, and other performance measures attributable to the program in a format that maintains the confidentiality of business information related to any single dairy producer.

The commissioner may award dairy planning grants of up to \$5,000 per producer to develop comprehensive business plans. Grants must not be used for capital improvements.

The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state, in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a detailed accomplishment report and a work plan detailing future plans for, and anticipated accomplishments from, expenditures under this program to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs and ranking minority members.

(d) \$50,000 the first year and \$50,000 the second year are for additional funding for mental health outreach and support to farmers and others in the agricultural community, including a 24-hour hotline, stigma reduction, and educational offerings. These are onetime appropriations.

(e) \$100,000 the first year and \$50,000 the second year are for a pilot project creating farmland access teams to provide technical assistance to potential beginning farmers. The farmland access teams must assist existing farmers and beginning farmers on transitioning farm ownership and operation. Teams may include but are not limited to providing mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance. Of this amount, up to \$50,000 the first year may be used to upgrade the Minnesota FarmLink web application that connects farmers looking for land with farmers looking to transition their land. These are onetime appropriations.

(f) \$10,000 the first year and \$10,000 the second year are for transfer to the emerging farmer account under Minnesota Statutes, section 17.055, subdivision 1a.

(g) \$150,000 the first year and \$150,000 the second year are to establish an emerging farmer office and hire a full-time emerging farmer outreach coordinator. The emerging farmer outreach coordinator must engage and support emerging farmers regarding resources and opportunities available throughout the Department of Agriculture and the state. For purposes of this paragraph, "emerging farmer" has the meaning provided in Minnesota Statutes, section 17.055, subdivision 1. Of the amount appropriated each year, \$25,000 is for translation services.

(h) \$100,000 the first year and \$100,000 the second year are for the farm safety grant and outreach programs under Minnesota Statutes, section 17.1195. These are onetime appropriations.

(i) \$54,000 the first year and \$109,000 the second year are to maintain the current level of service delivery.

(j) The commissioner may use funds appropriated in this subdivision for annual cost-share payments to resident farmers or entities that sell, process, or package agricultural products in this state for the costs of organic certification. The commissioner may allocate these funds for assistance to persons transitioning from conventional to organic agriculture.

**Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement**

26,904,000

26,917,000

(a) \$9,300,000 the first year and \$9,300,000 the second year are for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3. Of these amounts: at least \$600,000 the first year and \$600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response under Minnesota Statutes, section 41A.14, subdivision 1, clause (2); \$2,000,000 the first year and \$2,000,000 the second year are for grants to the Minnesota Agriculture Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants; \$350,000 the first year and \$350,000 the second year are for potato breeding; and \$450,000 the first year and \$450,000 the second year are for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder. The commissioner shall transfer the remaining funds in this appropriation each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. Of the amount transferred to the Board of Regents, up to \$1,000,000 each year is for research on avian influenza, salmonella, and other turkey-related diseases.

To the extent practicable, money expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.

(b) \$15,589,000 the first year and \$15,588,000 the second year are for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate the appropriation each year among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; providing funding not to exceed \$800,000 each year to develop and enhance farm-to-school markets for Minnesota farmers by providing more fruits, vegetables, meat, grain, and dairy for Minnesota children in school and child care settings including, at the commissioner's discretion, reimbursing schools for purchases from local farmers; assisting

value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems; providing funding not to exceed \$600,000 each year for urban youth agricultural education or urban agriculture community development; providing funding not to exceed \$600,000 each year for the good food access program under Minnesota Statutes, section 17.1017; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the first year and \$1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$4,000,000 the first year and \$4,000,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, and 41A.18. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2023, and the second year appropriation is available until June 30, 2024. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for the agricultural growth, research, and innovation program. The base amount for the allocation under this clause is \$4,000,000 in fiscal year 2024 and later; and

(3) up to \$1,000,000 the first year is for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities.

Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year, and appropriations encumbered under contract on or before June 30, 2023, for agricultural growth, research, and innovation grants are available until June 30, 2026.

The base amount for the agricultural growth, research, and innovation program is \$15,584,000 in fiscal year 2024 and \$15,584,000 in fiscal year 2025, and includes funding for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, and 41A.18.

(c) \$2,000,000 the first year and \$2,000,000 the second year are for a biofuels infrastructure financial assistance program. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract for grants on or before June 30, 2023, are available until June 30, 2027. Of this amount, \$100,000 each year is for the administration of the biofuels infrastructure financial assistance program.

(d) \$15,000 the first year and \$29,000 the second year are to maintain the current level of service delivery.

(e) No later than February 1, 2023, the commissioner must report equity data and outcomes for the agriculture research, education, extension, and technology transfer program and the agricultural growth, research, and innovation program to the legislative committees with jurisdiction over agriculture finance.

**Subd. 5. Administration and Financial Assistance**

9,414,000

9,403,000

(a) \$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) \$287,000 the first year and \$287,000 the second year are for farm advocate services.

(c) \$238,000 the first year and \$238,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for statewide mental health counseling support to farm families and business operators through the Minnesota State Agricultural Centers of Excellence. South Central College and Central Lakes College shall serve as the fiscal agents.

(d) \$1,650,000 the first year and \$1,650,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the following:

(1) to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses;

(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and

(3) to purchase and distribute protein products, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. Protein products purchased under the grants must be acquired from Minnesota processors and producers.

Of the amount appropriated under this paragraph, at least \$600,000 each year must be allocated under clause (1). Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available in the second year. Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the organizations to which this food was distributed.

(e) \$250,000 the first year and \$250,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

(f) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

(g) \$1,000,000 the first year and \$1,000,000 the second year are for transfer to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest loans under Minnesota Statutes, section 17.117. These are onetime transfers.

(h) \$150,000 the first year and \$150,000 the second year are for grants to the Center for Rural Policy and Development. These are onetime appropriations.

(i) \$47,000 the first year and \$47,000 the second year are for grants to the Northern Crops Institute that may be used to purchase equipment. These are onetime appropriations.

(j) \$75,000 the first year and \$75,000 the second year are for grants to the Minnesota Turf Seed Council for basic and applied research on: (1) the improved production of forage and turf seed related to new and improved varieties; and (2) native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied research. Any unencumbered balance does not cancel at the end of the first year and is available for the second year. These are onetime appropriations.

(k) \$1,000 the first year and \$1,000 the second year are for grants to the Minnesota State Poultry Association. These are onetime appropriations.

(l) \$17,000 the first year and \$17,000 the second year are for grants to the Minnesota State Horticultural Society. These are onetime appropriations.

(m) \$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Livestock Breeders Association. These are onetime appropriations.

(n) \$325,000 the first year and \$325,000 the second year are for transfer to the Minnesota Humanities Center for the healthy eating, here at home program under Minnesota Statutes, section 138.912. Participating nonprofit organizations may receive up to three percent of the amount transferred each year for program administration costs.

(o) \$75,000 the first year is for a grant to Greater Mankato Growth, Inc., for assistance to agriculture-related businesses to promote jobs, innovation, and synergy development. This is a onetime appropriation.

(p) \$25,000 the first year and \$25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

(q) \$222,000 the first year and \$286,000 the second year are to maintain the current level of service delivery.

Sec. 3. **BOARD OF ANIMAL HEALTH**

**\$5,980,000**

**\$6,081,000**

(a) \$200,000 the first year and \$200,000 the second year are for agricultural emergency preparedness and response.

(b) \$103,000 the first year and \$204,000 the second year are to maintain the current level of service delivery.

Sec. 4. **AGRICULTURAL UTILIZATION RESEARCH INSTITUTE**

**\$4,043,000**

**\$4,043,000**

\$150,000 the first year and \$150,000 the second year are for a meat scientist.

Sec. 5. **CANCELLATIONS.**

(a) \$916,553 of the fiscal year 2021 general fund appropriation for protection services under Laws 2019, First Special Session chapter 1, article 1, section 2, subdivision 2, is canceled.

(b) \$136,000 of the fiscal year 2021 general fund appropriation for agricultural marketing and development under Laws 2019, First Special Session chapter 1, article 1, section 2, subdivision 3, is canceled.

(c) \$120,000 of the fiscal year 2021 general fund appropriation for agriculture, bioenergy, and bioproduct advancement under Laws 2019, First Special Session chapter 1, article 1, section 2, subdivision 4, is canceled.

(d) \$157,500 of the fiscal year 2021 general fund appropriation for administration and financial assistance under Laws 2019, First Special Session chapter 1, article 1, section 2, subdivision 5, is canceled.

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

Sec. 6. **FEDERAL FUNDS REPLACEMENT; APPROPRIATION.**

Notwithstanding any law to the contrary, the commissioner of management and budget must determine whether the expenditures authorized under this act are eligible uses of federal funding received under the Coronavirus State Fiscal Recovery Fund or any other federal funds received by the state under the American Rescue Plan Act, Public Law 117-2. If the commissioner of management and budget determines an expenditure is eligible for funding under Public Law 117-2, the amount of the eligible expenditure is appropriated from the account or fund where those amounts have been deposited and the corresponding general fund amounts appropriated under this act are canceled to the general fund. No later than February 1, 2022, the commissioner of agriculture, in consultation with the commissioner of management and budget, must report all appropriations, cancellations, and expenditures under this section to the legislative committees with jurisdiction over agriculture finance.

ARTICLE 2  
AGRICULTURE STATUTORY CHANGES

Section 1. Minnesota Statutes 2020, section 15.057, is amended to read:

**15.057 PUBLICITY REPRESENTATIVES.**

No state department, bureau, or division, whether the same operates on funds appropriated or receipts or fees of any nature whatsoever, except the Department of Transportation, the Department of Employment and Economic Development, the Department of Agriculture, the Game and Fish Division, State Agricultural Society, and Explore Minnesota Tourism shall use any of such funds for the payment of the salary or expenses of a publicity representative. The head of any such department, bureau, or division shall be personally liable for funds used contrary to this provision. This section shall not be construed, however, as preventing any such department, bureau, or division from sending out any bulletins or other publicity required by any state law or necessary for the satisfactory conduct of the business for which such department, bureau, or division was created.

Sec. 2. Minnesota Statutes 2020, section 17.055, subdivision 1, is amended to read:

Subdivision 1. **Emerging farmer working group.** (a) To advise the commissioner and legislature regarding the development and implementation of programs and initiatives that support emerging farmers in this state, the commissioner must periodically convene a working group consisting, to the extent possible, of persons who are, and organizations that represent, farmers or aspiring farmers who are women, veterans, persons with disabilities, American Indian or Alaskan Natives, members of a community of color, young, and urban, and any other emerging farmers as determined by the commissioner. No later than January 15 each year, the commissioner must update the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture regarding the working group's activities and recommendations.

(b) The commissioner may accept on behalf of the state donations of money, services, or other assistance or gifts from public or private sources to further the objectives of the emerging farmer working group.

Sec. 3. Minnesota Statutes 2020, section 17.055, is amended by adding a subdivision to read:

Subd. 1a. **Emerging farmer account.** An emerging farmer account is established in the agricultural fund. The account consists of money appropriated by law and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account, including interest, is appropriated to the commissioner for the purposes of this section and must be used to further the objectives of the emerging farmer working group.

Sec. 4. **[17.1016] COOPERATIVE GRANTS.**

Subdivision 1. **Definitions.** For purposes of this section:

(1) "agricultural commodity" and "agricultural product processing facility" have the meanings given in section 17.101, subdivision 5; and

(2) "agricultural service" means an action made under the direction of a farmer that provides value to another entity. Agricultural service includes grazing to manage vegetation.

Subd. 2. **Grant program.** (a) The commissioner must establish and implement a grant program to help farmers finance new cooperatives that organize for purposes of operating an agricultural product processing facility or marketing an agricultural product or agricultural service.

(b) To be eligible for this program, a grantee must:

(1) be a cooperative organized under chapter 308A;

(2) certify that all control and equity in the cooperative is from farmers, family farm partnerships, family farm limited liability companies, or family farm corporations as defined in section 500.24, subdivision 2, who are actively engaged in agricultural commodity production;

(3) be operated primarily to process agricultural commodities or market agricultural products or services produced in Minnesota; and

(4) receive agricultural commodities produced primarily by shareholders or members of the cooperative.

(c) The commissioner may receive applications and make grants up to \$50,000 to eligible grantees for feasibility, marketing analysis, assistance with organizational development, financing and managing new cooperatives, product development, development of business and marketing plans, and predesign of facilities including site analysis, development of bid specifications, preliminary blueprints and schematics, and completion of purchase agreements and other necessary legal documents.

Sec. 5. Minnesota Statutes 2020, section 17.1017, subdivision 5, is amended to read:

Subd. 5. **Eligible projects.** (a) The commissioner, in cooperation with the program partners and advisers, shall establish project eligibility guidelines and application processes to be used to review and select project applicants for financing or other financial or technical assistance. ~~All projects must be located in an underserved community or must serve primarily underserved communities in low-income and moderate-income areas.~~

(b) Projects eligible for financing include, but are not limited to, new construction, renovations, expansions of operations, and infrastructure upgrades of grocery stores and small food retailers to improve the availability of and access to affordable, nutritious food, including fresh fruits and vegetables, and build capacity in areas of greatest need.

(c) Projects eligible for other types of financial assistance such as grants or technical assistance are primarily projects throughout the state, including, but not limited to, feasibility studies, new construction, renovations, expansion of operations, and infrastructure upgrades of small food retailers.

Sec. 6. Minnesota Statutes 2020, section 17.1017, subdivision 6, is amended to read:

Subd. 6. **Qualifications for receipt of financing and other financial or technical assistance.** (a) An applicant for receipt of financing through an economic or community development financial institution, or an applicant for a grant or other financial or technical assistance, may be a for-profit or not-for-profit entity, including, but not limited to, a sole proprietorship, limited liability company, corporation, cooperative, nonprofit organization, or nonprofit community development organization. Each applicant must:

(1) demonstrate community engagement in and support for the project;

(2) demonstrate the capacity to successfully implement the project;

(3) demonstrate a viable plan for long-term sustainability, including the ability to increase the availability of and access to affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, for underserved communities in low-income and moderate-income areas; and

(4) demonstrate the ability to repay the debt, to the extent that the financing requires repayment.

(b) Each applicant must also agree to comply with the following conditions for a period of at least five years, except as otherwise specified in this section:

(1) accept Supplemental Nutrition Assistance Program (SNAP) benefits;

~~(2) apply to accept Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits and, if approved, accept WIC benefits;~~

~~(3) (2) allocate at least 30 percent of retail space for the sale of affordable, nutritious, and culturally appropriate foods, including fruits and vegetables, low-fat and nonfat dairy, fortified dairy substitute beverages such as soy-based or nut-based dairy substitute beverages, whole grain-rich staple foods, meats, poultry, fish, seafood, and other proteins, consistent with nutrition standards in national guidelines described in the current United States Department of Agriculture Dietary Guidelines for Americans;~~

~~(4) (3) comply with all data collection and reporting requirements established by the commissioner; and~~

~~(5) (4) promote the hiring, training, and retention of local or regional residents from low-income and moderate-income areas that reflect area demographics, including communities of color.~~

(c) A selected project that is a small food retailer is not subject to the allocation agreement under paragraph (b), clause ~~(3)~~ (2), and may use financing, grants, or other financial or technical assistance for refrigeration, displays, or onetime capital expenditures for the promotion and sale of perishable foods, including a combination of affordable, nutritious, and culturally appropriate fresh or frozen dairy, dairy substitute products, produce, meats, poultry, and fish, consistent with nutrition standards in national guidelines described in the current United States Department of Agriculture Dietary Guidelines for Americans.

Sec. 7. Minnesota Statutes 2020, section 17.116, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** (a) Grants may only be made to farmers, educational institutions, individuals at educational institutions, or nonprofit organizations residing or located in the state for research or demonstrations on farms in the state.

(b) Grants may only be made for projects that show:

(1) the ability to maximize direct or indirect energy savings or production;

(2) a positive effect or reduced adverse effect on the environment; ~~and~~ or

(3) increased profitability for the individual farm by reducing costs or improving marketing opportunities.

Sec. 8. Minnesota Statutes 2020, section 18B.26, subdivision 3, is amended to read:

Subd. 3. **Registration application and gross sales fee.** (a) For an agricultural pesticide, a registrant shall pay an annual registration application fee for each agricultural pesticide of \$350. The fee is due by December 31 preceding the year for which the application for registration is made. The fee is nonrefundable.

(b) For a nonagricultural pesticide, a registrant shall pay a minimum annual registration application fee for each nonagricultural pesticide of \$350. The fee is due by December 31 preceding the year for which the application for registration is made. The fee is nonrefundable. If the registrant's annual gross sales of the nonagricultural pesticide exceeded \$70,000 in the previous calendar year, the registrant shall pay, in addition to the \$350 minimum fee, a fee equal to ~~0.5~~ 0.9 percent of that portion of the annual gross sales over \$70,000. For purposes of this subdivision, gross sales includes both nonagricultural pesticide sold in the state and nonagricultural pesticide sold into the state for use in this state. No additional fee is required if the fee due amount based on percent of annual gross sales of a nonagricultural pesticide is less than \$10. The registrant shall secure sufficient sales information of nonagricultural pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of nonagricultural pesticides in this state and sales of nonagricultural pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under paragraph (g), and fees shall be paid by the registrant based upon those reported sales. Sales of nonagricultural pesticides in the state for use outside of the state are exempt from the gross sales fee in this paragraph if the registrant properly documents the sale location and distributors. A registrant paying more than the minimum fee shall pay the balance due by March 1 based on the gross sales of the nonagricultural pesticide by the registrant for the preceding calendar year. A pesticide determined by the commissioner to be a sanitizer or disinfectant is exempt from the gross sales fee.

(c) For agricultural pesticides, a licensed agricultural pesticide dealer or licensed pesticide dealer shall pay a gross sales fee of ~~0.55~~ 0.9 percent of annual gross sales of the agricultural pesticide in the state and the annual gross sales of the agricultural pesticide sold into the state for use in this state.

(d) In those cases where a registrant first sells an agricultural pesticide in or into the state to a pesticide end user, the registrant must first obtain an agricultural pesticide dealer license and is responsible for payment of the annual gross sales fee under paragraph (c), record keeping under paragraph (i), and all other requirements of section 18B.316.

~~(e) If the total annual revenue from fees collected in fiscal year 2011, 2012, or 2013, by the commissioner on the registration and sale of pesticides is less than \$6,600,000, the commissioner, after a public hearing, may increase proportionally the pesticide sales and product registration fees under this chapter by the amount necessary to ensure this level of revenue is achieved. The authority under this section expires on June 30, 2014. The commissioner shall report any fee increases under this paragraph 60 days before the fee change is effective to the senate and house of representatives agriculture budget divisions.~~

~~(f)~~ (e) An additional fee of 50 percent of the registration application fee must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

~~(g)~~ (f) A registrant must annually report to the commissioner the amount, type and annual gross sales of each registered nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed by March 1 for the previous year's registration. The commissioner shall specify the form of the report or approve the method for submittal of the report and may require additional information deemed necessary to determine the amount and type of nonagricultural pesticide annually distributed in the state. The information required shall include the brand name, United States Environmental Protection Agency registration number, and amount of each nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.

~~(h)~~ (g) A licensed agricultural pesticide dealer or licensed pesticide dealer must annually report to the commissioner the amount, type, and annual gross sales of each registered agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the state for use in the state. The report must be filed by January 31 for the previous year's sales. The commissioner shall specify the form, contents, and approved electronic method for submittal of the report and may require additional information deemed necessary to determine the amount and type of agricultural pesticide annually distributed within the state or into the state. The information required must include the brand name, United States Environmental Protection Agency registration number, and amount of each agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the state.

~~(i)~~ (h) A person who registers a pesticide with the commissioner under paragraph (b), or a registrant under paragraph (d), shall keep accurate records for five years detailing all distribution or sales transactions into the state or in the state and subject to a fee and surcharge under this section.

~~(j)~~ (i) The records are subject to inspection, copying, and audit by the commissioner and must clearly demonstrate proof of payment of all applicable fees and surcharges for each registered pesticide product sold for use in this state. A person who is located outside of this state must maintain and make available records required by this subdivision in this state or pay all costs incurred by the commissioner in the inspecting, copying, or auditing of the records.

~~(k)~~ (j) The commissioner may adopt by rule regulations that require persons subject to audit under this section to provide information determined by the commissioner to be necessary to enable the commissioner to perform the audit.

~~(l)~~ (k) A registrant who is required to pay more than the minimum fee for any pesticide under paragraph (b) must pay a late fee penalty of \$100 for each pesticide application fee paid after March 1 in the year for which the license is to be issued.

Sec. 9. Minnesota Statutes 2020, section 21.82, subdivision 3, is amended to read:

Subd. 3. **Treated seed.** For all named agricultural, vegetable, flower, or wildflower seeds which are treated, for which a separate label may be used, the label must contain:

(1) a word or statement to indicate that the seed has been treated;

- (2) the commonly accepted, coined, chemical, or abbreviated generic chemical name of the applied substance;
- (3) the caution statement "Do not use for food, feed, or oil purposes" if the substance in the amount present with the seed is harmful to human or other vertebrate animals;
- (4) in the case of mercurials or similarly toxic substances, a poison statement and symbol;
- (5) a word or statement describing the process used when the treatment is not of pesticide origin; ~~and~~
- (6) the date beyond which the inoculant is considered ineffective if the seed is treated with an inoculant. It must be listed on the label as "inoculant: expires (month and year)" or wording that conveys the same meaning; and
- (7) for corn or soybean seed treated with neonicotinoid pesticide, the following caution statement framed in a box and including a bee icon approved by the commissioner: "Planting seed treated with a neonicotinoid pesticide may negatively impact pollinator health. Please use care when handling and planting this seed. Do not use for food, feed, or oil purposes, or ethanol production."

Sec. 10. Minnesota Statutes 2020, section 21.86, subdivision 2, is amended to read:

Subd. 2. **Miscellaneous violations.** No person may:

- (a) detach, alter, deface, or destroy any label required in sections 21.82 and 21.83, alter or substitute seed in a manner that may defeat the purposes of sections 21.82 and 21.83, or alter or falsify any seed tests, laboratory reports, records, or other documents to create a misleading impression as to kind, variety, history, quality, or origin of the seed;
- (b) hinder or obstruct in any way any authorized person in the performance of duties under sections 21.80 to 21.92;
- (c) fail to comply with a "stop sale" order or to move or otherwise handle or dispose of any lot of seed held under a stop sale order or attached tags, except with express permission of the enforcing officer for the purpose specified;
- (d) use the word "type" in any labeling in connection with the name of any agricultural seed variety;
- (e) use the word "trace" as a substitute for any statement which is required;
- (f) plant any agricultural seed which the person knows contains weed seeds or noxious weed seeds in excess of the limits for that seed; ~~or~~
- (g) advertise or sell seed containing patented, protected, or proprietary varieties used without permission of the patent or certificate holder of the intellectual property associated with the variety of seed; or
- (h) use or sell as food, feed, oil, or ethanol feedstock any seed treated or coated with neonicotinoid pesticide.

Sec. 11. **[21.915] PROHIBITED DISPOSAL METHODS.**

A person must not dispose of seed treated or coated with neonicotinoid pesticide in a manner inconsistent with the product label, where applicable, or by:

- (1) burial near a drinking water source or any creek, stream, river, lake, or other surface water;

(2) composting; or

(3) incinerating within a home or other dwelling.

Sec. 12. Minnesota Statutes 2020, section 28A.08, is amended by adding a subdivision to read:

Subd. 4. **Food handler license account; appropriation.** A food handler license account is established in the agricultural fund. Fees paid under subdivision 3 must be deposited in the account. Money in the account, including interest, is appropriated to the commissioner for expenses relating to licensing and inspecting food handlers under chapters 28 to 34A or rules adopted under one of those chapters.

Sec. 13. Minnesota Statutes 2020, section 28A.09, is amended by adding a subdivision to read:

Subd. 3. **Vending machine inspection account; appropriation.** A vending machine inspection account is established in the agricultural fund. Fees paid under subdivision 1 must be deposited in the account. Money in the account, including interest, is appropriated to the commissioner for expenses relating to identifying and inspecting food vending machines under chapters 28 to 34A or rules adopted under one of those chapters.

Sec. 14. Minnesota Statutes 2020, section 28A.152, subdivision 1, is amended to read:

Subdivision 1. **Licensing provisions applicability.** (a) The licensing provisions of sections 28A.01 to 28A.16 do not apply to the following:

(1) an individual who prepares and sells food that is not potentially hazardous food, as defined in Minnesota Rules, part 4626.0020, subpart 62, if the following requirements are met:

(i) the prepared food offered for sale under this clause is labeled to accurately reflect the name and the registration number or address of the individual preparing and selling the food, the date on which the food was prepared, and the ingredients and any possible allergens; and

(ii) the individual displays at the point of sale a clearly legible sign or placard stating: "These products are homemade and not subject to state inspection."; and

(2) an individual who prepares and sells home-processed and home-canned food products if the following requirements are met:

(i) the products are pickles, vegetables, or fruits having an equilibrium pH value of 4.6 or lower, or a water activity value of .85 or less;

(ii) the products are home-processed and home-canned in Minnesota;

(iii) the individual displays at the point of sale a clearly legible sign or placard stating: "These canned goods are homemade and not subject to state inspection."; and

(iv) each container of the product sold or offered for sale under this clause is accurately labeled to provide the name and the registration number or address of the individual who processed and canned the goods, the date on which the goods were processed and canned, and ingredients and any possible allergens.

(b) An individual who qualifies for an exemption under paragraph (a), clause (2), is also exempt from the provisions of sections 31.31 and 31.392.

(c) An individual who qualifies for an exemption under paragraph (a) may organize the individual's cottage food business as a business entity recognized by state law.

Sec. 15. Minnesota Statutes 2020, section 28A.152, subdivision 3, is amended to read:

Subd. 3. **Limitation on sales.** An individual selling exempt foods under this section is limited to total sales with gross receipts of ~~\$18,000~~ \$78,000 or less in a calendar year.

Sec. 16. Minnesota Statutes 2020, section 28A.152, subdivision 4, is amended to read:

Subd. 4. **Registration.** An individual who prepares and sells exempt food under subdivision 1 must register annually with the commissioner. The commissioner shall register an individual within 30 days of submitting a complete registration to the commissioner. A registration shall be deemed accepted after 30 days following an individual's complete registration to the commissioner. The annual registration fee is ~~\$50~~ \$25. An individual with \$5,000 or less in annual gross receipts from the sale of exempt food under this section is not required to pay the registration fee. Beginning January 1, 2022, and every five years thereafter, the commissioner shall adjust the gross receipts amount of this fee exemption based on the consumer price index using 2015 as the index year for the \$5,000 gross receipts exemption.

Sec. 17. Minnesota Statutes 2020, section 28A.152, subdivision 5, is amended to read:

Subd. 5. **Training.** (a) An individual ~~with gross receipts between \$5,000 and \$18,000 in a calendar year from the sale of exempt food~~ under this section must complete a safe food handling training course that is approved by the commissioner before registering under subdivision 4. The training shall not exceed eight hours and must be completed every three years while the individual is registered under subdivision 4.

(b) ~~An individual with gross receipts of less than \$5,000 in a calendar year from the sale of exempt food under this section must satisfactorily complete an online course and exam as approved by the commissioner before registering under subdivision 4. The commissioner shall offer the online course and exam under this paragraph at no cost to the individual.~~

Sec. 18. **[28A.153] WILD GAME PROCESSOR EXEMPTION.**

Subdivision 1. **Licensing provisions applicability.** The licensing provisions of sections 28A.01 to 28A.16 do not apply to an individual who processes wild game or fowl as described in section 31A.15, subdivision 1, clause (2), if the following requirements are met:

(1) the individual does not conduct another operation subject to the licensing provisions of sections 28A.01 to 28A.16;

(2) the individual's operation is limited to the handling of raw products, to include cutting, grinding, and packaging, and without further preparation of the wild game or fowl products;

(3) the individual does not add any additional ingredients to the wild game or fowl products;

(4) the wild game or fowl products are not donated; and

(5) all wild game or fowl products are packaged and labeled as "Not for Sale."

Subd. 2. **Sales limitation.** An individual processing wild game or fowl under this section is limited to total services with gross receipts of \$20,000 or less in a calendar year.

Subd. 3. **Registration.** An individual processing wild game under this section must register annually with the commissioner. The commissioner must not assess a registration fee.

Subd. 4. **Permit exemption.** An individual processing wild game under this section is not required to obtain a custom processing permit under section 28A.04, subdivision 2.

Subd. 5. **Local ordinances.** This section does not preempt the application of any business licensing requirement or sanitation, public health, or zoning ordinance of a political subdivision.

Subd. 6. **Chronic wasting disease.** An individual processing wild game under this section must:

(1) ensure that each white-tailed deer processed by the individual and harvested from a chronic wasting disease management zone established by the commissioner of natural resources is tested for chronic wasting disease; and

(2) dispose of the carcass of each white-tailed deer under clause (1) through a chronic wasting disease adopt-a-dumpster program administered by the commissioner of natural resources.

Sec. 19. Minnesota Statutes 2020, section 35.02, subdivision 1, is amended to read:

Subdivision 1. **Members; officers.** The board has ~~five~~ seven members appointed by the governor ~~with the advice and consent of the senate~~, three of whom are producers of livestock in the state, ~~and two~~ three of whom are practicing veterinarians licensed in Minnesota at least one of whom is a small-animal veterinarian, and one of whom is a member of a federally recognized Tribe located in Minnesota with knowledge of animal health. The commissioners of agriculture, natural resources, and health, the dean of the College of Veterinary Medicine, and the director of the Veterinary Diagnostic Laboratory of the University of Minnesota ~~may~~ shall serve as consultants to the board without vote. Appointments to fill unexpired terms must be made from the classes to which the retiring members belong. The board shall elect a president and a vice-president from among its members ~~and~~. The governor shall appoint a veterinarian licensed in Minnesota who is not a member to be its executive director for a term of one year and until a successor qualifies. The board shall set the duties of the director.

**EFFECTIVE DATE.** This section is effective July 1, 2021, and the governor's duty to appoint the executive director of the Board of Animal Health begins with the appointment for state fiscal year 2023.

Sec. 20. Minnesota Statutes 2020, section 41A.16, subdivision 2, is amended to read:

Subd. 2. **Payment amounts; limits.** (a) The commissioner shall make payments to eligible producers of advanced biofuel. The amount of the payment for each eligible producer's annual production is \$2.1053 per MMbtu for advanced biofuel production from cellulosic biomass, and \$1.053 per MMbtu for advanced biofuel production from sugar, starch, oil, or animal fat at a specific location for ten years after the start of production.

(b) Total payments under this section to an eligible biofuel producer in a fiscal year may not exceed the amount necessary for 2,850,000 MMbtu of biofuel production. Total payments under this section to all eligible biofuel producers in a fiscal year may not exceed the amount necessary for 17,100,000 MMbtu of biofuel production. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make the payments on a pro rata basis. An eligible producer may reapply for payment of the amount of the difference between the claim for payment filed under subdivision 6 and the pro rata amount received until the full amount of the original claim is paid.

(c) For purposes of this section, an entity that holds a controlling interest in more than one advanced biofuel facility is considered a single eligible producer.

**EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and applies to claims filed after January 1, 2020.

Sec. 21. Minnesota Statutes 2020, section 41A.16, subdivision 5, is amended to read:

Subd. 5. **Agricultural cellulosic biomass sourcing plan.** (a) An eligible producer who utilizes agricultural cellulosic biomass other than corn kernel fiber or biogas must submit a responsible biomass sourcing plan for approval by the commissioner prior to applying for payments under this section. The commissioner shall make the plan publicly available. The plan must:

(1) provide a detailed explanation of how agricultural cellulosic biomass will be produced and managed in a way that preserves soil quality, does not increase soil and nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts on wildlife habitat, and reduces greenhouse gas emissions;

(2) include the producer's approach to verifying that biomass suppliers are following the plan;

(3) discuss how new technologies and practices that are not yet commercially viable may be encouraged and adopted during the life of the facility, and how the producer will encourage continuous improvement during the life of the project;

(4) include specific numeric goals and timelines for making progress;

(5) require agronomic practices that result in a positive Natural Resources Conservation Service Soil Conditioning Index score for acres from which biomass from corn stover will be harvested; and

(6) include biennial soil sampling to verify maintained or increased levels of soil organic matter.

(b) An eligible producer who utilizes agricultural cellulosic biomass and receives payments under this section shall submit an annual report on the producer's responsible biomass sourcing plan to the commissioner by January 15 each year. The report must include data on progress made by the producer in meeting specific goals laid out in the plan. The commissioner shall make the report publicly available. The commissioner shall perform an annual review of submitted reports and may make a determination that the producer is not following the plan based on the reports submitted. The commissioner may take appropriate steps, including reducing or ceasing payments, until the producer is in compliance with the plan.

Sec. 22. Minnesota Statutes 2020, section 41A.16, subdivision 6, is amended to read:

Subd. 6. **Claims.** (a) By the last day of October, January, April, and July, each eligible biofuel producer shall file a claim for payment for advanced biofuel production during the preceding three calendar months. An eligible biofuel producer that files a claim under this subdivision shall include a statement of the eligible biofuel producer's total advanced biofuel production in Minnesota during the quarter covered by the claim and certify that the eligible producer will not use payments received under this section to compensate a lobbyist who is required to register with the Campaign Finance and Public Disclosure Board under section 10A.03. For each claim and statement of total advanced biofuel production filed under this subdivision, the volume of advanced biofuel production must be examined by a CPA firm with a valid permit to practice under chapter 326A, in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants.

(b) The commissioner must issue payments by November 15, February 15, May 15, and August 15. A separate payment must be made for each claim filed.

Sec. 23. Minnesota Statutes 2020, section 41A.17, subdivision 2, is amended to read:

Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make payments to eligible producers of renewable chemicals located in the state. The amount of the payment for each producer's annual production is \$0.03 per pound of sugar-derived renewable chemical, \$0.03 per pound of cellulosic sugar, starch, oil, or animal fat, and \$0.06 per pound of cellulosic-derived renewable chemical produced at a specific location for ten years after the start of production.

(b) An eligible facility producing renewable chemicals using agricultural cellulosic biomass is eligible for a 20 percent bonus payment for each pound produced from agricultural biomass that is derived from perennial crop or cover crop biomass.

(c) Total payments under this section to an eligible renewable chemical producer in a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable chemical production. Total payments under this section to all eligible renewable chemical producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of renewable chemical production. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make the payments on a pro rata basis. An eligible producer may reapply for payment of the amount of the difference between the claim for payment filed under subdivision 5 and the pro rata amount received until the full amount of the original claim is paid.

(d) An eligible facility may blend renewable chemicals with other chemicals that are not renewable chemicals, but only the percentage attributable to renewable chemicals in the blended product is eligible to receive payment.

(e) For purposes of this section, an entity that holds a controlling interest in more than one renewable chemical production facility is considered a single eligible producer.

**EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and applies to claims filed after January 1, 2020.

Sec. 24. Minnesota Statutes 2020, section 41A.17, subdivision 4, is amended to read:

Subd. 4. **Agricultural cellulosic biomass sourcing plan.** (a) An eligible producer who utilizes agricultural cellulosic biomass other than corn kernel fiber or biogas must submit a responsible biomass sourcing plan to the commissioner prior to applying for payments under this section. The plan must:

(1) provide a detailed explanation of how agricultural cellulosic biomass will be produced and managed in a way that preserves soil quality, does not increase soil and nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts on wildlife habitat, and reduces greenhouse gas emissions;

(2) include the producer's approach to verifying that biomass suppliers are following the plan;

(3) discuss how new technologies and practices that are not yet commercially viable may be encouraged and adopted during the life of the facility, and how the producer will encourage continuous improvement during the life of the project; and

(4) include specific numeric goals and timelines for making progress.

(b) An eligible producer who utilizes agricultural cellulosic biomass and receives payments under this section shall submit an annual report on the producer's responsible biomass sourcing plan to the commissioner by January 15 each year. The report must include data on progress made by the producer in meeting specific goals laid out in the plan. The commissioner shall make the report publicly available. The commissioner shall perform an annual review of submitted reports and may make a determination that the producer is not following the plan based on the reports submitted. The commissioner may take appropriate steps, including reducing or ceasing payments, until the producer is in compliance with the plan.

Sec. 25. Minnesota Statutes 2020, section 41A.17, subdivision 5, is amended to read:

Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each eligible renewable chemical producer shall file a claim for payment for renewable chemical production during the preceding three calendar months. An eligible renewable chemical producer that files a claim under this subdivision shall include a statement

of the eligible producer's total renewable chemical production in Minnesota during the quarter covered by the claim and certify that the eligible producer will not use payments received under this section to compensate a lobbyist who is required to register with the Campaign Finance and Public Disclosure Board under section 10A.03. For each claim and statement of total renewable chemical production filed under this paragraph, the volume of renewable chemical production must be examined by a CPA firm with a valid permit to practice under chapter 326A, in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants.

(b) The commissioner must issue payments by November 15, February 15, May 15, and August 15. A separate payment must be made for each claim filed.

Sec. 26. Minnesota Statutes 2020, section 41A.18, subdivision 2, is amended to read:

Subd. 2. **Payment amounts; bonus; limits; blending.** (a) The commissioner shall make payments to eligible producers of biomass thermal located in the state. The amount of the payment for each producer's annual production is \$5.00 per MMBtu of biomass thermal production produced at a specific location for ten years after the start of production.

(b) An eligible facility producing biomass thermal using agricultural cellulosic biomass is eligible for a 20 percent bonus payment for each MMBtu produced from agricultural biomass that is derived from perennial crop or cover crop biomass.

(c) Total payments under this section to an eligible thermal producer in a fiscal year may not exceed the amount necessary for 30,000 MMBtu of thermal production. Total payments under this section to all eligible thermal producers in a fiscal year may not exceed the amount necessary for 150,000 MMBtu of total thermal production. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make the payments on a pro rata basis. An eligible producer may reapply for payment of the amount of the difference between the claim for payment filed under subdivision 5 and the pro rata amount received until the full amount of the original claim is paid.

(d) An eligible facility may blend a cellulosic feedstock with other fuels in the biomass thermal production facility, but only the percentage attributable to biomass meeting the cellulosic forestry biomass requirements or agricultural cellulosic biomass sourcing plan is eligible to receive payment.

(e) When a facility is eligible due to adding production capacity or retrofitting existing capacity, the entire amount of biomass meeting the cellulosic forestry biomass requirements or agricultural cellulosic biomass sourcing plan is assumed to have been used for the biomass thermal production from the added or retrofitted production capacity.

(f) For purposes of this section, an entity that holds a controlling interest in more than one biomass thermal production facility is considered a single eligible producer.

**EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and applies to claims filed after January 1, 2020.

Sec. 27. Minnesota Statutes 2020, section 41A.18, subdivision 5, is amended to read:

Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each producer shall file a claim for payment for biomass thermal production during the preceding three calendar months. A producer that files a claim under this subdivision shall include a statement of the producer's total biomass thermal production in Minnesota during the quarter covered by the claim and certify that the eligible producer will not use payments received under

this section to compensate a lobbyist who is required to register with the Campaign Finance and Public Disclosure Board under section 10A.03. For each claim and statement of total biomass thermal production filed under this paragraph, the volume of biomass thermal production must be examined by a CPA firm with a valid permit to practice under chapter 326A, in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants.

(b) The commissioner must issue payments by November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed.

Sec. 28. Minnesota Statutes 2020, section 41A.19, is amended to read:

**41A.19 REPORT; INCENTIVE PROGRAMS.**

By January 15 each year, the commissioner shall report on the incentive programs under sections 41A.16, 41A.17, and 41A.18 to the legislative committees with jurisdiction over environment policy and finance and agriculture policy and finance. The report shall include information on production and incentive expenditures under the programs, as well as the following information that the commissioner must require of each producer who receives a payment during the reporting period:

(1) business structure of the producer;

(2) the name and address of the parent company of the producer, if any;

(3) a cumulative list of all financial assistance received from all grantors for the project;

(4) goals for the number of jobs created and progress in achieving these goals, which may include separate goals for the number of part-time or full-time jobs, or, in cases where job loss is specific and demonstrable, goals for the number of jobs retained;

(5) equity hiring goals and progress in achieving these goals;

(6) wage goals and progress in achieving these goals for all jobs created or maintained by the producer;

(7) board member and executive compensation;

(8) evidence of compliance with environmental permits;

(9) the producer's intended and actual use of payments received from the commissioner; and

(10) if applicable, the latest financial audit opinion statement produced by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

Sec. 29. **[41A.25] BIOFUELS INFRASTRUCTURE FINANCIAL ASSISTANCE PROGRAM.**

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

(b) "Account" means the biofuels infrastructure financial assistance account established in subdivision 3.

(c) "Biofuel" has the meaning given in section 239.051.

(d) "Biodiesel blend" has the meaning given in section 239.77.

(e) "Biodiesel fuel" has the meaning given in section 239.77.

(f) "Biofuels Infrastructure Financial Assistance Program Advisory Committee" or "advisory committee" means the Biofuels Infrastructure Financial Assistance Program Advisory Committee under section 41A.26.

(g) "Commissioner" means the commissioner of agriculture.

(h) "Financing" means loans, including low-interest loans, zero-interest loans, forgivable loans, and other types of financial assistance other than grants.

(i) "Program" means the biofuels infrastructure financial assistance program established in this section.

(j) "Technical assistance" means individualized guidance, presentations, workshops, trainings, printed materials, or other guidance and resources on relevant topics.

(k) "Transportation fuel storage and dispensing infrastructure" means an underground storage tank or above-ground storage tank, as those terms are defined in section 116.46 and any rules adopted under that section. Transportation fuel storage and dispensing infrastructure includes any structures or appurtenances to an underground storage tank or above-ground storage tank.

**Subd. 2. Program established.** (a) A biofuels infrastructure financial assistance program is established within the Department of Agriculture to provide financing and financial assistance to owners of transportation fuel storage and dispensing infrastructure for the purpose of upgrading infrastructure to become compatible with blends of gasoline containing greater than ten percent biofuel by volume or biodiesel blends containing greater than 20 percent of biodiesel fuel by volume. The commissioner, in cooperation with public and private partners, must establish and implement the program as provided in this section.

(b) The biofuels infrastructure financial assistance program must be comprised of state or private grants, loans, or other types of financial and technical assistance for the purpose as provided in this subdivision.

(c) The commissioner's actions under this subdivision are not subject to chapter 14.

**Subd. 3. Biofuels infrastructure financial assistance account.** A biofuels infrastructure financial assistance account is established in the agricultural fund. The account consists of money appropriated to the commissioner and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account, including interest, is appropriated to the commissioner for the purposes of this section, and must be used, to the extent practicable, to leverage other forms of public and private financing or financial assistance for the projects.

**Subd. 4. Program administration.** (a) The commissioner is the administrator of the account for auditing purposes and must establish program requirements and a competitive process for projects applying for financial and technical assistance.

(b) The commissioner may receive money or other assets from any source, including but not limited to philanthropic foundations and financial investors, for deposit into the account.

(c) Through issuance of requests for proposals, the commissioner may contract with one or more qualified economic or community development financial institutions to manage the financing component of the program and with one or more qualified organizations or public agencies with financial or other program-related expertise to manage the provision of technical assistance to project grantees.

(d) Money in the account at the close of each fiscal year does not cancel. In each biennium, the commissioner must determine the appropriate proportion of money to be allocated to loans, grants, technical assistance, and any other types of financial assistance.

(e) To encourage public-private, cross-sector collaboration and investment in the account and program and to ensure that the program intent is maintained throughout implementation, the commissioner must convene and maintain the Biofuels Infrastructure Financial Assistance Program Advisory Committee.

(f) The commissioner, in cooperation with the Biofuels Infrastructure Financial Assistance Program Advisory Committee, must manage the program, establish program criteria, facilitate leveraging of additional public and private investment, and promote the program statewide.

(g) The commissioner, in cooperation with the Biofuels Infrastructure Financial Assistance Program Advisory Committee must establish annual monitoring and accountability mechanisms for all projects receiving financing or other financial or technical assistance through this program.

Subd. 5. **Eligible projects.** (a) The commissioner, in cooperation with the Biofuels Infrastructure Financial Assistance Program Advisory Committee, must establish project eligibility guidelines and application processes to be used to review and select project applicants for financing or other financial or technical assistance.

(b) Projects eligible for financing, financial assistance such as grants, or technical assistance, must fulfill the purpose as provided in subdivision 2.

Subd. 6. **Legislative report.** The commissioner, in cooperation with any economic or community development financial institution and any other entity with which it contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics:

- (1) the number and types of projects financed;
- (2) the amount of dollars leveraged or matched per project;
- (3) the geographic distribution of financed projects;
- (4) the number and types of technical assistance recipients;
- (5) any market expansion associated with upgraded infrastructure;
- (6) the demographics of the areas served;
- (7) the costs of the program; and
- (8) the number of loans or grants to minority-owned or female-owned businesses.

Sec. 30. **[41A.26] BIOFUELS INFRASTRUCTURE FINANCIAL ASSISTANCE PROGRAM ADVISORY COMMITTEE.**

Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings given:

- (1) "commissioner" means the commissioner of agriculture; and

(2) "program" means the biofuels infrastructure financial assistance program under section 41A.25.

Subd. 2. **Creation.** The Biofuels Infrastructure Financial Assistance Program Advisory Committee consists of no more than 15 members appointed by the commissioner of agriculture, including but not limited to representatives of agriculture, the biofuels industry, and motor fuel retailers.

Subd. 3. **Duties.** The advisory committee must advise the commissioner of agriculture on managing the program, establishing program criteria, establishing project eligibility guidelines, establishing application processes and additional selection criteria, establishing annual monitoring and accountability mechanisms, facilitating leveraging of additional public and private investments, and promoting the program statewide.

Subd. 4. **Meetings.** The commissioner must convene the advisory committee at least two times per year to achieve the committee's duties.

Subd. 5. **Administrative support.** The commissioner of agriculture must provide staffing, meeting space, and administrative services for the advisory committee.

Subd. 6. **Chair.** The commissioner of agriculture or the commissioner's designee must serve as chair of the committee.

Subd. 7. **Compensation.** The public members of the advisory committee serve without compensation or payment of expenses.

Sec. 31. Minnesota Statutes 2020, section 41B.048, subdivision 2, is amended to read:

Subd. 2. **Establishment.** The authority shall establish and implement an agroforestry loan program to help finance the production of short rotation woody crops. ~~The authority may contract with a fiscal agent to provide an efficient delivery system for this program.~~

Sec. 32. Minnesota Statutes 2020, section 41B.048, subdivision 4, is amended to read:

Subd. 4. **Definitions.** (a) The definitions in this subdivision apply to this section.

~~(b) "Fiscal agent" means any lending institution or other organization of a for-profit or nonprofit nature that is in good standing with the state of Minnesota that has the appropriate business structure and trained personnel suitable to providing efficient disbursement of loan funds and the servicing and collection of loans over an extended period of time.~~

~~(e) (b)~~ "Growing cycle" means the number of years from planting to harvest.

~~(d) (c)~~ "Harvest" means the day that the crop arrives at the scale of the buyer of the crop.

~~(e) (d)~~ "Short rotation woody crops" or "crop" means hybrid poplar and other woody plants that are harvested for their fiber within 15 years of planting.

Sec. 33. Minnesota Statutes 2020, section 41B.048, subdivision 6, is amended to read:

Subd. 6. **Loans.** (a) The authority may ~~disburse loans through a fiscal agent~~ participate with eligible lenders in agroforestry loans to farmers and agricultural landowners who are eligible under subdivision 5. ~~The total accumulative loan principal must not exceed~~ The authority's participation is limited to 45 percent or \$75,000 of total accumulative principal per loan.

(b) ~~The fiscal agent may impose a loan origination fee in the amount of one percent of the total approved loan. This fee is to be paid by the borrower to the fiscal agent at the time of loan closing. The interest rates and repayment terms of the authority's participation interest may differ from those of the lender's retained portion of the loan.~~

(c) The loan may be disbursed over a period not to exceed 12 years.

(d) A borrower may receive loans, depending on the availability of funds, for planted areas up to 160 acres for up to:

(1) the total amount necessary for establishment of the crop;

(2) the total amount of maintenance costs, including weed control, during the first three years; and

(3) 70 percent of the estimated value of one year's growth of the crop for years four through 12.

(e) Security for the loan must be the crop, a personal note executed by the borrower, ~~an interest in the land upon which the crop is growing,~~ and whatever other security is required by the ~~fiscal agent~~ eligible lender or the authority. ~~All recording fees must be paid by the borrower.~~

(f) The authority may prescribe forms and establish an application process for applicants to apply for a loan.

(g) The authority may impose a reasonable, nonrefundable application fee for each application for a loan under this program. The application fee is initially \$50. Application fees received by the authority must be deposited in the Rural Finance Authority administrative account established in section 41B.03.

(h) Loans under the program must be made using money in the revolving loan account established under section 41B.06.

(i) All repayments of financial assistance granted under this section, including principal and interest, must be deposited into the revolving loan account established under section 41B.06.

(j) ~~The interest payable on loans made by the authority for the agroforestry loan program must, if funded by revenue bond proceeds, be at a rate not less than the rate on the revenue bonds, and may be established at a higher rate necessary to pay costs associated with the issuance of the revenue bonds and a proportionate share of the cost of administering the program. The interest payable on loans for the agroforestry loan program funded from sources other than revenue bond proceeds must be at a rate determined by the authority.~~

(k) Loan principal balance outstanding plus all assessed interest must be repaid within 120 days of harvest, but no later than 15 years from planting.

Sec. 34. Minnesota Statutes 2020, section 583.215, is amended to read:

**583.215 EXPIRATION.**

Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and 583.20 to 583.32, expire June 30, ~~2022~~ 2027.

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

Sec. 35. Minnesota Statutes 2020, section 583.26, subdivision 4, is amended to read:

Subd. 4. **Mediation proceeding notice.** (a) By ten days after receiving a mediation request, the director shall send: (1) a mediation proceeding notice to the debtor; (2) a mediation proceeding notice to all creditors listed by the debtor in the mediation request and any additional secured creditors identified by the director from the credit report obtained with the debtor's permission under subdivision 2; and (3) a claim form to all secured creditors stated by the debtor or identified by the director.

(b) The mediation proceeding notice must state:

(1) the name and address of the debtor;

(2) that the debtor has requested mediation under the Farmer-Lender Mediation Act;

(3) the time and place for the orientation session;

(4) the time and place for the initial mediation meeting;

(5) a list of the names of three mediators that may be assigned to the proceeding, along with background information on those mediators including biographical information, a summary of previous mediation experience, and the number of agreements signed by parties to previous mediation;

(6) that the debtor and the initiating creditor may each request the director to exclude one mediator by notifying the director within three days after receiving the notice;

(7) that in lieu of having a mediator assigned by the director, the debtor and any one or more of the creditors may agree to select and pay for a professional mediator that is approved by the director;

(8) that the Farmer-Lender Mediation Act prohibits the creditor from beginning or continuing a proceeding to enforce the debt against agricultural property for ~~90~~ 120 days after the debtor files a mediation request with the director unless otherwise allowed; and

(9) that the creditor must provide the debtor by the initial mediation meeting with copies of notes and contracts for debts subject to the Farmer-Lender Mediation Act and provide a statement of interest rates on the debts, delinquent payments, unpaid principal and interest balances, the creditor's value of the collateral, and debt restructuring programs available by the creditor.

(c) An initial mediation meeting must be held within 20 days of the notice.

(d) The initiating creditor and the debtor may each request the director to exclude one mediator from the list by sending the director a notice to exclude the mediator within three days after receiving the mediation proceeding notice.

(e) In lieu of the director assigning a mediator, the debtor and any one or more of the creditors may agree to select and pay for a professional mediator for the mediation proceeding. The director must approve the professional mediator before the professional mediator may be assigned to the mediation proceeding. The professional mediator may not be approved unless the professional mediator prepares and signs an affidavit:

(1) disclosing any biases, relationships, or previous associations with the debtor or creditors subject to the mediation proceedings;

(2) stating certifications, training, or qualifications as a professional mediator;

(3) disclosing fees to be charged or a rate schedule of fees for the mediation proceeding; and

(4) affirming to uphold the Farmer-Lender Mediation Act and faithfully discharge the duties of a mediator.

(f) After receiving a mediation proceeding notice, a secured creditor must return a claim form if the debt is not subject to the Farmer-Lender Mediation Act and specify why the debt is not subject to sections 583.20 to 583.32.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to mediation proceedings in progress on that date and mediation proceedings beginning after that date.

Sec. 36. Minnesota Statutes 2020, section 583.26, subdivision 5, is amended to read:

Subd. 5. **Effect of mediation proceeding notice.** (a) Except as provided in paragraphs (b), (c), and (d), if a creditor receives a mediation proceeding notice under subdivision 4 the creditor and the creditor's successors in interest may not begin or continue proceedings to enforce a debt subject to the Farmer-Lender Mediation Act against agricultural property of the debtor under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property until ~~90~~ 120 days after the date the debtor files a mediation request with the director.

(b) Except as provided in paragraph (c), if a creditor is an agency of the United States and receives a mediation proceeding notice under subdivision 4, the creditor and the creditor's successors in interest may not begin or continue proceedings to enforce a debt against agricultural property of the debtor under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property until ~~90~~ 120 days after the date the debtor files a mediation request with the director.

(c) Notwithstanding paragraphs (a) and (b) or subdivision 1, a creditor receiving a mediation proceeding notice may begin proceedings to enforce a debt against agricultural property of the debtor:

(1) at the time the creditor receives a mediator's affidavit of the debtor's lack of good faith under section 583.27; or

(2) five days after the date the debtor and creditor sign an agreement allowing the creditor to proceed to enforce the debt against agricultural property if the debtor has not rescinded the agreement within the five days.

(d) A creditor receiving a mediation proceeding notice must provide the debtor by the initial mediation meeting with copies of notes and contracts for debts subject to the Farmer-Lender Mediation Act and provide a statement of interest rates on the debts, delinquent payments, unpaid principal balance, a list of all collateral securing debts, a creditor's estimate of the value of the collateral, and debt restructuring programs available by the creditor.

(e) The provisions of this subdivision are subject to section 583.27, relating to extension or reduction in the period before a creditor may begin to enforce a debt and court-supervised mediation.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to mediation proceedings in progress on that date and mediation proceedings beginning after that date.

Sec. 37. Minnesota Statutes 2020, section 583.26, subdivision 8, is amended to read:

Subd. 8. **Mediation period.** The mediator may call mediation meetings during the mediation period, which is up to ~~60~~ 90 days after the initial mediation meeting.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to mediation proceedings in progress on that date and mediation proceedings beginning after that date.

Sec. 38. Minnesota Statutes 2020, section 583.27, subdivision 3, is amended to read:

Subd. 3. **Creditor's bad faith; court supervision.** If the mediator finds the creditor has not participated in mediation in good faith, the debtor may require court supervised mandatory mediation by filing the affidavit with the district court of the county of the debtor's residence with a request for court supervision of mediation and serving a copy of the request on the creditor. Upon request the court shall require both parties to mediate under the supervision of the court in good faith for a period of not more than ~~60~~ 90 days. All creditor remedies must be suspended during this period. The court may issue orders necessary to effect good faith mediation. Following the mediation period, if the court finds the creditor has not participated in mediation in good faith, the court shall by order suspend the creditor's remedies for an additional period of 180 days. A creditor found by the mediator not to have participated in good faith shall pay attorneys' fees and costs of the debtor requesting court-supervision of mediation or additional suspension of creditor's remedies.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to mediation proceedings in progress on that date and mediation proceedings beginning after that date.

Sec. 39. Laws 2020, chapter 71, article 2, section 19, is amended to read:

Sec. 19. **USES OF GENERAL-USE SANITIZERS AND DISINFECTANTS FOR TREATMENT OF COVID-19.**

(a) A person who uses a general-use sanitizer or disinfectant for hire in response to COVID-19 is exempt from the commercial applicator license requirements under Minnesota Statutes, section 18B.33.

(b) This section expires April 1, ~~2021~~ 2022, or 60 days after the peacetime emergency declared in response to the infectious disease known as COVID-19 expires or is terminated by the proper authority, whichever is later.

**EFFECTIVE DATE.** This section is effective retroactively from March 31, 2021.

Sec. 40. **REPEALER.**

Minnesota Statutes 2020, section 41B.048, subdivision 8, is repealed.

### ARTICLE 3 BROADBAND

Section 1. **BROADBAND DEVELOPMENT APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agency and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

	<b><u>APPROPRIATIONS</u></b>	
	<b><u>Available for the Year</u></b>	
	<b><u>Ending June 30</u></b>	
	<b><u>2022</u></b>	<b><u>2023</u></b>
Sec. 2. <b><u>DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT</u></b>	<b><u>\$30,350,000</u></b>	<b><u>\$350,000</u></b>

(a) \$350,000 each year is for the Office of Broadband Development.

(b) \$30,000,000 the first year is for transfer to the border-to-border broadband fund account under Minnesota Statutes, section 116J.396. This transfer is onetime."

Delete the title and insert:

"A bill for an act relating to agriculture; establishing a budget for the Department of Agriculture, the Board of Animal Health, the Agricultural Utilization Research Institute, and broadband development; making policy and technical changes to various agriculture provisions; modifying fees; creating accounts; creating a biofuels program and advisory committee; extending and modifying the Farmer-Lender Mediation Act; transferring money for deposit in the broadband grant program; appropriating money; amending Minnesota Statutes 2020, sections 15.057; 17.055, subdivision 1, by adding a subdivision; 17.1017, subdivisions 5, 6; 17.116, subdivision 2; 18B.26, subdivision 3; 21.82, subdivision 3; 21.86, subdivision 2; 28A.08, by adding a subdivision; 28A.09, by adding a subdivision; 28A.152, subdivisions 1, 3, 4, 5; 35.02, subdivision 1; 41A.16, subdivisions 2, 5, 6; 41A.17, subdivisions 2, 4, 5; 41A.18, subdivisions 2, 5; 41A.19; 41B.048, subdivisions 2, 4, 6; 583.215; 583.26, subdivisions 4, 5, 8; 583.27, subdivision 3; Laws 2020, chapter 71, article 2, section 19; proposing coding for new law in Minnesota Statutes, chapters 17; 21; 28A; 41A; repealing Minnesota Statutes 2020, section 41B.048, subdivision 8."

The motion prevailed and the amendment was adopted.

Sundin moved to amend S. F. No. 958, the third engrossment, as amended, as follows:

Page 18, line 10, delete "act" and insert "article"

Page 18, line 16, delete "act" and insert "article"

The motion prevailed and the amendment was adopted.

Lueck moved to amend S. F. No. 958, the third engrossment, as amended, as follows:

Page 29, delete section 19

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Green moved to amend S. F. No. 958, the third engrossment, as amended, as follows:

Page 2, line 17, delete "15,750,000" and insert "15,811,000" and delete "15,476,000" and insert "15,502,000"

Page 4, after line 19, insert:

"(j) \$61,000 the first year and \$26,000 the second year are to monitor groundwater and surface water on outdoor recreation system lands under article 2, section 34. Of the amount appropriated each year, \$17,000 the first year and \$15,000 the second year are for transfer to the commissioner of natural resources."

Page 12, line 26, delete "9,414,000" and insert "9,353,000" and delete "9,403,000" and insert "9,377,000"

Page 17, line 13, delete "\$222,000" and insert "\$161,000" and delete "\$286,000" and insert "\$260,000"

Page 41, after line 25, insert:

"Sec. 34. Minnesota Statutes 2020, section 103H.175, is amended by adding a subdivision to read:

Subd. 4. Nitrogen monitoring on state lands required. (a) On outdoor recreation system lands owned by the state, the commissioner of agriculture must monitor groundwater and surface water for nitrogen and report the results as required under this section.

(b) At a minimum, the commissioner must test groundwater for nitrates in the following locations:

(1) Lost 40 Scientific and Natural Area;

(2) Blue Mounds State Park; and

(3) Sakatah Lake State Park.

The commissioner must conduct the testing required by this paragraph at least three times per year for five years, beginning in calendar year 2021. The commissioner must report its findings to the legislative committees with jurisdiction over agriculture, environment, and natural resources by February 15 each year following the year in which the testing is required."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Anderson moved to amend S. F. No. 958, the third engrossment, as amended, as follows:

Page 2, line 17, delete "15,750,000" and insert "15,770,000" and delete "15,476,000" and insert "15,496,000"

Page 4, after line 19, insert:

"(j) \$20,000 the first year and \$20,000 the second year are to compensate farmers for crop damage caused by deer and Canadian geese."

Page 12, line 26, delete "9,414,000" and insert "9,394,000" and delete "9,403,000" and insert "9,383,000"

Page 17, line 13, delete "\$222,000" and insert "\$202,000" and delete "\$286,000" and insert "\$266,000"

The motion did not prevail and the amendment was not adopted.

Anderson moved to amend S. F. No. 958, the third engrossment, as amended, as follows:

Page 22, delete section 8

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Anderson amendment and the roll was called. There were 64 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Davids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	West
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

Those who voted in the negative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Vang
Bahner	Feist	Hollins	Lippert	Olson, L.	Wazlawik
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Winkler
Berg	Frazier	Howard	Long	Pinto	Wolgamott
Bernardy	Frederick	Huot	Mariani	Pryor	Xiong, J.
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, T.
Boldon	Gomez	Keeler	Masin	Richardson	Youakim
Carlson	Greenman	Klevorn	Moller	Sandell	Spk. Hortman
Christensen	Hansen, R.	Koegel	Moran	Sandstede	
Davnie	Hanson, J.	Kotzya-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

The motion did not prevail and the amendment was not adopted.

S. F. No. 958, A bill for an act relating to state government; establishing a budget for the Department of Agriculture, the Board of Animal Health, the Agricultural Utilization Research Institute, and broadband development; making policy and technical changes to various provisions related to agriculture, food, rural development, and broadband development, including provisions related to grants, loans, pesticides, feedlots, bioincentive programs, Cervidae, veterinary services, reports, and mapping; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 3.737, by adding a subdivision; 17.1017, subdivision 6; 18B.33, subdivision 1; 18E.04, subdivision 4; 28A.15, by adding a subdivision; 28A.152, subdivisions 1, 3, 4, 5; 31A.15, subdivision 1; 35.155, subdivisions 5, 11; 41A.16, subdivision 5; 41A.17, subdivision 4; 116.07, subdivision 7; 116J.394; 116J.397; 156.12, subdivision 2; Laws 2020, chapter 101, section 5, subdivisions 2, 7; proposing coding for new law in Minnesota Statutes, chapter 25.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 69 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Vang
Bahner	Feist	Hollins	Lippert	Olson, L.	Wazlawik
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Winkler
Berg	Frazier	Howard	Long	Pinto	Wolgamott
Bernardy	Frederick	Huot	Mariani	Pryor	Xiong, J.
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, T.
Boldon	Gomez	Keeler	Masin	Richardson	Youakim
Carlson	Greenman	Klevorn	Moller	Sandell	Spk. Hortman
Christensen	Hansen, R.	Koegel	Moran	Sandstede	
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Lucero	Novotny	Robbins
Albright	Davids	Haley	Lueck	O'Driscoll	Schomacker
Anderson	Demuth	Hamilton	McDonald	Olson, B.	Scott
Backer	Dettmer	Heinrich	Mekeland	O'Neill	Swedzinski
Bahr	Drazkowski	Heintzeman	Miller	Petersburg	Theis
Baker	Erickson	Hertaus	Mortensen	Pfarr	Torkelson
Bennett	Franke	Igo	Mueller	Pierson	Urdahl
Bliss	Franson	Johnson	Munson	Poston	West
Boe	Garofalo	Jurgens	Nash	Quam	
Burkel	Green	Kiel	Nelson, N.	Raleigh	
Daniels	Grossell	Kresha	Neu Brindley	Rasmusson	

The bill was passed, as amended, and its title agreed to.

There being no objection, the order of business reverted to Calendar for the Day.

**CALENDAR FOR THE DAY**

H. F. No. 991 was reported to the House.

Davids moved to amend H. F. No. 991, the second engrossment, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
FEDERAL CONFORMITY

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

Subd. 7. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, ~~2018~~ 2020.

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

Sec. 2. Minnesota Statutes 2020, section 290.01, subdivision 19, is amended to read:

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

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

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

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

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

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

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

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

(f) The Internal Revenue Code of 1986, as amended through December 31, ~~2018~~ 2020, shall be in effect for taxable years beginning after December 31, 1996.

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

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

Sec. 3. Minnesota Statutes 2020, section 290.01, subdivision 31, is amended to read:

Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, ~~2018~~ 2020. Internal Revenue Code also includes any uncodified provision in federal law that relates to provisions of the Internal Revenue Code that are incorporated into Minnesota law.

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

Sec. 4. Minnesota Statutes 2020, section 290.0122, subdivision 4, is amended to read:

Subd. 4. **Charitable contributions.** (a) A taxpayer is allowed a deduction for charitable contributions. The deduction equals the amount of the charitable contribution deduction allowable to the taxpayer under section 170 of the Internal Revenue Code, including the denial of the deduction under section 408(d)(8), except that the ~~provisions of section 170(b)(1)(G) apply regardless of the taxable year~~ deduction under this subdivision is limited to 60 percent of the taxpayer's contribution base as defined in section 170(b)(1)(H) of the Internal Revenue Code.

(b) For taxable years beginning after December 31, 2017, the determination of carryover amounts must be made by applying the rules under section 170 of the Internal Revenue Code based on the charitable contribution deductions claimed and allowable under this section.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2019.

Sec. 5. Minnesota Statutes 2020, section 290.0131, is amended by adding a subdivision to read:

Subd. 19. **Business interest.** The amount of business interest deducted under section 163(j) of the Internal Revenue Code of 1986, as amended through December 31, 2020, that exceeds the amount of business interest allowed to be deducted under section 163(j) of the Internal Revenue Code of 1986, as amended through December 31, 2018, is an addition.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, and before January 1, 2021.

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

Subd. 20. **Excess business losses.** The amount by which an excess business loss under section 461(l)(3) of the Internal Revenue Code of 1986, as amended through December 31, 2018, exceeds the amount of a disallowed loss carryover under section 461(l)(3) of the Internal Revenue Code of 1986, as amended through December 31, 2020, is an addition.

**EFFECTIVE DATE.** This section is effective retroactively at the same time and for the same taxable years as the temporary changes in section 2304 of Public Law 116-136 were effective for federal purposes.

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

Subd. 21. **Net operating loss.** The amount by which a net operating loss deducted under section 172 of the Internal Revenue Code of 1986, as amended through December 31, 2020, exceeds the amount of a net operating loss allowed to be deducted under the Internal Revenue Code of 1986, as amended through December 31, 2018, including the amount of the addition required under subdivision 20 to the extent the amount is not included under section 172 of the Internal Revenue Code of 1986, as amended through December 31, 2018, is an addition.

**EFFECTIVE DATE.** This section is effective retroactively at the same time and for the same taxable years as the temporary changes in section 2303 of Public Law 116-136 were effective for federal purposes.

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

Subd. 30. **Delayed business interest.** (a) The amount of delayed business interest is a subtraction.

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

(1) "delayed business interest" means the lesser of:

(i) the base amount; or

(ii) the amount of business interest deductible under section 163(j) of the Internal Revenue Code, excluding the special rule under section 163(j)(10) of the Internal Revenue Code, less the amount of business interest deducted under section 163(j) of the Internal Revenue Code for the taxable year; and

(2) "base amount" means the sum of each addition required under section 290.0131, subdivision 19, for all prior taxable years, less the sum of all subtractions claimed under this subdivision for all prior taxable years.

**EFFECTIVE DATE.** This section is effective retroactively at the same time and for the same taxable years as the temporary changes in section 2306 of Public Law 116-136 were effective for federal purposes and thereafter.

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

Subd. 31. **Delayed net operating loss.** (a) The amount of a delayed net operating loss is a subtraction.

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

(1) "delayed net operating loss" means the lesser of:

(i) the base amount; or

(ii) the net operating loss deduction limit under section 172(a) of the Internal Revenue Code of 1986, as amended through December 31, 2018, including the amount of the addition required under section 290.0131, subdivision 20, to the extent the amount is not included under section 172 of the Internal Revenue Code, less the amount of any net operating loss deducted under section 172 of the Internal Revenue Code for the taxable year; and

(2) "base amount" means the sum of each addition required under section 290.0131, subdivision 21, for all prior taxable years, less the sum of all subtractions claimed under this subdivision for all prior taxable years.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2018.

Sec. 10. Minnesota Statutes 2020, section 290.0133, is amended by adding a subdivision to read:

**Subd. 15. Business interest.** The amount of business interest deducted under section 163(j) of the Internal Revenue Code of 1986, as amended through December 31, 2020, or section 290.34, that exceeds the amount of business interest allowed to be deducted under section 163(j) of the Internal Revenue Code of 1986, as amended through December 31, 2018, or section 290.34, is an addition.

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

Sec. 11. Minnesota Statutes 2020, section 290.0134, is amended by adding a subdivision to read:

**Subd. 20. Delayed business interest.** (a) The amount of delayed business interest is a subtraction.

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

(1) "delayed business interest" means the portion of the base amount equal to the difference, if any, between:

(i) the amount of business interest deductible under section 290.34 or section 163(j) of the Internal Revenue Code, excluding the special rule under section 163(j)(10) of the Internal Revenue Code; and

(ii) the amount of business interest deducted under section 163(j) of the Internal Revenue Code for the taxable year; and

(2) "base amount" means the sum of each addition required under section 290.0131, subdivision 16, for all prior taxable years, less the sum of all subtractions claimed under this subdivision for all prior taxable years.

**EFFECTIVE DATE.** This section is effective retroactively at the same time and for the same taxable years as the temporary changes in section 2306 of Public Law 116-136 were effective for federal purposes and thereafter.

Sec. 12. Minnesota Statutes 2020, section 290.993, is amended to read:

**290.993 SPECIAL LIMITED ADJUSTMENT.**

(a) For an individual income taxpayer subject to tax under section 290.06, subdivision 2c, or a partnership that elects to file a composite return under section 289A.08, subdivision 7, for taxable years beginning after December 31, 2017, and before January 1, 2019, the following special rules apply:

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

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

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

(c) For an individual, estate, trust, or partnership subject to an adjustment under this section, any change in tax as a result of this act, including amendments to the Internal Revenue Code that are incorporated in this act, must be calculated after the adjustment.

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

Sec. 13. Minnesota Statutes 2020, section 290A.03, subdivision 15, is amended to read:

Subd. 15. **Internal Revenue Code.** "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, ~~2018~~ 2020.

**EFFECTIVE DATE.** This section is effective for property tax refunds based on property taxes payable after December 31, 2021, and rent paid after December 31, 2020.

Sec. 14. Minnesota Statutes 2020, section 291.005, subdivision 1, is amended to read:

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

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

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

(3) "Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended through December 31, ~~2018~~ 2020.

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

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

(6) "Personal representative" means the executor, administrator or other person appointed by the court to administer and dispose of the property of the decedent. If there is no executor, administrator or other person appointed, qualified, and acting within this state, then any person in actual or constructive possession of any

property having a situs in this state which is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of the property and the Minnesota estate tax due with respect to the property.

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

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

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

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

(iii) a qualified work of art, as defined in section 2503(g)(2) of the Internal Revenue Code, owned by a nonresident decedent and that is normally kept or located in this state because it is on loan to an organization, qualifying as exempt from taxation under section 501(c)(3) of the Internal Revenue Code, that is located in Minnesota, the situs of the art is deemed to be outside of Minnesota, notwithstanding the provisions of item (ii); and

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

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

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

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

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

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

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

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

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

Sec. 15. **TEMPORARY NONCONFORMITY ADDITIONS AND SUBTRACTIONS.**

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

(b) For an individual, estate, or trust:

(1) "subtraction" has the meaning given in Minnesota Statutes, section 290.0132, subdivision 1, and the rules in that subdivision apply for this section; and

(2) "addition" has the meaning given in Minnesota Statutes, section 290.0131, subdivision 1, and the rules in that subdivision apply for this section.

(c) For a corporation other than an S corporation:

(1) "subtraction" has the meaning given in Minnesota Statutes, section 290.0134, subdivision 1, and the rules in that subdivision apply for this section; and

(2) "addition" has the meaning given in Minnesota Statutes, section 290.0133, subdivision 1, and the rules in that subdivision apply for this section.

(d) The definitions in Minnesota Statutes, section 290.01, apply for this section.

**Subd. 2. Temporary subtraction; federal credits for sick and family leave; individuals, estates, and trusts.**

(a) For an individual, estate, or trust, the amount by which gross income is increased under the following credits is a subtraction:

(1) the payroll credit for required paid sick leave under section 7001 of Public Law 116-127; and

(2) the payroll credit for required paid family leave under section 7003 of Public Law 116-127.

(b) This subdivision is effective retroactively for taxable years in which a taxpayer claimed the credits described in paragraph (a).

**Subd. 3. Temporary subtraction; federal credits for sick and family leave; corporations.** (a) For a corporation other than an S corporation, the amount by which gross income is increased under the following credits is a subtraction:

(1) the payroll credit for required paid sick leave under section 7001 of Public Law 116-127; and

(2) the payroll credit for required paid family leave under section 7003 of Public Law 116-127.

(b) This subdivision is effective retroactively for taxable years in which a taxpayer claimed the credits described in paragraph (a).

**Subd. 4. Temporary subtraction; wages used to claim employee retention credit; individuals, estates, and trusts.** (a) For an individual, estate, or trust, the amount disallowed under section 2301(e) of Public Law 116-136 is a subtraction.

(b) This subdivision is effective retroactively for taxable years in which a taxpayer had a deduction disallowed under section 2301(e) of Public Law 116-136.

**Subd. 5. Temporary subtraction; wages used to claim employee retention credit; corporations.** (a) For a corporation other than an S corporation, the amount disallowed under section 2301(e) of Public Law 116-136 is a subtraction.

(b) This subdivision is effective retroactively for taxable years in which a taxpayer had a deduction disallowed under section 2301(e) of Public Law 116-136.

**Subd. 6. Temporary addition; business meals; individuals, estates, and trusts.** (a) For an individual, estate, or trust, the amount deducted for food or beverages under section 274(n)(2) of the Internal Revenue Code that exceeds the 50 percent limit in section 274(n)(1) of the Internal Revenue Code is an addition.

(b) This subdivision is effective retroactively for expenses paid or incurred after December 31, 2020, and before January 1, 2023.

**Subd. 7. Temporary addition; business meals; C corporations.** (a) For a corporation other than an S corporation, the amount deducted for food or beverages under section 274(n)(2) of the Internal Revenue Code that exceeds the 50 percent limit in section 274(n)(1) of the Internal Revenue Code is an addition.

(b) This subdivision is effective retroactively for expenses paid or incurred after December 31, 2020, and before January 1, 2023.

**Subd. 8. Temporary addition; PPP expenses for individuals, estates, and trusts.** (a) For the purposes of this subdivision:

(1) "qualifying business" means a business with paycheck protection program expenses in the taxable year that is a partnership, limited liability company, S corporation, or sole proprietorship;

(2) "paycheck protection program expenses" means amounts allowed as a deduction under section 276 of the COVID-related Tax Relief Act of 2020 in Public Law 116-260; and

(3) "paycheck protection program loan" means a discharged loan that is excluded from gross income under section 1106(i) of Public Law 116-136.

(b) For a qualifying business, for each paycheck protection program loan, the amount of paycheck protection program expenses in excess of \$350,000 is an addition.

(c) This section is effective retroactively at the same time and for the same taxable years as the changes in section 276 of the COVID-related Tax Relief Act of 2020 in Public Law 116-260.

**Subd. 9. Temporary addition; PPP expenses for C corporations.** (a) For the purposes of this subdivision:

(1) "qualifying business" means a business with paycheck protection program expenses that is a corporation other than an S corporation;

(2) "paycheck protection program expenses" means amounts allowed as a deduction under section 276 of the COVID-related Tax Relief Act of 2020 in Public Law 116-260; and

(3) "paycheck protection program loan" means a discharged loan that is excluded from gross income under section 1106(i) of Public Law 116-136.

(b) For a qualifying business, for each paycheck protection program loan, the amount of paycheck protection program expenses in excess of \$350,000 is an addition.

(c) This section is effective retroactively at the same time and for the same taxable years as the changes in section 276 of the COVID-related Tax Relief Act of 2020 in Public Law 116-260.

Subd. 10. **Nonresident apportionment; alternative minimum tax.** (a) For the purpose of calculating the percentage under Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e), the commissioner of revenue must increase:

(1) the numerator in Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e), clause (1), by the subtractions in subdivisions 2 and 4; and

(2) the denominator in Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e), clause (2), by the additions in subdivisions 6 and 8.

(b) For the purpose of determining "income" under Minnesota Statutes, section 289A.08, the commissioner of revenue must consider the additions under subdivisions 6 and 8 and the subtractions under subdivisions 2 and 4.

(c) A taxpayer's alternative minimum taxable income under Minnesota Statutes, section 290.091, is increased by the amount of the taxpayer's additions under subdivisions 6 and 8, and reduced by the amount of the taxpayer's subtractions under subdivisions 2 and 4.

(d) This section is effective for taxable years in which a taxpayer had an addition or subtraction under this section.

**EFFECTIVE DATE.** This section is effective for the taxable years specified in each subdivision.

Sec. 16. **WORKING FAMILY CREDIT; SPECIAL EARNED INCOME RULES FOR TAX YEAR 2020.**

For the purposes of calculating the credit under Minnesota Statutes, section 290.067, the commissioner of revenue must allow a taxpayer to elect to determine earned income using the rules in section 211 of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 in Public Law 116-260.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2019, and before January 1, 2021.

Sec. 17. **TEMPORARY INDIVIDUAL INCOME TAX SUBTRACTION; UNEMPLOYMENT INSURANCE BENEFITS.**

(a) For the purposes of this section:

(1) "subtraction" has the meaning given in Minnesota Statutes, section 290.0132; and

(2) "unemployment compensation" has the meaning given in section 85(b) of the Internal Revenue Code.

(b) For taxable years beginning after December 31, 2019, and before January 1, 2021, an individual taxpayer with adjusted gross income that is less than \$150,000 is allowed a subtraction equal to the amount of unemployment compensation received in the taxable year. The subtraction is limited to \$10,200, except for a joint return the subtraction is limited to \$10,200 in unemployment compensation received by each spouse.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2019, and before January 1, 2021.

Sec. 18. **MMB REQUIRED TO SEEK TREASURY GUIDANCE.**

No later than June 15, 2021, the commissioner of management and budget must request guidance from the Department of Treasury about whether the revenue reductions in this article are an eligible use of funds received under section 9901 of Public Law 117-2.

ARTICLE 2  
INDIVIDUAL INCOME AND CORPORATE  
FRANCHISE TAXES

Section 1. Minnesota Statutes 2020, section 41B.0391, subdivision 2, is amended to read:

Subd. 2. **Tax credit for owners of agricultural assets.** (a) An owner of agricultural assets may take a credit against the tax due under chapter 290 for the sale or rental of agricultural assets to a beginning farmer in the amount allocated by the authority under subdivision 4. An owner of agricultural assets is eligible for allocation of a credit equal to:

(1) five percent of the lesser of the sale price or the fair market value of the agricultural asset, up to a maximum of \$32,000;

(2) ten percent of the gross rental income in each of the first, second, and third years of a rental agreement, up to a maximum of \$7,000 per year; or

(3) 15 percent of the cash equivalent of the gross rental income in each of the first, second, and third years of a share rent agreement, up to a maximum of \$10,000 per year.

(b) A qualifying rental agreement includes cash rent of agricultural assets or a share rent agreement. The agricultural asset must be rented at prevailing community rates as determined by the authority.

(c) The credit may be claimed only after approval and certification by the authority, and is limited to the amount stated on the certificate issued under subdivision 4. An owner of agricultural assets must apply to the authority for certification and allocation of a credit, in a form and manner prescribed by the authority.

(d) An owner of agricultural assets or beginning farmer may terminate a rental agreement, including a share rent agreement, for reasonable cause upon approval of the authority. If a rental agreement is terminated without the fault of the owner of agricultural assets, the tax credits shall not be retroactively disallowed. In determining reasonable cause, the authority must look at which party was at fault in the termination of the agreement. If the authority determines the owner of agricultural assets did not have reasonable cause, the owner of agricultural assets must repay all credits received as a result of the rental agreement to the commissioner of revenue. The repayment is additional income tax for the taxable year in which the authority makes its decision or when a final adjudication under subdivision 5, paragraph (a), is made, whichever is later.

(e) The credit is limited to the liability for tax as computed under chapter 290 for the taxable year. If the amount of the credit determined under this section for any taxable year exceeds this limitation, the excess is a beginning farmer incentive credit carryover according to section 290.06, subdivision 37.

(f) Notwithstanding subdivision 1, paragraph (c), for purposes of the credit for the sale of an agricultural asset under paragraph (a), clause (1), the family member definitional exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply.

(g) For a qualifying sale to a family member, to qualify for the credit under paragraph (a), clause (1), the sale price of the agricultural asset must equal or exceed the assessed value of the asset as of the date of the sale. If there is no assessed value, the sale price must equal or exceed 80 percent of the fair market value of the asset as of the date of the sale.

(h) For the purposes of this section, "qualifying sale to a family member" means a sale to a beginning farmer in which the beginning farmer or the beginning farmer's spouse is a family member of:

(1) the owner of the agricultural asset; or

(2) a partner, member, shareholder, or trustee of the owner of the agricultural asset.

(i) For a sale to a socially disadvantaged farmer or rancher, the credit rate under paragraph (a), clause (1), is ten percent rather than five percent. For the purposes of this section, "socially disadvantaged farmer or rancher" has the meaning given in United States Code, title 7, section 2279(a)(5).

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

Sec. 2. Minnesota Statutes 2020, section 41B.0391, subdivision 4, is amended to read:

Subd. 4. **Authority duties.** (a) The authority shall:

(1) approve and certify or recertify beginning farmers as eligible for the program under this section;

(2) approve and certify or recertify owners of agricultural assets as eligible for the tax credit under subdivision 2 subject to the allocation limits in paragraph (c);

(3) provide necessary and reasonable assistance and support to beginning farmers for qualification and participation in financial management programs approved by the authority;

(4) refer beginning farmers to agencies and organizations that may provide additional pertinent information and assistance; and

(5) notwithstanding section 41B.211, the Rural Finance Authority must share information with the commissioner of revenue to the extent necessary to administer provisions under this subdivision and section 290.06, subdivisions 37 and 38. The Rural Finance Authority must annually notify the commissioner of revenue of approval and certification or recertification of beginning farmers and owners of agricultural assets under this section. For credits under subdivision 2, the notification must include the amount of credit approved by the authority and stated on the credit certificate.

(b) The certification of a beginning farmer or an owner of agricultural assets under this section is valid for the year of the certification and the two following years, after which time the beginning farmer or owner of agricultural assets must apply to the authority for recertification.

(c) For credits for owners of agricultural assets allowed under subdivision 2, the authority must not allocate more than \$5,000,000 for taxable years beginning after December 31, 2017, and before January 1, 2019, and must not allocate more than \$6,000,000 for taxable years beginning after December 31, 2018. The authority must allocate credits on a first-come, first-served basis beginning on January 1 of each year, except that recertifications for the second and third years of credits under subdivision 2, paragraph (a), clauses (1) and (2), have first priority. Any amount authorized but not allocated in any taxable year does not cancel and is added to the allocation for the next taxable year.

(d) For taxable years beginning after December 31, 2020, the amount available to be allocated for the taxable year under paragraph (c) is reduced by five percent. Beginning in fiscal year 2022, an amount equal to the reduction under this paragraph is annually appropriated from the general fund to the Rural Finance Authority to develop an online application system and administer the credits under this section. The amount of the appropriation for a fiscal year must be determined based on the reduction for taxable years beginning after December 31 of the previous fiscal year and before January 1 of the fiscal year of the appropriation. The Rural Finance Authority must disregard amounts carried forward from previous taxable years when calculating the reduction under this paragraph.

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

Sec. 3. Minnesota Statutes 2020, section 116J.8737, subdivision 5, is amended to read:

Subd. 5. **Credit allowed.** (a) A qualified investor or qualified fund is eligible for a credit equal to 25 percent of the qualified investment in a qualified small business. Investments made by a pass-through entity qualify for a credit only if the entity is a qualified fund. The commissioner must not allocate more than \$10,000,000 in credits to qualified investors or qualified funds for the taxable years listed in paragraph (i). For each taxable year, 50 percent must be allocated to credits for qualified investments in qualified greater Minnesota businesses and minority-owned, women-owned, or veteran-owned qualified small businesses in Minnesota. Any portion of a taxable year's credits that is reserved for qualified investments in greater Minnesota businesses and minority-owned, women-owned, or veteran-owned qualified small businesses in Minnesota that is not allocated by September 30 of the taxable year is available for allocation to other credit applications beginning on October 1. Any portion of a taxable year's credits that is not allocated by the commissioner does not cancel and may be carried forward to subsequent taxable years until all credits have been allocated.

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

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

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

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

A member of the family of an individual disqualified by this paragraph is not eligible for a credit under this section. For a married couple filing a joint return, the limitations in this paragraph apply collectively to the investor and spouse. For purposes of determining the ownership interest of an investor under this paragraph, the rules under section 267(c) and 267(e) of the Internal Revenue Code apply.

(d) Applications for tax credits for 2010 must be made available on the department's website by September 1, 2010, and the department must begin accepting applications by September 1, 2010. Applications for subsequent years must be made available by November 1 of the preceding year.

(e) Qualified investors and qualified funds must apply to the commissioner for tax credits. Tax credits must be allocated to qualified investors or qualified funds in the order that the tax credit request applications are filed with the department. The commissioner must approve or reject tax credit request applications within 15 days of receiving the application. The investment specified in the application must be made within 60 days of the allocation of the

credits. If the investment is not made within 60 days, the credit allocation is canceled and available for reallocation. A qualified investor or qualified fund that fails to invest as specified in the application, within 60 days of allocation of the credits, must notify the commissioner of the failure to invest within five business days of the expiration of the 60-day investment period.

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

(g) A qualified investor or qualified fund, or a qualified small business acting on their behalf, must notify the commissioner when an investment for which credits were allocated has been made, and the taxable year in which the investment was made. A qualified fund must also provide the commissioner with a statement indicating the amount invested by each investor in the qualified fund based on each investor's share of the assets of the qualified fund at the time of the qualified investment. After receiving notification that the investment was made, the commissioner must issue credit certificates for the taxable year in which the investment was made to the qualified investor or, for an investment made by a qualified fund, to each qualified investor who is an investor in the fund. The certificate must state that the credit is subject to revocation if the qualified investor or qualified fund does not hold the investment in the qualified small business for at least three years, consisting of the calendar year in which the investment was made and the two following years. The three-year holding period does not apply if:

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

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

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

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

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

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

(i) The credit allowed under this subdivision is effective for each of the ~~following taxable years:~~ taxable years beginning after December 31, 2020, and before January 1, 2023.

~~(1) taxable years beginning after December 31, 2018, and before January 1, 2020; and~~

~~(2) taxable years beginning after December 31, 2020, and before January 1, 2022.~~

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

Sec. 4. Minnesota Statutes 2020, section 116J.8737, subdivision 12, is amended to read:

Subd. 12. **Sunset.** This section expires for taxable years beginning after December 31, ~~2021~~ 2022, except that reporting requirements under subdivision 6 and revocation of credits under subdivision 7 remain in effect through ~~2023~~ 2024 for qualified investors and qualified funds, and through ~~2025~~ 2026 for qualified small businesses, reporting requirements under subdivision 9 remain in effect through ~~2024~~ 2022, and the appropriation in subdivision 11 remains in effect through ~~2025~~ 2026.

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

Sec. 5. **[116U.27] FILM PRODUCTION CREDIT.**

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

(b) "Allocation certificate" means a certificate issued by the commissioner to a taxpayer upon receipt of an initial application for a credit for a project that has not yet been completed.

(c) "Application" means the application for a credit under subdivision 4.

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

(e) "Credit certificate" means a certificate issued by the commissioner upon submission of the cost verification report in subdivision 4, paragraph (e).

(f) "Eligible production costs" means eligible production costs as defined in section 116U.26, paragraph (b), clause (1), incurred in Minnesota that are directly attributable to the production of a film project in Minnesota.

(g) "Film" has the meaning given in section 116U.26, paragraph (b), clause (2).

(h) "Project" means a film:

(1) that includes the promotion of Minnesota;

(2) for which the taxpayer has expended at least \$1,000,000 in the taxable year for eligible production costs; and

(3) to the extent practicable, that employs Minnesota residents.

(i) "Promotion of Minnesota" or "promotion" means visible display of a static or animated logo, approved by the commissioner and lasting approximately five seconds, that promotes Minnesota within its presentation and all promotional trailers worldwide in the end credits before the below-the-line crew crawl for the life of the project.

**Subd. 2. Credit allowed.** A taxpayer is eligible for a credit up to 25 percent of eligible production costs paid in a taxable year. A taxpayer may only claim a credit if the taxpayer was issued a credit certificate under subdivision 4.

**Subd. 3. Credit assignable.** A taxpayer who is eligible for a credit under this subdivision may assign the credit, in whole or in part, to another taxpayer, who is then allowed the credit under section 290.06, subdivision 39, or 297I.20, subdivision 4. An assignment is not valid unless the assignee notifies the commissioner within 30 days of the date that the assignment is made. The commissioner shall prescribe the forms necessary for notifying the commissioner of the assignment of a credit certificate and for claiming a credit by assignment. A credit must be assigned for at least 75 percent of the credit amount subject to assignment. A credit may be assigned at any time, provided that, for an assignment of a credit carryover under section 290.06, subdivision 39, paragraph (b), only the unused amount of the carryover is assigned.

Subd. 4. **Applications; allocations.** (a) To qualify for a credit under this section, a taxpayer must submit to the commissioner an initial application for a credit in the form prescribed by the commissioner, in consultation with the commissioner of revenue.

(b) Upon approving an application for a credit that meets the requirements of this section, the commissioner shall issue allocation certificates that:

(1) verify eligibility for the credit;

(2) state the amount of credit anticipated for the eligible project, with the credit amount up to 25 percent of eligible project costs; and

(3) state the taxable year in which the credit is allocated.

The commissioner must consult with Minnesota Film and Television prior to issuing an allocation certificate.

(c) The commissioner must not issue allocation certificates for more than \$10,000,000 of credits each year. If the entire amount is not allocated in that taxable year, any remaining amount is available for allocation for the four following taxable years until the entire allocation has been made. The commissioner must not award any credits for taxable years beginning after December 31, 2024, and any unallocated amounts cancel on that date.

(d) The commissioner must allocate credits on a first-come, first-served basis.

(e) Upon completion of a project, the taxpayer shall submit to the commissioner a report prepared by an independent certified public accountant licensed in the state of Minnesota to verify the amount of eligible production costs related to the project. The report must be prepared in accordance with generally accepted accounting principles. Upon receipt and review of the cost verification report, the commissioner shall determine the final amount of eligible production costs and issue a credit certificate to the taxpayer. The credit may not exceed the anticipated credit amount on the allocation certificate. If the credit is less than the anticipated amount on the allocation credit, the difference is returned to the amount available for allocation under paragraph (c). To claim the credit under section 290.06, subdivision 39, or 297I.20, subdivision 4, a taxpayer must include a copy of the certificate as part of the taxpayer's return.

Subd. 5. **Report required.** By March 15, 2024, the commissioner, in consultation with the commissioner of revenue, must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development and taxes. The report must comply with sections 3.195 and 3.197, and must detail the following:

(1) the amount of credits earned in each taxable year;

(2) the number of applications received and approved for the credit;

(3) the types of projects eligible for the credit;

(4) the total economic impact of the credit in Minnesota, including the number of jobs resulting from the credit; and

(5) any other information the commissioner, in consultation with the commissioner of revenue, deems necessary for purposes of claiming and administering the credit.

Subd. 6. **Expiration.** This section expires January 1, 2025, for taxable years beginning after December 31, 2024.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2020, and before January 1, 2025.

Sec. 6. Minnesota Statutes 2020, section 289A.08, subdivision 7, is amended to read:

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

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

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

(d) The electing partner must not have any Minnesota source income other than the income from the partnership and other electing partnerships. If it is determined that the electing partner has other Minnesota source income, the inclusion of the income and tax liability for that partner under this provision will not constitute a return to satisfy the requirements of subdivision 1. The tax paid for the individual as part of the composite return is allowed as a payment of the tax by the individual on the date on which the composite return payment was made. If the electing nonresident partner has no other Minnesota source income, filing of the composite return is a return for purposes of subdivision 1.

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

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

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

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

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

(j) For the purposes of this subdivision, "income" means the partner's share of federal adjusted gross income from the partnership modified by the additions provided in section 290.0131, subdivisions 8 to 10 ~~and~~, 16, ~~and~~ 19 to 23, and the subtractions provided in: (1) section 290.0132, subdivision 9, to the extent the amount is assignable or allocable to Minnesota under section 290.17; and (2) section 290.0132, ~~subdivision~~ subdivisions 14, 30, and 31. The subtraction allowed under section 290.0132, subdivision 9, is only allowed on the composite tax computation to the extent the electing partner would have been allowed the subtraction.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2020, except that the provisions relating to section 290.0131, subdivisions 20 and 21, are effective retroactively for taxable years beginning after December 31, 2017, and the provisions relating to section 290.0131, subdivision 19, and section 290.0132, subdivisions 30 and 31, are effective retroactively for taxable years beginning after December 31, 2018.

Sec. 7. Minnesota Statutes 2020, section 289A.08, is amended by adding a subdivision to read:

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

(1) "income" has the meaning given in subdivision 7, paragraph (j), except that the provisions that apply to a partnership apply to a qualifying entity and the provisions that apply to a partner apply to a qualifying owner. The income of both a resident and nonresident qualifying owner is allocated and assigned to this state as provided for nonresident partners and shareholders under section 290.17;

(2) "qualifying owner" means a resident or nonresident individual, estate, or trust that is a partner, member, or shareholder of a qualifying entity; and

(3) "qualifying entity" means a partnership, limited liability company, or corporation organized under subchapter S of the Internal Revenue Code for federal income tax purposes, including a qualified subsidiary also organized under subchapter S of the Internal Revenue Code. Qualifying entity does not include a partnership, limited liability company, or corporation that has a partnership, limited liability company, or corporation as a partner, member, or shareholder.

(b) A qualifying entity may elect to file a return and pay the pass-through entity tax imposed under paragraph (c). The election:

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

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

(3) is binding on all qualifying owners who have an ownership interest in the qualifying entity.

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

(d) The amount of a qualifying owner's tax liability under paragraph (c) is the amount of the qualifying owner's income multiplied by the tax rates and brackets used to determine the tax liability for married individuals filing separate returns, estates, and trusts under section 290.06, subdivision 2c. When making this determination:

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

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

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

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

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

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

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

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

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

Sec. 8. Minnesota Statutes 2020, section 289A.08, subdivision 11, is amended to read:

Subd. 11. **Information included in income tax return.** (a) The return must state:

(1) the name of the taxpayer, or taxpayers, if the return is a joint return, and the address of the taxpayer in the same name or names and same address as the taxpayer has used in making the taxpayer's income tax return to the United States;

(2) the date or dates of birth of the taxpayer or taxpayers;

(3) the following information:

(i) the Social Security number of the taxpayer, or taxpayers, if a Social Security number has been issued by the United States with respect to the taxpayers; or

(ii) the individual tax identification number of the taxpayer, or taxpayers, if a Social Security number has not been issued by the United States with respect to the taxpayers, as allowed under section 290.0671; and

(4) the amount of the taxable income of the taxpayer as it appears on the federal return for the taxable year to which the Minnesota state return applies.

(b) The taxpayer must attach to the taxpayer's Minnesota state income tax return a copy of the federal income tax return that the taxpayer has filed or is about to file for the period.

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

Sec. 9. Minnesota Statutes 2020, section 290.01, is amended by adding a subdivision to read:

Subd. 7c. **Resident trust.** (a) "Resident trust" means a trust, except a grantor type trust, which has sufficient relevant connections with Minnesota during the applicable tax year to be permissibly taxed, consistent with due process, as a resident trust. Relevant connections with Minnesota include but are not limited to the following:

(1) one or more of the trustees, fiduciaries, nonfiduciary service providers, settlors, grantors, or beneficiaries of the trust are residents or part-year residents of Minnesota;

(2) tangible or intangible assets making up any part of the trust are located in Minnesota;

(3) any part of the administration of the trust took place in Minnesota;

(4) the laws of Minnesota are specifically made applicable to the trust or to the parties to the trust, whether by choice of law or by operation of law;

(5) the trust was created by a will of a decedent who at death was domiciled in Minnesota;

(6) the trust and the will under which it was created were probated in Minnesota or were otherwise approved or enforced by Minnesota's courts; and

(7) Minnesota's courts have a continuing supervisory or other existing relationship with the trust.

(b) The term "grantor type trust" means a trust where the income or gains of the trust are taxable to the grantor or others treated as substantial owners under sections 671 to 678 of the Internal Revenue Code.

(c) The term "administration of the trust" means the performance of any administrative function for the trust, including but not limited to the following:

(1) investing of trust assets;

(2) distributing of trust assets;

(3) conducting trust business;

(4) conducting any litigation or other legal proceedings;

(5) conducting administrative services, including but not limited to record keeping and the preparation and filing of tax returns;

(6) making fiduciary decisions, including but not limited to decisions regarding any of the administrative functions listed in this paragraph; and

(7) official keeping of books and records of the trust, including but not limited to the original minutes of trustee meetings and the original trust instruments, are located in Minnesota.

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

Sec. 10. Minnesota Statutes 2020, section 290.0122, subdivision 8, is amended to read:

Subd. 8. **Losses.** A taxpayer is allowed a deduction for losses. ~~The deduction equals the amount~~ allowed under sections 165(d) and 165(h) of the Internal Revenue Code, ~~disregarding the limitation on personal casualty losses in paragraph (h)(5).~~ section 165(a) of the Internal Revenue Code, including the limitation provided in section 67(b)(3) of the Internal Revenue Code, for the following:

(1) losses described in paragraphs (2) and (3) of section 165(c) of the Internal Revenue Code, including the provisions of section 165(h) of the Internal Revenue Code but disregarding paragraph (h)(5); and

(2) losses described in section 165(d) of the Internal Revenue Code.

**EFFECTIVE DATE.** This section is effective the day following final enactment, except that the reference to paragraph (2) of section 165(c) of the Internal Revenue Code is effective retroactively for taxable years beginning after December 31, 2018.

Sec. 11. Minnesota Statutes 2020, section 290.0131, is amended by adding a subdivision to read:

**Subd. 22. Previously taxed deferred foreign income.** The amount received by a resident or part-year resident that is excluded from federal adjusted gross income or federal taxable income under section 959 of the Internal Revenue Code, because the amount was previously included under sections 951A or 965 of the Internal Revenue Code, is an addition.

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

Sec. 12. Minnesota Statutes 2020, section 290.0131, is amended by adding a subdivision to read:

**Subd. 23. Income attributable to domestic production activities of cooperatives.** The amount of the deduction allowable under section 199A(g) of the Internal Revenue Code is an addition.

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

Sec. 13. Minnesota Statutes 2020, section 290.0132, subdivision 27, is amended to read:

**Subd. 27. Deferred foreign income.** The amount of deferred foreign income ~~recognized because of~~ under section 965 of the Internal Revenue Code is a subtraction.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2015, except the changes incorporated by federal changes are effective retroactively at the same time the changes became effective for federal purposes.

Sec. 14. Minnesota Statutes 2020, section 290.0133, subdivision 6, is amended to read:

**Subd. 6. Special deductions.** The amount of any special deductions under sections 241 to 247, ~~and 250, and~~ 965 of the Internal Revenue Code is an addition.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2015, except that the changes incorporated by federal changes are effective retroactively at the same time the changes became effective for federal purposes.

Sec. 15. Minnesota Statutes 2020, section 290.0133, is amended by adding a subdivision to read:

**Subd. 16. Previously taxed deferred foreign income.** The amount received by a corporation that is excluded from gross income under section 959 of the Internal Revenue Code, because the amount was previously included under sections 951A or 965 of the Internal Revenue Code, is an addition.

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

Sec. 16. Minnesota Statutes 2020, section 290.0133, is amended by adding a subdivision to read:

**Subd. 17. Income attributable to domestic production activities of cooperatives.** The amount of the deduction allowable under section 199A(g) of the Internal Revenue Code is an addition.

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

Sec. 17. Minnesota Statutes 2020, section 290.0134, subdivision 18, is amended to read:

Subd. 18. **Deferred foreign income.** The amount of deferred foreign income ~~recognized because of~~ under section 965 of the Internal Revenue Code is a subtraction.

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

Sec. 18. Minnesota Statutes 2020, section 290.06, subdivision 2c, is amended to read:

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

- (1) On the first ~~\$38,770~~ \$42,800, 5.35 percent;
- (2) On all over ~~\$38,770~~ \$42,800, but not over ~~\$154,020~~ \$154,010, 6.8 percent;
- (3) On all over ~~\$154,020~~ \$154,010, but not over ~~\$269,010~~ \$276,200, 7.85 percent;
- (4) On all over ~~\$269,010~~ \$276,200, but not over \$1,000,000, 9.85 percent-;
- (5) On all over \$1,000,000, 11.15 percent.

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

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

- (1) On the first ~~\$26,520~~ \$29,270, 5.35 percent;
- (2) On all over ~~\$26,520~~ \$29,270, but not over ~~\$87,110~~ \$86,620, 6.8 percent;
- (3) On all over ~~\$87,110~~ \$86,620, but not over ~~\$161,720~~ \$166,040, 7.85 percent;
- (4) On all over ~~\$161,720~~ \$166,040, but not over \$500,000, 9.85 percent-;
- (5) On all over \$500,000, 11.15 percent.

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

- (1) On the first ~~\$32,650~~ \$36,030, 5.35 percent;
- (2) On all over ~~\$32,650~~ \$36,030, but not over ~~\$131,190~~ \$131,230, 6.8 percent;
- (3) On all over ~~\$131,190~~ \$131,230, but not over ~~\$214,980~~ \$220,730, 7.85 percent;
- (4) On all over ~~\$214,980~~ \$220,730, but not over \$750,000, 9.85 percent-;
- (5) On all over \$750,000, 11.15 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

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

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

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, ~~and 17,~~ and 19 to 23, and 290.0137, paragraph (a); and reduced by

(ii) the Minnesota assignable portion of the subtraction for United States government interest under section 290.0132, subdivision 2, the subtractions under sections 290.0132, subdivisions 9, 10, 14, 15, 17, 18, ~~and 27, 30,~~ and 31, and 290.0137, paragraph (c), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

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

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, ~~and 17,~~ and 19 to 23, and 290.0137, paragraph (a); and reduced by

(ii) the subtractions under sections 290.0132, subdivisions 2, 9, 10, 14, 15, 17, 18, ~~and 27, 30, and 31,~~ and 290.0137, paragraph (c).

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

Sec. 19. Minnesota Statutes 2020, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. **Inflation adjustment of brackets.** The commissioner shall annually adjust the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c as provided in section 270C.22. The statutory year is taxable year ~~2019~~ 2021. The rate applicable to any rate bracket must not be changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in \$5, it must be rounded up to the nearest \$10 amount. The commissioner shall determine the rate bracket for married filing separate returns after this adjustment is done. The rate bracket for married filing separate must be one-half of the rate bracket for married filing joint.

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

Sec. 20. Minnesota Statutes 2020, section 290.06, subdivision 22, is amended to read:

Subd. 22. **Credit for taxes paid to another state.** (a) A taxpayer who is liable for taxes based on net income to another state, as provided in paragraphs (b) through (f), upon income allocated or apportioned to Minnesota, is entitled to a credit for the tax paid to another state if the tax is actually paid in the taxable year or a subsequent

taxable year. A taxpayer who is a resident of this state pursuant to section 290.01, subdivision 7, paragraph (b), and who is subject to income tax as a resident in the state of the individual's domicile is not allowed this credit unless the state of domicile does not allow a similar credit.

(b) For an individual, estate, or trust, the credit is determined by multiplying the tax payable under this chapter by the ratio derived by dividing the income subject to tax in the other state that is also subject to tax in Minnesota while a resident of Minnesota by the taxpayer's federal adjusted gross income, as defined in section 62 of the Internal Revenue Code, modified by the addition required by section 290.0131, subdivision 2, and the subtraction allowed by section 290.0132, subdivision 2, to the extent the income is allocated or assigned to Minnesota under sections 290.081 and 290.17.

(c) If the taxpayer is an athletic team that apportions all of its income under section 290.17, subdivision 5, the credit is determined by multiplying the tax payable under this chapter by the ratio derived from dividing the total net income subject to tax in the other state by the taxpayer's Minnesota taxable income.

(d)(1) The credit determined under paragraph (b) or (c) shall not exceed the amount of tax so paid to the other state on the gross income earned within the other state subject to tax under this chapter; and

(2) the allowance of the credit does not reduce the taxes paid under this chapter to an amount less than what would be assessed if the gross income earned within the other state were excluded from taxable net income.

(e) In the case of the tax assessed on a lump-sum distribution under section 290.032, the credit allowed under paragraph (a) is the tax assessed by the other state on the lump-sum distribution that is also subject to tax under section 290.032, and shall not exceed the tax assessed under section 290.032. To the extent the total lump-sum distribution defined in section 290.032, subdivision 1, includes lump-sum distributions received in prior years or is all or in part an annuity contract, the reduction to the tax on the lump-sum distribution allowed under section 290.032, subdivision 2, includes tax paid to another state that is properly apportioned to that distribution.

(f) If a Minnesota resident reported an item of income to Minnesota and is assessed tax in such other state on that same income after the Minnesota statute of limitations has expired, the taxpayer shall receive a credit for that year under paragraph (a), notwithstanding any statute of limitations to the contrary. The claim for the credit must be submitted within one year from the date the taxes were paid to the other state. The taxpayer must submit sufficient proof to show entitlement to a credit.

(g) For the purposes of this subdivision, a resident shareholder of a corporation treated as an "S" corporation under section 290.9725, must be considered to have paid a tax imposed on the shareholder in an amount equal to the shareholder's pro rata share of any net income tax paid by the S corporation to another state. For the purposes of the preceding sentence, the term "net income tax" means any tax imposed on or measured by a corporation's net income.

(h) For the purposes of this subdivision, a resident partner of an entity taxed as a partnership under the Internal Revenue Code must be considered to have paid a tax imposed on the partner in an amount equal to the partner's pro rata share of any net income tax paid by the partnership to another state. For purposes of the preceding sentence, the term "net income" tax means any tax imposed on or measured by a partnership's net income. For purposes of this paragraph, "partnership" includes a limited liability company and "partner" includes a member of a limited liability company.

(i) For the purposes of this subdivision, "another state":

(1) includes:

(i) the District of Columbia; and

(ii) a province or territory of Canada; but

(2) excludes Puerto Rico and the several territories organized by Congress.

(j) The limitations on the credit in paragraphs (b), (c), and (d), are imposed on a state by state basis.

(k) For a tax imposed by a province or territory of Canada, the tax for purposes of this subdivision is the excess of the tax over the amount of the foreign tax credit allowed under section 27 of the Internal Revenue Code. In determining the amount of the foreign tax credit allowed, the net income taxes imposed by Canada on the income are deducted first. Any remaining amount of the allowable foreign tax credit reduces the provincial or territorial tax that qualifies for the credit under this subdivision.

(1)(1) The credit allowed to a qualifying individual under this section for tax paid to a qualifying state equals the credit calculated under paragraphs (b) and (d), plus the amount calculated by multiplying:

(i) the difference between the preliminary credit and the credit calculated under paragraphs (b) and (d), by

(ii) the ratio derived by dividing the income subject to tax in the qualifying state that consists of compensation for performance of personal or professional services by the total amount of income subject to tax in the qualifying state.

(2) If the amount of the credit that a qualifying individual is eligible to receive under clause (1) for tax paid to a qualifying state exceeds the tax due under this chapter before the application of the credit calculated under clause (1), the commissioner shall refund the excess to the qualifying individual. An amount sufficient to pay the refunds required by this subdivision is appropriated to the commissioner from the general fund.

(3) For purposes of this paragraph, "preliminary credit" means the credit that a qualifying individual is eligible to receive under paragraphs (b) and (d) for tax paid to a qualifying state without regard to the limitation in paragraph (d), clause (2); "qualifying individual" means a Minnesota resident under section 290.01, subdivision 7, paragraph (a), who received compensation during the taxable year for the performance of personal or professional services within a qualifying state; and "qualifying state" means a state with which an agreement under section 290.081 is not in effect for the taxable year but was in effect for a taxable year beginning before January 1, 2010.

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

Sec. 21. Minnesota Statutes 2020, section 290.06, is amended by adding a subdivision to read:

**Subd. 39. Film production credit.** (a) A taxpayer, including a taxpayer to whom a credit has been assigned under section 116U.27, subdivision 3, may claim a credit against the tax imposed by this chapter equal to the amount certified on a credit certificate under section 116U.27, subject to the limitations in this subdivision.

(b) The credit is limited to the liability for tax, as computed under this chapter, for the taxable year. If the amount of the credit determined under this subdivision for any taxable year exceeds this limitation, the excess is a film production credit carryover to each of the five succeeding taxable years. The entire amount of the excess unused credit for the taxable year is carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried. The amount of the unused credit that may be added under this paragraph must not exceed the taxpayer's liability for tax, less any film production credit for the taxable year.

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

(d) Notwithstanding the approval and certification by the commissioner of employment and economic development under section 116U.27, the commissioner may utilize any audit and examination powers under chapter 270C or 289A to the extent necessary to verify that the taxpayer is eligible for the credit and to assess the amount of any improperly claimed credit. The commissioner may only assess the original recipient of the credit certificate for the amount of improperly claimed credits. The commissioner may not assess a credit certificate transferee for any amount of improperly claimed credits, and a transferee's claim for credit is not affected by the commissioner's assessment of improperly claimed credits against the transferor.

(e) This subdivision expires January 1, 2025, for taxable years beginning after December 31, 2024, except that the expiration of this section does not affect the commissioner of revenue's authority to audit or power of examination and assessment for credits claimed under this subdivision.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2020, and before January 1, 2025.

Sec. 22. Minnesota Statutes 2020, section 290.06, is amended by adding a subdivision to read:

**Subd. 40. Pass-through entity tax credit.** (a) A qualifying owner of a qualifying entity that elects to pay the pass-through entity tax under section 289A.08, subdivision 7a, may claim a credit against the tax due under this chapter equal to the amount of the owner's tax liability as calculated under section 289A.08, subdivision 7a, paragraph (d).

(b) If the amount of the credit the taxpayer may claim under this subdivision exceeds the taxpayer's tax liability under this chapter, the commissioner of revenue shall refund the excess to the taxpayer. The amount necessary to pay the claim for the refund provided in this subdivision is appropriated from the general fund to the commissioner of revenue.

(c) For purposes of this subdivision, "qualifying entity," "qualifying owner," and "tax liability" have the meanings given in section 289A.08, subdivision 7a, paragraphs (a) and (d).

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

Sec. 23. Minnesota Statutes 2020, section 290.0671, subdivision 1, is amended to read:

Subdivision 1. **Credit allowed.** (a) An individual who is a resident of Minnesota is allowed a credit against the tax imposed by this chapter equal to a percentage of earned income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the Internal Revenue Code, ~~except that,~~

(b) A taxpayer who is a resident of Minnesota and is otherwise eligible for the credit under section 32 of the Internal Revenue Code may qualify for the credit under this section under one or more of the following exceptions:

(1) ~~a taxpayer with the taxpayer had no qualifying children who has and attained the age of 21, but not attained the age of 65, before the close of the taxable year and is otherwise eligible for a credit under section 32 of the Internal Revenue Code may also receive a credit; and~~

(2) ~~a taxpayer who is otherwise eligible for a credit under section 32 of the Internal Revenue Code remains eligible for the credit even if the taxpayer otherwise qualifies for a credit under this section and the taxpayer's earned income or adjusted gross income exceeds the income limitation under section 32 of the Internal Revenue Code; or~~

(3) ~~the taxpayer does not meet the requirements of section 32(m) of the Internal Revenue Code but provides an individual taxpayer identification number.~~

~~(b)~~ (c) For individuals with no qualifying children, the credit equals ~~3.9~~ 5 percent of the first ~~\$7,150~~ \$8,000 of earned income. The credit is reduced by 2.0 percent of earned income or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in no case is the credit less than zero.

~~(c)~~ (d) For individuals with one qualifying child, the credit equals 9.35 percent of the first ~~\$11,950~~ \$12,270 of earned income. The credit is reduced by 6.0 percent of earned income or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in no case is the credit less than zero.

~~(d)~~ (e) For individuals with two qualifying children, the credit equals 11 percent of the first ~~\$19,600~~ \$20,120 of earned income. The credit is reduced by 10.5 percent of earned income or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in no case is the credit less than zero.

~~(e)~~ (f) For individuals with three or more qualifying children, the credit equals 12.5 percent of the first ~~\$20,000~~ \$20,530 of earned income. The credit is reduced by 10.5 percent of earned income or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in no case is the credit less than zero.

~~(f)~~ (g) For a part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

~~(g)~~ (h) For a person who was a resident for the entire tax year and has earned income not subject to tax under this chapter, including income excluded under section 290.0132, subdivision 10, the credit must be allocated based on the ratio of federal adjusted gross income reduced by the earned income not subject to tax under this chapter over federal adjusted gross income. For purposes of this paragraph, the following clauses are not considered "earned income not subject to tax under this chapter":

- (1) the subtractions for military pay under section 290.0132, subdivisions 11 and 12;
- (2) the exclusion of combat pay under section 112 of the Internal Revenue Code; and
- (3) income derived from an Indian reservation by an enrolled member of the reservation while living on the reservation.

~~(h)~~ (i) For the purposes of this section, the phaseout threshold equals:

- (1) ~~\$14,570~~ \$14,960 for married taxpayers filing joint returns with no qualifying children;
- (2) ~~\$8,730~~ \$8,960 for all other taxpayers with no qualifying children;
- (3) ~~\$28,610~~ \$29,380 for married taxpayers filing joint returns with one qualifying child;
- (4) ~~\$22,770~~ \$23,380 for all other taxpayers with one qualifying child;
- (5) ~~\$32,840~~ \$33,720 for married taxpayers filing joint returns with two qualifying children;
- (6) ~~\$27,000~~ \$27,720 for all other taxpayers with two qualifying children;
- (7) ~~\$33,140~~ \$34,030 for married taxpayers filing joint returns with three or more qualifying children; and
- (8) ~~\$27,300~~ \$28,030 for all other taxpayers with three or more qualifying children.

(+) (j) The commissioner shall construct tables showing the amount of the credit at various income levels and make them available to taxpayers. The tables shall follow the schedule contained in this subdivision, except that the commissioner may graduate the transition between income brackets.

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

Sec. 24. Minnesota Statutes 2020, section 290.0671, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms "Qualifying child," and have the meanings given.

(b) "Earned income," ~~have has~~ has the meaning given in section 32(c) of the Internal Revenue Code, ~~and the term "adjusted gross income" has the meaning given in section 62 of the Internal Revenue Code.~~

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

(d) "Qualifying child" has the meaning given in section 32(c) of the Internal Revenue Code, except that the requirements of section 32(m) of the Internal Revenue Code do not apply for the purposes of determining a qualifying child if the taxpayer provides an individual taxpayer identification number.

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

Sec. 25. Minnesota Statutes 2020, section 290.0671, subdivision 7, is amended to read:

Subd. 7. **Inflation adjustment.** The commissioner shall annually adjust the earned income amounts used to calculate the credit and the phase-out thresholds in subdivision 1 as provided in section 270C.22. The statutory year is taxable year ~~2019~~ 2021.

Sec. 26. Minnesota Statutes 2020, section 290.0674, subdivision 2a, is amended to read:

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;

(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 ~~499~~ 199A(g) 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.

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

Sec. 27. Minnesota Statutes 2020, section 290.0681, subdivision 10, is amended to read:

Subd. 10. **Sunset.** This section expires after fiscal year ~~2024~~ 2029, except that the office's authority to issue credit certificates under subdivision 4 based on allocation certificates that were issued before fiscal year ~~2022~~ 2030 remains in effect through ~~2024~~ 2032, and the reporting requirements in subdivision 9 remain in effect through the year following the year in which all allocation certificates have either been canceled or resulted in issuance of credit certificates, or ~~2025~~ 2033, whichever is earlier.

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

Sec. 28. Minnesota Statutes 2020, section 290.0682, is amended to read:

**290.0682 STUDENT LOAN CREDIT.**

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

(b) "Adjusted gross income" means federal adjusted gross income as defined in section 62 of the Internal Revenue Code.

(c) "Earned income" has the meaning given in section ~~32(c) of the Internal Revenue Code~~ 290.0675, subdivision 1, paragraph (b).

(d) "Eligible individual" means a resident individual with one or more qualified education loans related to an undergraduate or graduate degree program at a postsecondary educational institution.

(e) "Eligible loan payments" means the amount the eligible individual paid during the taxable year in principal and interest on qualified education loans.

(f) "Postsecondary educational institution" means a public or nonprofit postsecondary institution eligible for state student aid under section 136A.103 or, if the institution is not located in this state, a public or nonprofit postsecondary institution participating in the federal Pell Grant program under title IV of the Higher Education Act of 1965, Public Law 89-329, as amended.

(g) "Qualified education loan" has the meaning given in section 221 of the Internal Revenue Code, but is limited to indebtedness incurred on behalf of the eligible individual.

Subd. 2. **Credit allowed.** (a) An eligible individual is allowed a credit against the tax due under this chapter.

(b) The credit for an eligible individual equals the least of:

(1) eligible loan payments minus ten percent of an amount equal to adjusted gross income in excess of \$10,000, but in no case less than zero;

(2) the earned income for the taxable year of the eligible individual, if any;

(3) the sum of:

(i) the interest portion of eligible loan payments made during the taxable year; and

(ii) ten percent of the original loan amount of all qualified education loans of the eligible individual; or

(4) \$500.

(c) For a part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

(d) In the case of a married couple, each spouse is eligible for the credit in this section. For the purposes of paragraph (b), for married taxpayers filing joint returns, each spouse's adjusted gross income equals the spouse's percentage share of the couple's earned income, multiplied by the couple's combined adjusted gross income.

**Subd. 3. Credit refundable; appropriation.** (a) If the amount of credit which a claimant is eligible to receive under this section exceeds the claimant's tax liability under this chapter, the commissioner shall refund the excess to the claimant.

(b) An amount sufficient to pay the refunds required by this section is appropriated to the commissioner from the general fund.

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

Sec. 29. Minnesota Statutes 2020, section 290.0685, subdivision 1, is amended to read:

Subdivision 1. **Credit allowed.** (a) An eligible individual is allowed a credit against the tax imposed by this chapter equal to \$2,000 for each ~~birth for which a certificate of birth resulting in stillbirth has been issued under section 144.2151~~ stillbirth. The credit under this section is allowed only in the taxable year in which the stillbirth occurred ~~and if the child would have been a dependent of the taxpayer as defined in section 152 of the Internal Revenue Code.~~

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

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2015.

Sec. 30. Minnesota Statutes 2020, section 290.0685, is amended by adding a subdivision to read:

**Subd. 1a. Definitions.** (a) For purposes of this section, the following terms have the meanings given, unless the context clearly indicates otherwise.

(b) "Certificate of birth" means the printed certificate of birth resulting in stillbirth issued under section 144.2151 or for a birth occurring in another state or country a similar certificate issued under that state's or country's law.

(c) "Eligible individual" means an individual who is:

(1)(i) a resident; or

(ii) the nonresident spouse of a resident who is a member of armed forces of the United States or the United Nations; and

(2)(i) the individual who gave birth resulting in stillbirth and is listed as a parent on the certificate of birth;

(ii) if no individual meets the requirements of clause (i) for a stillbirth that occurs in this state, then the first parent listed on the certificate of birth resulting in still birth; or

(iii) the individual who gave birth resulting in stillbirth for a birth outside of this state for which no certificate of birth was issued.

(d) "Stillbirth" means a birth for which a fetal death report would be required under section 144.222, subdivision 1, if the birth occurred in this state.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2015.

Sec. 31. Minnesota Statutes 2020, section 290.091, subdivision 2, is amended to read:

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

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

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

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

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

(ii) the medical expense deduction;

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

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

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

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

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

(6) the amount of addition required by section 290.0131, subdivisions 9, 10, ~~and 16,~~ and 19 to 23;

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

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

less the sum of the amounts determined under the following:

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

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

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

(iv) amounts subtracted from federal taxable or adjusted gross income as provided by section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, ~~and~~ 26 to 29, 30, and 31;

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

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

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

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

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

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

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

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2020, except that the provisions relating to section 290.0131, subdivisions 20 and 21, are effective retroactively for taxable years beginning after December 31, 2017, and the provisions relating to section 290.0131, subdivision 19, and section 290.0132, subdivisions 30 and 31, are effective retroactively for taxable years beginning after December 31, 2018.

Sec. 32. Minnesota Statutes 2020, section 290.17, is amended by adding a subdivision to read:

**Subd. 4a. Controlled foreign corporations.** (a) For purposes of applying subdivision 4, a controlled foreign corporation as defined in section 957 of the Internal Revenue Code is deemed to be a domestic corporation if:

(1) a United States shareholder of a controlled foreign corporation is required for the taxable year to include in gross income the shareholder's global intangible low-taxed income under section 951A of the Internal Revenue Code; and

(2) the controlled foreign corporation is a member of a unitary group.

(b) In the event the taxpayer fails to designate the controlled foreign corporation as a member of a unitary group and the commissioner subsequently determines that the controlled foreign corporation is a member of a unitary group, the commissioner's determination is prima facie valid. The taxpayer subject to the determination has the burden of establishing the incorrectness of the determination in any related action or proceeding.

(c) For purposes of imposing a tax under this chapter, the federal taxable income of a controlled foreign corporation deemed to be a domestic corporation under this subdivision must be computed as follows:

(1) a profit and loss statement must be prepared in the currency in which the books of account of the controlled foreign corporation are regularly maintained;

(2) except as determined by the commissioner or otherwise allowed under the Internal Revenue Code, adjustments must be made to the profit and loss statement to conform the statement to the accounting principles generally accepted in the United States for the preparation of those statements;

(3) adjustments must be made to the profit and loss statement to conform it to the tax accounting standards required by the commissioner;

(4) unless otherwise authorized by the commissioner, the apportionment factors and profit and loss statement of each member of the combined group must be converted into the currency in which the parent company maintains its books and records; and

(5) the taxpayer's apportionment factors and profit and loss statement must be expressed in United States dollars.

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

Sec. 33. Minnesota Statutes 2020, section 290.17, is amended by adding a subdivision to read:

**Subd. 4b. Worldwide election.** (a) Taxpayer members of a unitary group, of which one or more members are deemed to be domestic corporations under subdivision 4a for the taxable year, may elect to determine each of their apportioned shares of the net business income or loss of the combined group under a worldwide election. Under the election, taxpayer members must take into account the entire income and apportionment factors of each member of the unitary group, regardless of the place where a member is incorporated or formed. Corporations or other entities incorporated or formed outside of the United States are subject to the requirements of subdivision 4a, paragraph (c), in reporting their income.

(b) A worldwide election is effective only if made on a timely filed, original return for the tax year by each member of the unitary group subject to tax under this chapter.

(c) A worldwide election is binding for and applies to the taxable year it is made and for the ten following taxable years.

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

Sec. 34. Minnesota Statutes 2020, section 290.17, is amended by adding a subdivision to read:

**Subd. 4c. Withdrawal; reinstatement.** (a) The election under subdivision 4b, paragraph (a), may be withdrawn:

(1) after expiration of the ten-year period in subdivision 4b, paragraph (c), provided that the withdrawal is made in writing within one year after the expiration of the election; or

(2) prior to the expiration of the ten-year period, if the taxpayer members:

(i) file a written withdrawal request with the commissioner;

(ii) demonstrate that they would experience an extraordinary financial hardship due to increased tax arising from unforeseen changes in this state's tax statutes, laws, or policies; and

(iii) receive written permission from the commissioner approving the withdrawal, which the commissioner may grant.

(b) A withdrawal made under paragraph (a) is binding for ten years. If no withdrawal is properly made under paragraph (a), clause (1), the worldwide election is binding for an additional ten taxable years. If the commissioner grants written permission to withdraw under paragraph (a), clause (2), the commissioner must impose any requirement deemed necessary to prevent evasion of tax or to clearly reflect income for the election period before or after withdrawal.

(c) Notwithstanding the requirement binding withdrawal for ten years under paragraph (b), the election may be reinstated if the taxpayer members:

(1) file a written reinstatement request with the commissioner;

(2) demonstrate that they would experience an extraordinary hardship due to unforeseen changes in this state's tax statutes, laws, or policies; and

(3) receive written permission from the commissioner approving the reinstatement, which the commissioner may grant.

(d) A reinstatement under paragraph (c) is binding for a period of ten years. The withdrawal provisions of paragraph (a) apply to a reinstatement under paragraph (c), and the provisions of paragraph (c) apply to a reinstatement following a subsequent withdrawal.

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

Sec. 35. Minnesota Statutes 2020, section 290.21, subdivision 9, is amended to read:

Subd. 9. **Controlled foreign corporations.** The net income of a ~~domestic~~ corporation that is included pursuant to section 951 of the Internal Revenue Code is dividend income.

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

Sec. 36. Minnesota Statutes 2020, section 290.21, is amended by adding a subdivision to read:

Subd. 10. **Previously taxed deferred foreign income.** The amount included under section 290.0133, subdivision 16, is dividend income.

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

Sec. 37. Minnesota Statutes 2020, section 290.92, subdivision 4b, is amended to read:

Subd. 4b. **Withholding by partnerships.** (a) A partnership shall deduct and withhold a tax as provided in paragraph (b) for nonresident individual partners based on their distributive shares of partnership income for a taxable year of the partnership.

(b) The amount of tax withheld is determined by multiplying the partner's distributive share allocable to Minnesota under section 290.17, paid or credited during the taxable year by the highest rate used to determine the income tax liability for an individual under section 290.06, subdivision 2c, except that the amount of tax withheld may be determined by the commissioner if the partner submits a withholding exemption certificate under subdivision 5.

(c) The commissioner may reduce or abate the tax withheld under this subdivision if the partnership had reasonable cause to believe that no tax was due under this section.

(d) Notwithstanding paragraph (a), a partnership is not required to deduct and withhold tax for a nonresident partner if:

(1) the partner elects to have the tax due paid as part of the partnership's composite return under section 289A.08, subdivision 7;

(2) the partner has Minnesota assignable federal adjusted gross income from the partnership of less than \$1,000; or

(3) the partnership is liquidated or terminated, the income was generated by a transaction related to the termination or liquidation, and no cash or other property was distributed in the current or prior taxable year;

(4) the distributive shares of partnership income are attributable to:

(i) income required to be recognized because of discharge of indebtedness;

(ii) income recognized because of a sale, exchange, or other disposition of real estate, depreciable property, or property described in section 179 of the Internal Revenue Code; or

(iii) income recognized on the sale, exchange, or other disposition of any property that has been the subject of a basis reduction pursuant to section 108, 734, 743, 754, or 1017 of the Internal Revenue Code

to the extent that the income does not include cash received or receivable or, if there is cash received or receivable, to the extent that the cash is required to be used to pay indebtedness by the partnership or a secured debt on partnership property; ~~or~~

(5) the partnership is a publicly traded partnership, as defined in section 7704(b) of the Internal Revenue Code; ~~or~~

(6) the partnership has elected to pay the pass-through entity tax under section 289A.08, subdivision 7a.

(e) For purposes of sections 270C.60, 289A.09, subdivision 2, 289A.20, subdivision 2, paragraph (c), 289A.50, 289A.56, 289A.60, and 289A.63, a partnership is considered an employer.

(f) To the extent that income is exempt from withholding under paragraph (d), clause (4), the commissioner has a lien in an amount up to the amount that would be required to be withheld with respect to the income of the partner attributable to the partnership interest, but for the application of paragraph (d), clause (4). The lien arises under section 270C.63 from the date of assessment of the tax against the partner, and attaches to that partner's share of the profits and any other money due or to become due to that partner in respect of the partnership. Notice of the lien may be sent by mail to the partnership, without the necessity for recording the lien. The notice has the force and effect of a levy under section 270C.67, and is enforceable against the partnership in the manner provided by that section. Upon payment in full of the liability subsequent to the notice of lien, the partnership must be notified that the lien has been satisfied.

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

Sec. 38. Minnesota Statutes 2020, section 290.92, subdivision 4c, is amended to read:

Subd. 4c. **Withholding by S corporations.** (a) A corporation having a valid election in effect under section 290.9725 shall deduct and withhold a tax as provided in paragraph (b) for nonresident individual shareholders their share of the corporation's income for the taxable year.

(b) The amount of tax withheld is determined by multiplying the amount of income allocable to Minnesota under section 290.17 by the highest rate used to determine the income tax liability of an individual under section 290.06, subdivision 2c, except that the amount of tax withheld may be determined by the commissioner if the shareholder submits a withholding exemption certificate under subdivision 5.

(c) Notwithstanding paragraph (a), a corporation is not required to deduct and withhold tax for a nonresident shareholder, if:

(1) the shareholder elects to have the tax due paid as part of the corporation's composite return under section 289A.08, subdivision 7;

(2) the shareholder has Minnesota assignable federal adjusted gross income from the corporation of less than \$1,000; ~~or~~

(3) the corporation is liquidated or terminated, the income was generated by a transaction related to the termination or liquidation, and no cash or other property was distributed in the current or prior taxable year; or

(4) the S corporation has elected to pay the pass-through entity tax under section 289A.08, subdivision 7a.

(d) For purposes of sections 270C.60, 289A.09, subdivision 2, 289A.20, subdivision 2, paragraph (c), 289A.50, 289A.56, 289A.60, and 289A.63, a corporation is considered an employer.

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

Sec. 39. Minnesota Statutes 2020, section 290A.03, subdivision 3, is amended to read:

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

(1) federal adjusted gross income as defined in 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;

(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, to the extent the sum of amounts exceeds the retirement base amount for the claimant and spouse;

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

(xiii) nontaxable scholarship or fellowship grants;

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

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

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

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

(xviii) the amount of deduction allowed under section 199A(g) 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" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall 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 which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

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

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

(5) relief granted under this chapter;

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

(7) 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; or

(8) alimony paid.

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

- (1) for the claimant's first dependent, the exemption amount multiplied by 1.4;
- (2) for the claimant's second dependent, the exemption amount multiplied by 1.3;
- (3) for the claimant's third dependent, the exemption amount multiplied by 1.2;
- (4) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;
- (5) for the claimant's fifth dependent, the exemption amount; and

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

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

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

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

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

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

Sec. 40. Minnesota Statutes 2020, section 2971.20, is amended by adding a subdivision to read:

**Subd. 4. Film production credit.** (a) A taxpayer may claim a credit against the premiums tax imposed under this chapter equal to the amount indicated on the credit certificate statement issued to the company under section 116U.27. If the amount of the credit exceeds the taxpayer's liability for tax under this chapter, the excess is a credit carryover to each of the five succeeding taxable years. The entire amount of the excess unused credit for the taxable year must be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried. This credit does not affect the calculation of fire state aid under section 477B.03 and police state aid under section 477C.03.

(b) This subdivision expires January 1, 2025, for taxable years beginning after and premiums received after December 31, 2024.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after and for premiums received after December 31, 2020, and before January 1, 2025.

Sec. 41. **CLARIFICATION OF SECTION 179 EXPENSING CONFORMITY.**

For taxable years beginning after December 31, 2019, no addition is required under Minnesota Statutes, sections 290.0131, subdivision 10, and 290.0133, subdivision 12, for property placed in service in taxable years beginning before January 1, 2020, including the following:

(1) the addition for carryover amounts pursuant to section 179(b)(3) of the Internal Revenue Code for property placed in service in taxable years beginning before January 1, 2020; and

(2) the addition for property placed in service in taxable years beginning before January 1, 2020, resulting from being a shareholder or partner in an S-corporation or partnership with a taxable year that began before January 1, 2020.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2019.

Sec. 42. **REPEALER.**

(a) Minnesota Statutes 2020, sections 290.01, subdivision 19i; and 290.0131, subdivision 18, are repealed effective retroactively for taxable years beginning after December 31, 2015.

(b) Minnesota Statutes 2020, section 290.01, subdivision 7b, is repealed effective for taxable years beginning after December 31, 2020.

### ARTICLE 3 PARTNERSHIP AUDITS

Section 1. Minnesota Statutes 2020, section 270C.445, subdivision 6, is amended to read:

Subd. 6. **Enforcement; administrative order; penalties; cease and desist.** (a) The commissioner may impose an administrative penalty of not more than \$1,000 per violation of subdivision 3 or 5, or section 270C.4451, provided that a penalty may not be imposed for any conduct for which a tax preparer penalty is imposed under section 289A.60, subdivision 13. The commissioner may terminate a tax preparer's authority to transmit returns electronically to the state, if the commissioner determines the tax preparer engaged in a pattern and practice of violating this section. Imposition of a penalty under this paragraph is subject to the contested case procedure under chapter 14. The commissioner shall collect the penalty in the same manner as the income tax. There is no right to make a claim for refund under section 289A.50 of the penalty imposed under this paragraph. Penalties imposed under this paragraph are public data.

(b) In addition to the penalty under paragraph (a), if the commissioner determines that a tax preparer has violated subdivision 3 or 5, or section 270C.4451, the commissioner may issue an administrative order to the tax preparer requiring the tax preparer to cease and desist from committing the violation. The administrative order may include an administrative penalty provided in paragraph (a).

(c) If the commissioner issues an administrative order under paragraph (b), the commissioner must send the order to the tax preparer addressed to the last known address of the tax preparer.

(d) A cease and desist order under paragraph (b) must:

(1) describe the act, conduct, or practice committed and include a reference to the law that the act, conduct, or practice violates; and

(2) provide notice that the tax preparer may request a hearing as provided in this subdivision.

(e) Within 30 days after the commissioner issues an administrative order under paragraph (b), the tax preparer may request a hearing to review the commissioner's action. The request for hearing must be made in writing and must be served on the commissioner at the address specified in the order. The hearing request must specifically state the reasons for seeking review of the order. The date on which a request for hearing is served by mail is the postmark date on the envelope in which the request for hearing is mailed.

(f) If a tax preparer does not timely request a hearing regarding an administrative order issued under paragraph (b), the order becomes a final order of the commissioner and is not subject to review by any court or agency.

(g) If a tax preparer timely requests a hearing regarding an administrative order issued under paragraph (b), the hearing must be commenced within ten days after the commissioner receives the request for a hearing.

(h) A hearing timely requested under paragraph (e) is subject to the contested case procedure under chapter 14, as modified by this subdivision. The administrative law judge must issue a report containing findings of fact, conclusions of law, and a recommended order within ten days after the completion of the hearing, the receipt of late-filed exhibits, or the submission of written arguments, whichever is later.

(i) Within five days of the date of the administrative law judge's report issued under paragraph (h), any party aggrieved by the administrative law judge's report may submit written exceptions and arguments to the commissioner. Within 15 days after receiving the administrative law judge's report, the commissioner must issue an order vacating, modifying, or making final the administrative order.

(j) The commissioner and the tax preparer requesting a hearing may by agreement lengthen any time periods prescribed in paragraphs (g) to (i).

(k) An administrative order issued under paragraph (b) is in effect until it is modified or vacated by the commissioner or an appellate court. The administrative hearing provided by paragraphs (e) to (i) and any appellate judicial review as provided in chapter 14 constitute the exclusive remedy for a tax preparer aggrieved by the order.

(l) The commissioner may impose an administrative penalty, in addition to the penalty under paragraph (a), up to \$5,000 per violation of a cease and desist order issued under paragraph (b). Imposition of a penalty under this paragraph is subject to the contested case procedure under chapter 14. Within 30 days after the commissioner imposes a penalty under this paragraph, the tax preparer assessed the penalty may request a hearing to review the penalty order. The request for hearing must be made in writing and must be served on the commissioner at the address specified in the order. The hearing request must specifically state the reasons for seeking review of the order. The cease and desist order issued under paragraph (b) is not subject to review in a proceeding to challenge the penalty order under this paragraph. The date on which a request for hearing is served by mail is the postmark date on the envelope in which the request for hearing is mailed. If the tax preparer does not timely request a hearing, the penalty order becomes a final order of the commissioner and is not subject to review by any court or agency. A penalty imposed by the commissioner under this paragraph may be collected and enforced by the commissioner as an income tax liability. There is no right to make a claim for refund under section 289A.50 of the penalty imposed under this paragraph. A penalty imposed under this paragraph is public data.

(m) If a tax preparer violates a cease and desist order issued under paragraph (b), the commissioner may terminate the tax preparer's authority to transmit returns electronically to the state. Termination under this paragraph is public data.

(n) A cease and desist order issued under paragraph (b) is public data when it is a final order.

(o) Notwithstanding any other law, the commissioner may impose a penalty or take other action under this subdivision against a tax preparer, with respect to a return, within the period to assess tax on that return as provided by ~~section~~ sections 289A.38 to 289A.382.

(p) Notwithstanding any other law, the imposition of a penalty or any other action against a tax preparer under this subdivision, other than with respect to a return, must be taken by the commissioner within five years of the violation of statute.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 2. Minnesota Statutes 2020, section 289A.31, subdivision 1, is amended to read:

Subdivision 1. **Individual income, fiduciary income, mining company, corporate franchise, and entertainment taxes.** (a) Individual income, fiduciary income, mining company, and corporate franchise taxes, and interest and penalties, must be paid by the taxpayer upon whom the tax is imposed, except in the following cases:

(1) the tax due from a decedent for that part of the taxable year in which the decedent died during which the decedent was alive and the taxes, interest, and penalty due for the prior years must be paid by the decedent's personal representative, if any. If there is no personal representative, the taxes, interest, and penalty must be paid by the transferees, as defined in section 270C.58, subdivision 3, to the extent they receive property from the decedent;

(2) the tax due from an infant or other incompetent person must be paid by the person's guardian or other person authorized or permitted by law to act for the person;

(3) the tax due from the estate of a decedent must be paid by the estate's personal representative;

(4) the tax due from a trust, including those within the definition of a corporation, as defined in section 290.01, subdivision 4, must be paid by a trustee; and

(5) the tax due from a taxpayer whose business or property is in charge of a receiver, trustee in bankruptcy, assignee, or other conservator, must be paid by the person in charge of the business or property so far as the tax is due to the income from the business or property.

(b) Entertainment taxes are the joint and several liability of the entertainer and the entertainment entity. The payor is liable to the state for the payment of the tax required to be deducted and withheld under section 290.9201, subdivision 7, and is not liable to the entertainer for the amount of the payment.

(c) The taxes imposed under sections 289A.35, paragraph (b), 289A.382, subdivision 3, and 290.0922 on partnerships are the joint and several liability of the partnership and the general partners.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 3. Minnesota Statutes 2020, section 289A.37, subdivision 2, is amended to read:

Subd. 2. **Erroneous refunds.** (a) Except as provided in paragraph (b), an erroneous refund occurs when the commissioner issues a payment to a person that exceeds the amount the person is entitled to receive under law. An erroneous refund is considered an underpayment of tax on the date issued.

(b) To the extent that the amount paid does not exceed the amount claimed by the taxpayer, an erroneous refund does not include the following:

(1) any amount of a refund or credit paid pursuant to a claim for refund filed by a taxpayer, including but not limited to refunds of claims made under section 290.06, subdivision 23; 290.067; 290.0671; 290.0672; 290.0674; 290.0675; 290.0677; 290.068; 290.0681; or 290.0692; or chapter 290A; or

(2) any amount paid pursuant to a claim for refund of an overpayment of tax filed by a taxpayer.

(c) The commissioner may make an assessment to recover an erroneous refund at any time within two years from the issuance of the erroneous refund. If all or part of the erroneous refund was induced by fraud or misrepresentation of a material fact, the assessment may be made at any time.

(d) Assessments of amounts that are not erroneous refunds under paragraph (b) must be conducted under ~~section sections~~ 289A.38 to 289A.382.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 4. Minnesota Statutes 2020, section 289A.38, subdivision 7, is amended to read:

Subd. 7. **Federal tax changes.** (a) If the amount of income, items of tax preference, deductions, or credits for any year of a taxpayer, or the wages paid by a taxpayer for any period, as reported to the Internal Revenue Service is changed or corrected by the commissioner of Internal Revenue or other officer of the United States or other competent authority, or where a renegotiation of a contract or subcontract with the United States results in a change in income, items of tax preference, deductions, credits, or withholding tax, or, in the case of estate tax, where there are adjustments to the taxable estate, the taxpayer shall report the ~~change or correction or renegotiation results~~ federal adjustments in writing to the commissioner. The federal adjustments report must be submitted within 180 days after the final determination date and must be in the form of either an amended Minnesota estate, withholding tax, corporate franchise tax, or income tax return conceding the accuracy of the federal ~~determination adjustment~~ or a letter detailing how the federal ~~determination adjustment~~ is incorrect or does not change the Minnesota tax. An amended Minnesota income tax return must be accompanied by an amended property tax refund return, if necessary. A taxpayer filing an amended federal tax return must also file a copy of the amended return with the commissioner of revenue within 180 days after filing the amended return.

(b) ~~For the purposes of paragraph (a), a change or correction includes any case where a taxpayer reaches a closing agreement or compromise with the Internal Revenue Service under section 7121 or 7122 of the Internal Revenue Code.~~ In the case of a final federal adjustment arising from a partnership-level audit or an administrative adjustment request filed by a partnership under section 6227 of the Internal Revenue Code, a taxpayer must report adjustments as provided for under section 289A.382, and not this section.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 5. Minnesota Statutes 2020, section 289A.38, subdivision 8, is amended to read:

Subd. 8. **Failure to report change or correction of federal return.** If a taxpayer fails to make a federal adjustments report as required by subdivision 7 or section 289A.382, the commissioner may recompute the tax, including a refund, based on information available to the commissioner. The tax may be recomputed within six years after the federal adjustments report should have been filed, notwithstanding any period of limitations to the contrary.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 6. Minnesota Statutes 2020, section 289A.38, subdivision 9, is amended to read:

Subd. 9. **Report made of change or correction of federal return.** If a taxpayer is required to make a federal adjustments report under subdivision 7 or section 289A.382, and does report the change or files a copy of the amended return, the commissioner may recompute and reassess the tax due, including a refund (1) within one year after the federal adjustments report or amended return is filed with the commissioner, notwithstanding any period of

limitations to the contrary, or (2) within any other applicable period stated in this section, whichever period is longer. The period provided for the carryback of any amount of loss or credit is also extended as provided in this subdivision, notwithstanding any law to the contrary. If the commissioner has completed a field audit of the taxpayer, and, but for this subdivision, the commissioner's time period to adjust the tax has expired, the additional tax due or refund is limited to only those changes that are required to be made to the return which relate to the changes made on the federal return. This subdivision does not apply to sales and use tax.

For purposes of this subdivision and section 289A.42, subdivision 2, a "field audit" is the physical presence of examiners in the taxpayer's or taxpayer's representative's office conducting an examination of the taxpayer with the intention of issuing an assessment or notice of change in tax or which results in the issuing of an assessment or notice of change in tax. The examination may include inspecting a taxpayer's place of business, tangible personal property, equipment, computer systems and facilities, pertinent books, records, papers, vouchers, computer printouts, accounts, and documents.

A taxpayer may make estimated payments to the commissioner of the tax expected to result from a pending audit by the Internal Revenue Service. The taxpayer may make estimated payments prior to the due date of the federal adjustments report without the taxpayer having to file the report with the commissioner. The commissioner must credit the estimated tax payments against any tax liability of the taxpayer ultimately found to be due to the commissioner. The estimated payments limit the accrual of further statutory interest on that amount. If the estimated tax payments exceed the final tax liability plus statutory interest ultimately determined to be due, the taxpayer is entitled to a refund or credit for the excess, provided the taxpayer files a federal adjustments report, or claim for refund or credit of tax, no later than one year following the final determination date.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 7. Minnesota Statutes 2020, section 289A.38, subdivision 10, is amended to read:

Subd. 10. **Incorrect determination of federal adjusted gross income.** Notwithstanding any other provision of this chapter, if a taxpayer whose net income is determined under section 290.01, subdivision 19, omits from income an amount that will under the Internal Revenue Code extend the statute of limitations for the assessment of federal income taxes, or otherwise incorrectly determines the taxpayer's federal adjusted gross income resulting in adjustments by the Internal Revenue Service, then the period of assessment and determination of tax will be that under the Internal Revenue Code. When a change is made to federal income during the extended time provided under this subdivision, the provisions under subdivisions 7 to 9 and section 289A.382 regarding additional extensions apply.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 8. **[289A.381] DEFINITIONS; PARTNERSHIPS; FEDERAL ADJUSTMENTS.**

Subdivision 1. **Definitions relating to federal adjustments.** Unless otherwise specified, the definitions in this section apply for the purposes of sections 289A.38, subdivisions 7 to 9, 289A.381, and 289A.382.

Subd. 2. **Administrative adjustment request.** "Administrative adjustment request" means an administrative adjustment request filed by a partnership under section 6227 of the Internal Revenue Code.

Subd. 3. **Audited partnership.** "Audited partnership" means a partnership subject to a federal adjustment resulting from a partnership-level audit.

Subd. 4. **Corporate partner.** "Corporate partner" means a partner that is subject to tax under section 290.02.

Subd. 5. **Direct partner.** "Direct partner" means a partner that holds an immediate legal ownership interest in a partnership or pass-through entity.

Subd. 6. **Exempt partner.** "Exempt partner" means a partner that is exempt from taxes on its net income under section 290.05, subdivision 1.

Subd. 7. **Federal adjustment.** "Federal adjustment" means any change in an amount calculated under the Internal Revenue Code, whether to income, gross estate, a credit, an item of preference, or any other item that is used by a taxpayer to compute a tax administered under this chapter for the reviewed year whether that change results from action by the Internal Revenue Service or other competent authority, including a partnership-level audit, or from the filing of an amended federal return, federal refund claim, or an administrative adjustment request by the taxpayer. A federal adjustment is positive to the extent that it increases taxable income as determined under section 290.01, subdivision 29, and is negative to the extent that it decreases taxable income as determined under section 290.01, subdivision 29.

Subd. 8. **Federal adjustments report.** "Federal adjustments report" includes a method or form prescribed by the commissioner for use by a taxpayer to report federal adjustments, including an amended Minnesota tax return or a uniform multistate report.

Subd. 9. **Federal partnership representative.** "Federal partnership representative" means the person the partnership designates for the taxable year as the partnership's representative, or the person the Internal Revenue Service has appointed to act as the partnership representative, pursuant to section 6223(a) of the Internal Revenue Code.

Subd. 10. **Final determination date.** "Final determination date" means:

(1) for a federal adjustment arising from an audit by the Internal Revenue Service or other competent authority, the first day on which no federal adjustment arising from that audit remains to be finally determined, whether by agreement, or, if appealed or contested, by a final decision with respect to which all rights of appeal have been waived or exhausted;

(2) for a federal adjustment arising from an audit or other action by the Internal Revenue Service or other competent authority, if the taxpayer filed as a member of a combined report under section 290.17, subdivision 4, the first day on which no related federal adjustments arising from that audit remain to be finally determined as described in clause (1) for the entire combined group;

(3) for a federal adjustment arising from the filing of an amended federal return, a federal refund claim, or the filing by a partnership of an administrative adjustment request, the date on which the amended return, refund claim, or administrative adjustment request was filed; or

(4) for agreements required to be signed by the Internal Revenue Service and the taxpayer, the date on which the last party signed the agreement.

Subd. 11. **Final federal adjustment.** "Final federal adjustment" means a federal adjustment after the final determination date for that federal adjustment has passed.

Subd. 12. **Indirect partner.** "Indirect partner" means either:

(1) a partner in a partnership or pass-through entity that itself holds an immediate legal ownership interest in another partnership or pass-through entity; or

(2) a partner in a partnership or pass-through entity that holds an indirect interest in another partnership or pass-through entity through another indirect partner.

Subd. 13. **Partner.** "Partner" means a person that holds an interest directly or indirectly in a partnership or other pass-through entity.

Subd. 14. **Partnership.** "Partnership" has the meaning provided under section 7701(a)(2) of the Internal Revenue Code.

Subd. 15. **Partnership-level audit.** "Partnership-level audit" means an examination by the Internal Revenue Service at the partnership level pursuant to subtitle F, chapter 63, subchapter C, of the Internal Revenue Code, which results in federal adjustments and adjustments to partnership-related items.

Subd. 16. **Pass-through entity.** "Pass-through entity" means an entity, other than a partnership, that is not subject to the tax imposed under section 290.02. The term pass-through entity includes but is not limited to S corporations, estates, and trusts other than grantor trusts.

Subd. 17. **Resident partner.** "Resident partner" means an individual, trust, or estate partner who is a resident of Minnesota under section 290.01, subdivision 7, 7a, or 7b, for the relevant tax period.

Subd. 18. **Reviewed year.** "Reviewed year" means the taxable year of a partnership that is subject to a partnership-level audit from which federal adjustments arise.

Subd. 19. **Tiered partner.** "Tiered partner" means any partner that is a partnership or pass-through entity.

Subd. 20. **Unrelated business taxable income.** "Unrelated business taxable income" has the meaning provided under section 512 of the Internal Revenue Code.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

#### Sec. 9. **[289A.382] REPORTING AND PAYMENT REQUIREMENTS.**

Subdivision 1. **State partnership representative.** (a) With respect to an action required or permitted to be taken by a partnership under this section, or in a proceeding under section 270C.35 or 271.06, the state partnership representative for the reviewed year shall have the sole authority to act on behalf of the partnership, and its direct partners and indirect partners shall be bound by those actions.

(b) The state partnership representative for the reviewed year is the partnership's federal partnership representative unless the partnership, in a form and manner prescribed by the commissioner, designates another person as its state partnership representative.

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

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

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

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

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

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

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

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

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

**Subd. 3. Election; partnership or tiered partners pay.** (a) An audited partnership may make an election under this subdivision to pay its assessment at the entity level. If an audited partnership makes an election to pay its assessment at the entity level it must:

(1) no later than 90 days after the final determination date:

(i) file a completed federal adjustments report, which includes the residency information for all individual, trust, and estate direct partners and information pertaining to all other direct partners as prescribed by the commissioner; and

(ii) notify the commissioner that it is making the election under this subdivision; and

(2) no later than 180 days after the final determination date, pay an amount, determined as follows, in lieu of taxes on partners:

(i) exclude from final federal adjustments the distributive share of these adjustments made to a direct exempt partner that is not unrelated business taxable income;

(ii) exclude from final federal adjustments the distributive share of these adjustments made to a direct partner that has filed a federal adjustments report and paid the applicable tax, as required under subdivision 2, for the distributive share of adjustments reported on a federal return under section 6225(c) of the Internal Revenue Code;

(iii) assign and apportion at the partnership level using sections 290.17 to 290.20 the total distributive share of the remaining final federal adjustments for the reviewed year attributed to direct corporate partners and direct exempt partners; multiply the total by the highest tax rate in section 290.06, subdivision 1, for the reviewed year; and calculate interest and penalties as applicable under this chapter;

(iv) allocate at the partnership level using section 290.17, subdivision 1, the total distributive share of all final federal adjustments attributable to individual resident direct partners for the reviewed year; multiply the total by the highest tax rate in section 290.06, subdivision 2c, for the reviewed year; and calculate interest and penalties as applicable under this chapter;

(v) assign and apportion at the partnership level using sections 290.17 to 290.20 the total distributive share of the remaining final federal adjustments attributable to nonresident individual direct partners and direct partners who are an estate or a trust for the reviewed year; multiply the total by the highest tax rate in section 290.06, subdivision 2c, for the reviewed year; and calculate interest and penalties as applicable under this chapter;

(vi) for the total distributive share of the remaining final federal adjustments reported to tiered partners:

(A) determine the amount of the adjustments that would be assigned using section 290.17, subdivision 2, paragraphs (a) to (d), excluding income or gains from intangible personal property not employed in the business of the recipient of the income or gains if the recipient of the income or gains is a resident of this state or is a resident trust or estate under section 290.17, subdivision 2, paragraph (c), or apportioned using sections 290.17, subdivision 3, 290.191, and 290.20; and then determine the portion of the amount that would be allocated to this state;

(B) determine the amount of the adjustments that are fully sourced to the taxpayer's state of residency under section 290.17, subdivision 2, paragraph (e), and income or gains from intangible personal property not employed in the business of the recipient of the income or gains if the recipient of the income or gains is a resident of this state or is a resident trust or estate under section 290.17, subdivision 2, paragraph (c);

(C) determine the portion of the amount determined in subitem (B) that can be established to be properly allocable to nonresident indirect partners or other partners not subject to tax on the adjustments; and

(D) multiply the total of the amounts determined in subitems (A) and (B) reduced by the amount determined in subitem (C) by the highest tax rate in section 290.06, subdivision 2c, for the reviewed year, and calculate interest and penalties as applicable under this chapter; and

(vii) add the amounts determined in items (iii) to (vi), and pay all applicable taxes, penalties, and interest to the commissioner.

(b) An audited partnership may not make an election under this subdivision to report:

(1) a federal adjustment that results in unitary business income to a corporate partner required to file as a member of a combined report under section 290.17, subdivision 4; or

(2) any final federal adjustments resulting from an administrative adjustment request.

(c) An audited partnership not otherwise subject to any reporting or payment obligation to this state may not make an election under this subdivision.

**Subd. 4. Tiered partners and indirect partners.** The direct and indirect partners of an audited partnership that are tiered partners, and all the partners of the tiered partners, that are subject to tax under chapter 290 are subject to the reporting and payment requirements contained in subdivision 2, and the tiered partners are entitled to make the elections provided in subdivision 3. The tiered partners or their partners shall make required reports and payments no later than 90 days after the time for filing and furnishing of statements to tiered partners and their partners as established under section 6226 of the Internal Revenue Code.

**Subd. 5. Effects of election by partnership or tiered partner and payment of amount due.** (a) Unless the commissioner determines otherwise, an election under subdivision 3 is irrevocable.

(b) If an audited partnership or tiered partner properly reports and pays an amount determined in subdivision 3, the amount must be treated as paid in lieu of taxes owed by the partnership's direct partners and indirect partners, to the extent applicable, on the same final federal adjustments. The direct partners or indirect partners of the partnership who are not resident partners may not take any deduction or credit for this amount or claim a refund of the amount in this state.

(c) Nothing in this subdivision precludes resident direct partners from claiming a credit against taxes paid under section 290.06 on any amounts paid by the audited partnership or tiered partners on the resident partner's behalf to another state or local tax jurisdiction.

Subd. 6. **Failure of partnership or tiered partner to report or pay.** Nothing in this section prevents the commissioner from assessing direct partners or indirect partners for taxes they owe, using the best information available, in the event that, for any reason, a partnership or tiered partner fails to timely make any report or payment required by this section.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 10. Minnesota Statutes 2020, section 289A.42, is amended to read:

**289A.42 CONSENT TO EXTEND STATUTE.**

Subdivision 1. **Extension agreement.** If before the expiration of time prescribed in sections 289A.38 to 289A.382 and 289A.40 for the assessment of tax or the filing of a claim for refund, both the commissioner and the taxpayer have consented in writing to the assessment or filing of a claim for refund after that time, the tax may be assessed or the claim for refund filed at any time before the expiration of the agreed-upon period. The period may be extended by later agreements in writing before the expiration of the period previously agreed upon. The taxpayer and the commissioner may also agree to extend the period for collection of the tax.

Subd. 2. **Federal extensions.** When a taxpayer consents to an extension of time for the assessment of federal withholding or income taxes, the period in which the commissioner may recompute the tax is also extended, notwithstanding any period of limitations to the contrary, as follows:

(1) for the periods provided in ~~section~~ sections 289A.38, subdivisions 8 and 9, and 289A.382, subdivisions 2 and 3;

(2) for six months following the expiration of the extended federal period of limitations when no change is made by the federal authority. If no change is made by the federal authority, and, but for this subdivision, the commissioner's time period to adjust the tax has expired, and if the commissioner has completed a field audit of the taxpayer, no additional changes resulting in additional tax due or a refund may be made. For purposes of this subdivision, "field audit" has the meaning given ~~it~~ in section 289A.38, subdivision 9.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 11. Minnesota Statutes 2020, section 289A.60, subdivision 24, is amended to read:

Subd. 24. **Penalty for failure to notify of federal change.** If a person fails to report to the commissioner a change or correction of the person's federal return in the manner and time prescribed in ~~section~~ sections 289A.38, subdivision 7, and 289A.382, there must be added to the tax an amount equal to ten percent of the amount of any underpayment of Minnesota tax attributable to the federal change.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 12. Minnesota Statutes 2020, section 290.31, subdivision 1, is amended to read:

Subdivision 1. **Partners, not partnership, subject to tax.** Except as provided under ~~section~~ sections 289A.35, paragraph (b), and 289A.382, subdivision 3, a partnership as such shall not be subject to the income tax imposed by this chapter, but is subject to the tax imposed under section 290.0922. Persons carrying on business as partners shall be liable for income tax only in their separate or individual capacities.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 13. Minnesota Statutes 2020, section 297F.17, subdivision 6, is amended to read:

Subd. 6. **Time limit for bad debt refund.** Claims for refund must be filed with the commissioner during the one-year period beginning with the timely filing of the taxpayer's federal income tax return containing the bad debt deduction that is being claimed. Claimants under this subdivision are subject to the notice requirements of ~~section~~ sections 289A.38, subdivision 7, and 289A.382.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 14. Minnesota Statutes 2020, section 297G.16, subdivision 7, is amended to read:

Subd. 7. **Time limit for a bad debt deduction.** Claims for refund must be filed with the commissioner within one year of the filing of the taxpayer's income tax return containing the bad debt deduction that is being claimed. Claimants under this subdivision are subject to the notice requirements of ~~section 289A.38, subdivision 7~~ sections 289A.38 to 289A.382.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 15. Minnesota Statutes 2020, section 469.319, subdivision 4, is amended to read:

Subd. 4. **Repayment procedures.** (a) For the repayment of taxes imposed under chapter 290 or 297A or local taxes collected pursuant to section 297A.99, a business must file an amended return with the commissioner of revenue and pay any taxes required to be repaid within 30 days after becoming subject to repayment under this section. The amount required to be repaid is determined by calculating the tax for the period or periods for which repayment is required without regard to the exemptions and credits allowed under section 469.315.

(b) For the repayment of taxes imposed under chapter 297B, a business must pay any taxes required to be repaid to the motor vehicle registrar, as agent for the commissioner of revenue, within 30 days after becoming subject to repayment under this section.

(c) For the repayment of property taxes, the county auditor shall prepare a tax statement for the business, applying the applicable tax extension rates for each payable year and provide a copy to the business and to the taxpayer of record. The business must pay the taxes to the county treasurer within 30 days after receipt of the tax statement. The business or the taxpayer of record may appeal the valuation and determination of the property tax to the Tax Court within 30 days after receipt of the tax statement.

(d) The provisions of chapters 270C and 289A relating to the commissioner's authority to audit, assess, and collect the tax and to hear appeals are applicable to the repayment required under paragraphs (a) and (b). The commissioner may impose civil penalties as provided in chapter 289A, and the additional tax and penalties are subject to interest at the rate provided in section 270C.40. The additional tax shall bear interest from 30 days after becoming subject to repayment under this section until the date the tax is paid. Any penalty imposed pursuant to this section shall bear interest from the date provided in section 270C.40, subdivision 3, to the date of payment of the penalty.

(e) If a property tax is not repaid under paragraph (c), the county treasurer shall add the amount required to be repaid to the property taxes assessed against the property for payment in the year following the year in which the auditor provided the statement under paragraph (c).

(f) For determining the tax required to be repaid, a reduction of a state or local sales or use tax is deemed to have been received on the date that the good or service was purchased or first put to a taxable use. In the case of an income tax or franchise tax, including the credit payable under section 469.318, a reduction of tax is deemed to have been received for the two most recent tax years that have ended prior to the date that the business became subject to repayment under this section. In the case of a property tax, a reduction of tax is deemed to have been received for the taxes payable in the year that the business became subject to repayment under this section and for the taxes payable in the prior year.

(g) The commissioner may assess the repayment of taxes under paragraph (d) any time within two years after the business becomes subject to repayment under subdivision 1, or within any period of limitations for the assessment of tax under ~~section~~ sections 289A.38 to 289A.382, whichever period is later. The county auditor may send the statement under paragraph (c) any time within three years after the business becomes subject to repayment under subdivision 1.

(h) A business is not entitled to any income tax or franchise tax benefits, including refundable credits, for any part of the year in which the business becomes subject to repayment under this section nor for any year thereafter. Property is not exempt from tax under section 272.02, subdivision 64, for any taxes payable in the year following the year in which the property became subject to repayment under this section nor for any year thereafter. A business is not eligible for any sales tax benefits beginning with goods or services purchased or first put to a taxable use on the day that the business becomes subject to repayment under this section.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

#### ARTICLE 4 SALES AND USE TAXES

Section 1. Minnesota Statutes 2020, section 297A.67, is amended by adding a subdivision to read:

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

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

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

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

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

Sec. 2. Minnesota Statutes 2020, section 297A.70, subdivision 13, is amended to read:

Subd. 13. **Fund-raising sales by or for nonprofit groups.** (a) The following sales by the specified organizations for fund-raising purposes are exempt, subject to the limitations listed in paragraph (b):

(1) all sales made by a nonprofit organization that exists solely for the purpose of providing educational or social activities for young people primarily age 18 and under;

(2) all sales made by an organization that is a senior citizen group or association of groups if (i) in general it limits membership to persons age 55 or older; (ii) it is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes; and (iii) no part of its net earnings inures to the benefit of any private shareholders;

(3) the sale or use of tickets or admissions to a golf tournament held in Minnesota if the beneficiary of the tournament's net proceeds qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code; and

(4) sales of candy sold for fund-raising purposes by a nonprofit organization that provides educational and social activities primarily for young people age 18 and under.

(b) The exemptions listed in paragraph (a) are limited in the following manner:

(1) the exemption under paragraph (a), clauses (1) and (2), applies only to the first \$20,000 of the gross annual receipts of the organization from fund-raising; ~~and~~

(2) the exemption under paragraph (a), clause (1), does not apply if the sales are derived from admission charges or from activities for which the money must be deposited with the school district treasurer under section 123B.49, subdivision 2, ~~or~~; and

(3) the exemption under paragraph (a), clause (1), does not apply if the sales are derived from admission charges or from activities for which the money must be recorded in the same manner as other revenues or expenditures of the school district under section 123B.49, subdivision 4, unless the following conditions are both met:

(i) the sales are made for fund-raising purposes of a club, association, or other organization of elementary or secondary school students organized for the purpose of carrying on sports activities, educational activities, or other extracurricular activities; and

(ii) the school district reserves revenue raised for extracurricular activities, as provided in section 123B.49, subdivision 4, paragraph (e), and spends the revenue raised by a particular extracurricular activity only for that extracurricular activity.

(c) Sales of tangible personal property and services are exempt if the entire proceeds, less the necessary expenses for obtaining the property or services, will be contributed to a registered combined charitable organization described in section 43A.50, to be used exclusively for charitable, religious, or educational purposes, and the registered combined charitable organization has given its written permission for the sale. Sales that occur over a period of more than 24 days per year are not exempt under this paragraph.

(d) For purposes of this subdivision, a club, association, or other organization of elementary or secondary school students organized for the purpose of carrying on sports, educational, or other extracurricular activities is a separate organization from the school district or school for purposes of applying the \$20,000 limit.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after the date of final enactment.

Sec. 3. Minnesota Statutes 2020, section 297A.70, is amended by adding a subdivision to read:

**Subd. 22. Prepared food used by certain nonprofits.** Sales of prepared food to a nonprofit organization that, as part of its charitable mission, is sponsoring and managing the provision of meals and other food through the federal Child and Adult Care Food Program or the federal Summer Food Service Program to unaffiliated centers and sites are exempt from sales tax. Only prepared food purchased from a caterer or other business under a contract with the nonprofit and used directly in the federal Child and Adult Care Food Program or the federal Summer Food Service Program qualifies for this exemption. Prepared food purchased by the nonprofit for other purposes remains taxable.

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

Sec. 4. Minnesota Statutes 2020, section 297A.71, subdivision 52, is amended to read:

**Subd. 52. Construction; certain local government facilities.** (a) Materials and supplies used in and equipment incorporated into the construction, reconstruction, upgrade, expansion, or remodeling of the following local government owned facilities are exempt:

(1) a new fire station, which includes firefighting, emergency management, public safety training, and other public safety facilities in the city of Monticello if materials, supplies, and equipment are purchased after January 31, 2019, and before January 1, 2022;

(2) a new fire station, which includes firefighting and public safety training facilities and public safety facilities, in the city of Inver Grove Heights if materials, supplies, and equipment are purchased after June 30, 2018, and before January 1, 2021;

(3) a fire station and police station, including access roads, lighting, sidewalks, and utility components, on or adjacent to the property on which the fire station or police station are located that are necessary for safe access to and use of those buildings, in the city of Minnetonka if materials, supplies, and equipment are purchased after May 23, 2019, and before January 1, ~~2021~~ 2022;

(4) the school building in Independent School District No. 414, Minneota, if materials, supplies, and equipment are purchased after January 1, 2018, and before January 1, 2021;

(5) a fire station in the city of Mendota Heights, if materials, supplies, and equipment are purchased after December 31, 2018, and before January 1, 2021; and

(6) a Dakota County law enforcement collaboration center, also known as the Safety and Mental Health Alternative Response Training (SMART) Center, if materials, supplies, and equipment are purchased after June 30, 2019, and before July 1, 2021.

(b) The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner provided in section 297A.75.

(c) The total refund for the project listed in paragraph (a), clause (3), must not exceed \$850,000.

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

Sec. 5. Minnesota Statutes 2020, section 297A.71, is amended by adding a subdivision to read:

Subd. 53. **Public safety facilities.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, remodeling, expansion, or improvement of a fire station or police station, including related facilities, owned and operated by a local government, as defined in section 297A.70, subdivision 2, paragraph (d), are exempt.

(b) For purposes of this subdivision, "related facilities" includes access roads, lighting, sidewalks, and utility components on or adjacent to the property on which the fire station or police station is located that are necessary for safe access to and use of those buildings.

(c) The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner provided in section 297A.75.

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

Sec. 6. Minnesota Statutes 2020, section 297A.75, subdivision 1, is amended to read:

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

- (1) building materials for an agricultural processing facility exempt under section 297A.71, subdivision 13;
- (2) building materials for mineral production facilities exempt under section 297A.71, subdivision 14;
- (3) building materials for correctional facilities under section 297A.71, subdivision 3;
- (4) building materials used in a residence for veterans with a disability exempt under section 297A.71, subdivision 11;
- (5) elevators and building materials exempt under section 297A.71, subdivision 12;
- (6) materials and supplies for qualified low-income housing under section 297A.71, subdivision 23;
- (7) materials, supplies, and equipment for municipal electric utility facilities under section 297A.71, subdivision 35;
- (8) equipment and materials used for the generation, transmission, and distribution of electrical energy and an aerial camera package exempt under section 297A.68, subdivision 37;
- (9) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph (a), clause (10);
- (10) materials, supplies, and equipment for construction or improvement of projects and facilities under section 297A.71, subdivision 40;
- (11) materials, supplies, and equipment for construction, improvement, or expansion of a biopharmaceutical manufacturing facility exempt under section 297A.71, subdivision 45;
- (12) enterprise information technology equipment and computer software for use in a qualified data center exempt under section 297A.68, subdivision 42;

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

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

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

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

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

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

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

Sec. 7. Minnesota Statutes 2020, section 297A.75, subdivision 2, is amended to read:

Subd. 2. **Refund; eligible persons.** Upon application on forms prescribed by the commissioner, a refund equal to the tax paid on the gross receipts of the exempt items must be paid to the applicant. Only the following persons may apply for the refund:

(1) for subdivision 1, clauses (1), (2), and (14), the applicant must be the purchaser;

(2) for subdivision 1, clause (3), the applicant must be the governmental subdivision;

(3) for subdivision 1, clause (4), the applicant must be the recipient of the benefits provided in United States Code, title 38, chapter 21;

(4) for subdivision 1, clause (5), the applicant must be the owner of the homestead property;

(5) for subdivision 1, clause (6), the owner of the qualified low-income housing project;

(6) for subdivision 1, clause (7), the applicant must be a municipal electric utility or a joint venture of municipal electric utilities;

(7) for subdivision 1, clauses (8), (11), (12), and (15), the owner of the qualifying business;

(8) for subdivision 1, clauses (9), (10), (13), ~~and~~ (17), and (18), the applicant must be the governmental entity that owns or contracts for the project or facility; and

(9) for subdivision 1, clause (16), the applicant must be the owner or developer of the building or project.

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

Sec. 8. Minnesota Statutes 2020, section 297A.75, subdivision 3, is amended to read:

Subd. 3. **Application.** (a) The application must include sufficient information to permit the commissioner to verify the tax paid. If the tax was paid by a contractor, subcontractor, or builder, under subdivision 1, clauses (3) to (13) or (15) to ~~(17)~~ (18), the contractor, subcontractor, or builder must furnish to the refund applicant a statement including the cost of the exempt items and the taxes paid on the items unless otherwise specifically provided by this subdivision. The provisions of sections 289A.40 and 289A.50 apply to refunds under this section.

(b) An applicant may not file more than two applications per calendar year for refunds for taxes paid on capital equipment exempt under section 297A.68, subdivision 5.

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

Sec. 9. Laws 2017, First Special Session chapter 1, article 3, section 32, the effective date, as amended by Laws 2019, First Special Session chapter 6, article 3, section 18, is amended to read:

**EFFECTIVE DATE.** Paragraph (a) is effective retroactively for sales and purchases made after September 30, 2016, and before ~~January~~ July 1, 2023. Paragraph (b) is effective for sales and purchases made (1) after September 30, 2016, and before July 1, 2017; and (2) after December 31, 2018, and before July 1, 2019.

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

Sec. 10. **PROPERTIES DESTROYED OR DAMAGED BY FIRE; CITY OF ALEXANDRIA.**

(a) The sale and purchase of the following items are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the items are used to repair, replace, clean, or otherwise remediate damage to real and personal property damaged or destroyed in the February 25, 2020, fire in the city of Alexandria, if sales and purchases are made after February 24, 2020, and before February 28, 2023:

(1) building materials and supplies used or consumed in, and equipment incorporated into the construction, replacement, or repair of real property; and

(2) durable equipment used in a restaurant for food storage, preparation, and serving.

(b) Building cleaning and disinfecting services related to mitigating smoke damage to real property are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if sales and purchases are made after February 24, 2020, and before January 1, 2021.

(c) For sales and purchases made after February 24, 2020, and before July 1, 2021, the tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the manner provided in Minnesota Statutes, section 297A.75. The amount required to pay the refunds under this section is appropriated from the general fund to the commissioner of revenue. Refunds for eligible purchases must not be issued until after June 30, 2021.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies retroactively to sales and purchases made after February 24, 2020.

Sec. 11. **CITY OF BUFFALO; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the construction of a new fire station, which includes firefighting, emergency management, public safety training, and other public safety facilities in the city of Buffalo, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after March 31, 2020, and before July 1, 2021.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2021.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

**EFFECTIVE DATE.** This section is effective retroactively from April 1, 2020, and applies to sales and purchases made after March 31, 2020, and before July 1, 2021.

Sec. 12. **CITY OF HIBBING; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the following projects in the city of Hibbing are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after May 1, 2019, and before January 1, 2025:

(1) the addition of an Early Childhood Family Education Center to an existing elementary school; and

(2) improvements to an existing athletic facility in Independent School District No. 701.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2021.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

**EFFECTIVE DATE.** This section is effective retroactively from May 2, 2019, and applies to sales and purchases made after May 1, 2019, and before January 1, 2025.

Sec. 13. **CITY OF MAPLEWOOD; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the construction of a new fire station and emergency management operations center, including on-site infrastructure improvements of parking lot, road access, lighting, sidewalks, and utility components in the city of Maplewood are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after September 30, 2020, and before July 1, 2021.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2021.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

**EFFECTIVE DATE.** This section is effective retroactively from August 1, 2020, and applies to sales and purchases made after September 30, 2020, and before July 1, 2021.

Sec. 14. **CITY OF MARSHALL; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

**Subdivision 1. Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the following projects in the city of Marshall in Independent School District No. 413 are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after May 1, 2019, and before January 1, 2022:

(1) the construction of a new elementary school; and

(2) the remodeling of existing school buildings.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2021.

**Subd. 2. Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

**EFFECTIVE DATE.** This section is effective retroactively to May 2, 2019, and applies to materials, supplies, and equipment purchased after May 1, 2019, and before January 1, 2022.

Sec. 15. **CITY OF PLYMOUTH; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

**Subdivision 1. Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the following projects in the city of Plymouth are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after January 1, 2021, and before July 1, 2021:

(1) demolition and replacement of the existing Fire Station No. 2 on its existing site; and

(2) renovation and expansion of Fire Station No. 3.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2021.

**Subd. 2. Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

**EFFECTIVE DATE.** This section is effective retroactively from January 2, 2021, and applies to sales and purchases made after January 1, 2021, and before July 1, 2021.

Sec. 16. **CITY OF PROCTOR; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

**Subdivision 1. Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the construction of a sand and salt storage facility in the city of Proctor are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after March 31, 2021, and before January 1, 2023.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2021.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

**EFFECTIVE DATE.** This section is effective retroactively from April 1, 2021, and applies to sales and purchases made after March 31, 2021, and before January 1, 2023.

**Sec. 17. CITY OF VIRGINIA; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the construction of a regional public safety center and training facility for fire and police departments, emergency medical services, regional emergency services training, and other regional community needs are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after May 1, 2021, and before July 1, 2021.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2021.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

**EFFECTIVE DATE.** This section is effective retroactively from May 2, 2021, and applies to sales and purchases made after May 1, 2021, and before July 1, 2021.

**Sec. 18. ROCK RIDGE PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the construction of two new elementary school buildings and a new high school building in Independent School District No. 2909, Rock Ridge Public Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after May 1, 2019, and before January 1, 2024.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2021.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

**EFFECTIVE DATE.** This section is effective retroactively from May 2, 2019, and applies to sales and purchases made after May 1, 2019, and before January 1, 2024.

**Sec. 19. MSP AIRPORT; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the following projects at the Minneapolis-St. Paul International Airport are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after June 30, 2021, and before January 1, 2024:

(1) construction of an aircraft rescue and firefighting station and associated facilities;

(2) construction of a facility for the storage of trades materials and equipment;

(3) replacement and rehabilitation of a terminal building roof;

(4) replacement, rehabilitation, and improvements of a baggage handling system; and

(5) replacement, rehabilitation, and operational improvements of Terminal 1 passenger arrivals and departures area.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

**EFFECTIVE DATE.** This section is effective from July 1, 2021, and applies to sales and purchases made after June 30, 2021, and before January 1, 2024.

Sec. 20. **PROPERTIES DESTROYED OR DAMAGED DURING PROTESTS AND UNREST IN MAY AND JUNE OF 2020.**

Subdivision 1. **Exemption.** (a) The sale and purchase of the following items are exempt if the items are used to repair, replace, clean, or otherwise remediate damage to real and personal property damaged or destroyed after May 24, 2020, and before June 16, 2020, resulting from protests and unrest in the cities included in the peacetime emergency declared in the governor's Executive Order No. 20-64:

(1) building materials and supplies used or consumed in, and equipment incorporated into, the construction, replacement, or repair of real property;

(2) retail fixtures, office equipment, and restaurant equipment, so long as each item has a useful life of more than one year and costs at least \$5,000; and

(3) building cleaning and disinfecting services related to mitigating smoke damage and graffiti on and in impacted buildings.

(b) The exemption in this subdivision only applies to materials, supplies, and services purchased to repair, replace, clean, or otherwise remediate damage to buildings owned by a government entity or by a private owner provided the building housed one or more of the following entities at the time of the damage or destruction:

(1) a commercial establishment with an annual gross income of \$30,000,000 or less in calendar year 2019;

(2) a nonprofit organization; or

(3) a low-income housing development that meets the certification requirements under Minnesota Statutes, section 273.128, whether or not the development was occupied at the time of its damage or destruction.

(c) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the manner provided in Minnesota Statutes, section 297A.75, except that the applicant must have been an owner or occupant of the real property at the time of its destruction. The exemption under paragraph (a) applies to sales and purchases made after May 25, 2020, and before December 1, 2022. Refunds for eligible purchases must not be issued until after June 30, 2021.

(d) Both the owner and occupants of the real property at the time of the damage or destruction may apply for a refund under this subdivision but may only request a refund for the goods and services they paid for, or were contracted and paid for on their behalf. The exemption does not apply to purchases of an owner if the owner did not own the real property at the time of the damage or destruction.

Subd. 2. **Appropriation.** The amount necessary to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

**EFFECTIVE DATE.** This section is effective retroactively for sales and purchases made after May 25, 2020.

Sec. 21. **SALES TAX EXEMPTION FOR CERTAIN PURCHASES RELATED TO COVID-19.**

(a) Notwithstanding Minnesota Statutes, section 289A.50, or any law to the contrary, the sale and purchase of any materials, supplies, or equipment used in this state by a restaurant to adapt to health guidelines or any executive order related to COVID-19 is exempt from sales and use taxes imposed under Minnesota Statutes, chapter 297A. For the purposes of this section, "restaurant" means an establishment used as, maintained as, advertised as, or held out to be an operation that prepares, serves, or otherwise provides food or beverages, or both, for human consumption, which operates from a location for more than 21 days annually. Restaurant does not include food carts, mobile food units, grocery stores, convenience stores, gas stations, bakeries, or delis.

(b) The maximum refund allowed under this section is \$1,000 per federal employer identification number or Minnesota sales and use tax account number, whichever number is used to file sales tax returns. A business using a consolidated return to report sales tax information from more than one restaurant location, as provided in Minnesota Statutes, section 289A.11, subdivision 1, paragraph (a), is eligible for a refund of up to \$1,000, per restaurant location reported.

(c) The tax on the gross receipts from the sale of the items exempt under paragraph (a) must be imposed and collected as if the sale were taxable and the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied. Refunds for eligible purchases must not be issued until after June 30, 2021.

(d) Upon application on forms prescribed by the commissioner, a refund equal to the tax paid on the gross receipts of the exempt items or \$1,000, whichever is less, must be paid to the applicant. Only the owner of the restaurant may apply for the refund. The application must include sufficient information to permit the commissioner to verify the tax paid and that the applicant is the owner of the restaurant.

**EFFECTIVE DATE; APPLICATION.** This section is effective retroactively from March 1, 2020, and applies to sales and purchases made after February 29, 2020, and before January 1, 2022.

ARTICLE 5  
VAPOR AND TOBACCO TAXES

Section 1. Minnesota Statutes 2020, section 297F.01, is amended by adding a subdivision to read:

Subd. 7a. **Delivery sale.** "Delivery sale" has the meaning given in section 325F.781, subdivision 1.

**EFFECTIVE DATE.** This section is effective January 1, 2022.

Sec. 2. Minnesota Statutes 2020, section 297F.01, is amended by adding a subdivision to read:

Subd. 7b. **Heat device.** "Heat device" means any electronic heat device, heat system, or similar product or device, meant to be used with a cigarette to produce a vapor or aerosol, regardless of whether sold with a cigarette. A heat device includes any batteries, heating elements, components, parts, accessories, apparel, or other items that are packaged with, connected to, attached to, or contained within the product or device.

**EFFECTIVE DATE.** This section is effective January 1, 2022.

Sec. 3. Minnesota Statutes 2020, section 297F.01, subdivision 19, is amended to read:

Subd. 19. **Tobacco products.** (a) "Tobacco products" means any product containing, made, or derived from tobacco that is intended for human consumption, whether chewed, smoked, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, or any component, part, or accessory of a tobacco product, including, but not limited to, cigars; cheroots; stogies; periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff; snuff flour; cavendish; plug and twist tobacco; fine-cut and other chewing tobacco; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco, and other kinds and forms of tobacco; but does not include cigarettes as defined in this section. Tobacco products includes nicotine solution products and heat devices. Tobacco products excludes any tobacco product that has been approved by the United States Food and Drug Administration for sale as a tobacco cessation product, as a tobacco dependence product, or for other medical purposes, and is being marketed and sold solely for such an approved purpose.

(b) Except for the imposition of tax under section 297F.05, subdivisions 3 and 4, tobacco products includes a premium cigar, as defined in subdivision 13a.

**EFFECTIVE DATE.** This section is effective January 1, 2022.

Sec. 4. Minnesota Statutes 2020, section 297F.01, subdivision 22b, is amended to read:

Subd. 22b. **Nicotine solution products.** (a) "Nicotine solution products" means any cartridge, bottle, or other package that contains nicotine made or derived from tobacco, that is in a solution that is consumed, or meant to be consumed, through the use of a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means that produces vapor or aerosol. This paragraph expires December 31, 2019.

(b) Beginning January 1, 2020, "nicotine solution products" means any cartridge, bottle, or other package that contains nicotine, including nicotine made or derived from tobacco or sources other than tobacco, that is in a solution that is consumed, or meant to be consumed, through the use of a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means that produces vapor or aerosol.

(c) Nicotine solution products includes any electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, electronic nicotine delivery system, electronic vaping device, electronic vape pen, electronic oral device, electronic delivery device, or similar product or device, ~~and meant to be used in the consumption of a solution containing nicotine regardless of whether sold with a solution containing nicotine.~~ Nicotine solution products include any batteries, heating elements, or other components, parts, or accessories sold with and meant to be used in the consumption of a solution containing nicotine, apparel, or other items that are packaged with, connected to, attached to, or contained within the product or device.

**EFFECTIVE DATE.** This section is effective January 1, 2022.

Sec. 5. Minnesota Statutes 2020, section 297F.01, subdivision 23, is amended to read:

Subd. 23. **Wholesale sales price.** (a) "Wholesale sales price" means the price at which a distributor purchases a tobacco product.

(b) When a distributor sells a cartridge, bottle, or other package of a solution containing nicotine that is part of a kit that also includes a product, device, component, part, or accessory ~~described in subdivision 22b:~~

~~(4), or other item,~~ the wholesale sales price is the price at which the distributor purchases the kit; ~~except that,~~

~~(2) if the distributor also separately sells the same package of solution containing nicotine that is sold with the kit and can isolate the cost of the package of solution containing nicotine, then the wholesale sales price includes only the price at which the distributor separately purchases the package of the solution containing nicotine and any taxes, charges, and costs listed in paragraph (c).~~

(c) When a distributor sells a heat device that is part of a kit that also includes a product, device, component, part, accessory, or other item, the wholesale sales price is the price at which the distributor purchases the kit.

~~(e)~~ (d) Wholesale sales price includes the applicable federal excise tax, freight charges, or packaging costs, regardless of whether they were included in the purchase price.

**EFFECTIVE DATE.** This section is effective for kits purchased by distributors after December 31, 2021.

Sec. 6. Minnesota Statutes 2020, section 297F.031, is amended to read:

**297F.031 REGISTRATION REQUIREMENT.**

~~Prior to making delivery sales or shipping cigarettes or tobacco products in connection with any sales, an out-of-state retailer shall~~ must file with the Department of Revenue a statement setting forth the out-of-state retailer's name, trade name, ~~and the address of the out-of-state retailer's,~~ principal place of business, and any other place of business.

**EFFECTIVE DATE.** This section is effective for all delivery sales occurring after December 31, 2021.

Sec. 7. Minnesota Statutes 2020, section 297F.05, is amended by adding a subdivision to read:

Subd. 4b. **Retailer collection and remittance of use tax.** A retailer or out-of-state retailer must, for any delivery sale, collect and pay to the state any use tax imposed by this section. The retailer or out-of-state retailer must give the purchaser a receipt for the tax paid.

**EFFECTIVE DATE.** This section is effective for all delivery sales occurring after December 31, 2021.

Sec. 8. Minnesota Statutes 2020, section 297F.09, subdivision 3, is amended to read:

Subd. 3. **Use tax return; cigarette or tobacco products consumer and retailers making delivery sales.** (a) On or before the 18th day of each calendar month, a consumer who, during the preceding calendar month, has acquired title to or possession of cigarettes or tobacco products for use or storage in this state, upon which cigarettes or tobacco products the tax imposed by this chapter has not been paid, shall file a return with the commissioner showing the quantity of cigarettes or tobacco products so acquired. The return must be made in the form and manner prescribed by the commissioner, and must contain any other information required by the commissioner. The return must be accompanied by a remittance for the full unpaid tax liability shown by it.

(b) On or before the 18th day of each calendar month, a retailer or out-of-state retailer who, during the preceding calendar month, made delivery sales must file a return with the commissioner showing the quantity of cigarettes or tobacco products so delivered. The commissioner shall prescribe the content, format, and manner of returns pursuant to section 270C.30. The return must be accompanied by a remittance for the full unpaid tax liability.

**EFFECTIVE DATE.** This section is effective for all delivery sales occurring after December 31, 2021.

Sec. 9. Minnesota Statutes 2020, section 297F.09, subdivision 4a, is amended to read:

Subd. 4a. **Reporting requirements.** No later than the 18th day of each calendar month, ~~as a retailer or~~ out-of-state retailer that has made ~~a delivery of cigarettes or tobacco products or shipped or delivered cigarettes or tobacco products into the state in~~ a delivery sale in the previous calendar month shall file with the Department of Revenue ~~reports a report~~ in the form and in the manner prescribed by the commissioner of revenue that provides for each delivery sale, the name and address of the purchaser and the brand or brands and quantity of cigarettes or tobacco products sold. A ~~tobacco~~ retailer or out-of-state retailer that meets the requirements of United States Code, title 15, section 375 et seq. satisfies the requirements of this subdivision. The filing of a return under subdivision 3, paragraph (b), satisfies the requirements of this subdivision for the applicable month.

**EFFECTIVE DATE.** This section is effective for all delivery sales occurring after December 31, 2021.

Sec. 10. Minnesota Statutes 2020, section 297F.09, subdivision 7, is amended to read:

Subd. 7. **Electronic payment.** A cigarette ~~or distributor,~~ tobacco products distributor, retailer, or out-of-state retailer having a liability of \$10,000 or more during a fiscal year ending June 30 must remit all liabilities in all subsequent calendar years by electronic means.

**EFFECTIVE DATE.** This section is effective for all delivery sales occurring after December 31, 2021.

Sec. 11. Minnesota Statutes 2020, section 297F.09, subdivision 10, is amended to read:

Subd. 10. **~~Accelerated tax payment; cigarette or tobacco products distributor.~~** A cigarette ~~or distributor,~~ tobacco products distributor, retailer, or out-of-state retailer having a liability of \$250,000 or more during a fiscal year ending June 30, shall remit the June liability for the next year in the following manner:

(a) Two business days before June 30 of calendar years 2020 and 2021, the distributor shall remit the actual May liability and 87.5 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner.

(b) On or before August 18 of the year, the distributor, retailer, or out-of-state retailer shall submit a return showing the actual June liability and pay any additional amount of tax not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability required to be paid in June, less the amount remitted in June. However, the penalty is not imposed if the amount remitted in June equals the lesser of:

(1) 87.5 percent of the actual June liability for the calendar year 2020 and 2021 June liabilities and 84.5 of the actual June liability for June 2022 and thereafter; or

(2) 87.5 percent of the preceding May liability for the calendar year 2020 and 2021 June liabilities and 84.5 percent of the preceding May liability for June 2022 and thereafter.

(c) For calendar year 2022 and thereafter, the percent of the estimated June liability the vendor must remit by two business days before June 30 is 84.5 percent.

**EFFECTIVE DATE.** This section is effective for all delivery sales occurring after December 31, 2021.

Sec. 12. Minnesota Statutes 2020, section 325F.781, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given, unless the language or context clearly provides otherwise.

(b) "Consumer" means an individual who purchases, receives, or possesses tobacco products for personal consumption and not for resale.

(c) "Delivery sale" means:

(1) a sale of tobacco products to a consumer in this state when:

(i) the purchaser submits the order for the sale by means of a telephonic or other method of voice transmission, the mail or any other delivery service, or the Internet or other online service; or

(ii) the tobacco products are delivered by use of the mail or other delivery service; or

(2) a sale of tobacco products that satisfies the criteria in clause (1), item (i), regardless of whether the seller is located inside or outside of the state.

A sale of tobacco products to an individual in this state must be treated as a sale to a consumer, unless the individual is licensed as a distributor or retailer of tobacco products.

(d) "Delivery service" means a person, including the United States Postal Service, that is engaged in the commercial delivery of letters, packages, or other containers.

(e) "Distributor" means a person, whether located inside or outside of this state, other than a retailer, who sells or distributes tobacco products in the state. Distributor does not include a tobacco products manufacturer, export warehouse proprietor, or importer with a valid permit under United States Code, title 26, section 5712 (1997), if the person sells or distributes tobacco products in this state only to distributors who hold valid and current licenses under the laws of a state, or to an export warehouse proprietor or another manufacturer. Distributor does not include a common or contract carrier that is transporting tobacco products under a proper bill of lading or freight bill that states the quantity, source, and destination of tobacco products, or a person who ships tobacco products through this state by common or contract carrier under a bill of lading or freight bill.

(f) "Retailer" means a person, whether located inside or outside this state, who sells or distributes tobacco products to a consumer in this state.

(g) "Tobacco products" means: cigarettes and tobacco products as defined in section 297F.01.

~~(1) cigarettes, as defined in section 297F.01, subdivision 3;~~

~~(2) smokeless tobacco as defined in section 325F.76; and~~

~~(3) premium cigars as defined in section 297F.01, subdivision 13a.~~

**EFFECTIVE DATE.** This section is effective January 1, 2022.

Sec. 13. Minnesota Statutes 2020, section 325F.781, subdivision 5, is amended to read:

Subd. 5. **Registration requirement.** ~~Prior to making delivery sales or shipping tobacco products in connection with any sales, an out-of-state retailer must meet the requirements of~~ register with the commissioner of revenue as required under section 297F.031.

**EFFECTIVE DATE.** This section is effective for all delivery sales occurring after December 31, 2021.

Sec. 14. Minnesota Statutes 2020, section 325F.781, subdivision 6, is amended to read:

Subd. 6. **Collection of taxes.** ~~(a) Prior to shipping any tobacco products to a purchaser in this state, the out of state~~ A retailer shall comply with all requirements of making delivery sales must file all returns and reports, collect and pay all taxes, and maintain all records required under chapter 297F and shall ensure that all state excise taxes and fees that apply to such tobacco products have been collected and paid to the state and that all related state excise tax stamps or other indicators of state excise tax payment have been properly affixed to those tobacco products.

(b) In addition to any penalties under chapter 297F, ~~a distributor~~ a retailer making delivery sales who fails to pay any tax due ~~according to paragraph (a)~~ under chapter 297F, shall pay, in addition to any other penalty, a penalty of 50 percent of the tax due but unpaid.

**EFFECTIVE DATE.** This section is effective for all delivery sales occurring after December 31, 2021.

## ARTICLE 6 SPECIAL TAXES

Section 1. Minnesota Statutes 2020, section 297H.04, subdivision 2, is amended to read:

Subd. 2. **Rate.** (a) Commercial generators that generate nonmixed municipal solid waste shall pay a solid waste management tax of 60 cents per noncompacted cubic yard of periodic waste collection capacity purchased by the generator, based on the size of the container for the nonmixed municipal solid waste, the actual volume, or the weight-to-volume conversion schedule in paragraph (c). However, the tax must be calculated by the waste management service provider using the same method for calculating the waste management service fee so that both are calculated according to container capacity, actual volume, or weight.

(b) Notwithstanding section 297H.02, a residential generator that generates nonmixed municipal solid waste shall pay a solid waste management tax in the same manner as provided in paragraph (a).

(c) The ~~weight-to-volume conversion schedule~~ tax for:

(1) construction debris as defined in section 115A.03, subdivision 7, is equal to 60 cents per cubic yard. The commissioner of revenue, after consultation with the commissioner of the Pollution Control Agency, shall determine and ~~may~~ publish by notice a weight-to-volume conversion schedule for construction debris;

(2) industrial waste as defined in section 115A.03, subdivision 13a, is equal to 60 cents per cubic yard. The commissioner of revenue after consultation with the commissioner of the Pollution Control Agency, shall determine, and ~~may~~ publish by notice, a weight-to-volume conversion schedule for various industrial wastes; and

(3) infectious waste as defined in section 116.76, subdivision 12, and pathological waste as defined in section 116.76, subdivision 14, is 150 pounds equals one cubic yard, or 60 cents per 150 pounds.

**EFFECTIVE DATE.** This section is effective July 1, 2021.

Sec. 2. Minnesota Statutes 2020, section 297H.05, is amended to read:

### **297H.05 SELF-HAULERS.**

(a) A self-hauler of mixed municipal solid waste shall pay the tax to the operator of the waste management facility to which the waste is delivered at the rate imposed under section 297H.03, based on the sales price of the waste management services.

(b) A self-hauler of nonmixed municipal solid waste shall pay the tax to the operator of the waste management facility to which the waste is delivered at the rate imposed under section 297H.04.

(c) The tax imposed on the self-hauler of nonmixed municipal solid waste may be based either on the capacity of the container, the actual volume, or the weight-to-volume conversion schedule in paragraph (d). However, the tax must be calculated by the operator using the same method for calculating the tipping fee so that both are calculated according to container capacity, actual volume, or weight.

(d) The ~~weight to volume conversion schedule~~ tax for:

(1) construction debris as defined in section 115A.03, subdivision 7, is ~~one ton equals 3.33 cubic yards, or \$2 per ton equal to 60 cents per cubic yard. The commissioner of revenue, after consultation with the commissioner of the Pollution Control Agency, shall determine and publish by notice a weight-to-volume conversion schedule for construction debris;~~

(2) industrial waste as defined in section 115A.03, subdivision 13a, is equal to 60 cents per cubic yard. The commissioner of revenue, after consultation with the commissioner of the Pollution Control Agency, shall determine, and ~~may~~ publish by notice, a weight-to-volume conversion schedule for various industrial wastes; and

(3) infectious waste as defined in section 116.76, subdivision 12, and pathological waste as defined in section 116.76, subdivision 14, is 150 pounds equals one cubic yard, or 60 cents per 150 pounds.

(e) For mixed municipal solid waste the tax is imposed upon the difference between the market price and the tip fee at a processing or disposal facility if the tip fee is less than the market price and the political subdivision subsidizes the cost of service at the facility. The political subdivision is liable for the tax.

**EFFECTIVE DATE.** This section is effective July 1, 2021, except the new rate for construction debris applies to waste delivered after June 30, 2021.

Sec. 3. Minnesota Statutes 2020, section 297I.05, subdivision 7, is amended to read:

Subd. 7. **Nonadmitted insurance premium tax.** (a) A tax is imposed on surplus lines brokers. The rate of tax is equal to three percent of the gross premiums less return premiums paid by an insured whose home state is Minnesota.

(b) A tax is imposed on a person, firm, corporation, or purchasing group as defined in section 60E.02, or any member of a purchasing group, that procures insurance directly from a nonadmitted insurer. The rate of tax is equal to ~~two~~ three percent of the gross premiums less return premiums paid by an insured whose home state is Minnesota.

(c) No state other than the home state of an insured may require any premium tax payment for nonadmitted insurance. When Minnesota is the home state of the insured, as provided under section 297I.01, 100 percent of the gross premiums are taxable in Minnesota with no allocation of the tax to other states.

**EFFECTIVE DATE.** This section is effective for policies with an effective date after December 31, 2021.

Sec. 4. Minnesota Statutes 2020, section 298.001, is amended by adding a subdivision to read:

Subd. 13. **Merchantable iron ore concentrate.** "Merchantable iron ore concentrate" means iron-bearing material that has been treated in Minnesota by any means of beneficiation, separation, concentration, or refinement for the purpose of making it salable for its iron ore content.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2022 and thereafter.

Sec. 5. Minnesota Statutes 2020, section 298.24, subdivision 1, is amended to read:

Subdivision 1. **Imposed; calculation.** (a) For concentrate produced in 2013, there is imposed upon taconite and iron sulphides, and upon the mining and quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the concentrate so produced, a tax of \$2.56 per gross ton of merchantable iron ore concentrate produced therefrom.

(b) For concentrates produced in 2014 and subsequent years, the tax rate shall be equal to the preceding year's tax rate plus an amount equal to the preceding year's tax rate multiplied by the percentage increase in the implicit price deflator from the fourth quarter of the second preceding year to the fourth quarter of the preceding year. "Implicit price deflator" means the implicit price deflator for the gross domestic product prepared by the Bureau of Economic Analysis of the United States Department of Commerce.

(c) An additional tax is imposed equal to three cents per gross ton of merchantable iron ore concentrate for each one percent that the iron content of the product exceeds 72 percent, when dried at 212 degrees Fahrenheit.

(d) The tax on taconite and iron sulphides shall be imposed on the average of the production for the current year and the previous two years. The rate of the tax imposed will be the current year's tax rate. This clause shall not apply in the case of the closing of a taconite facility if the property taxes on the facility would be higher if this clause and section 298.25 were not applicable.

(e) The tax under paragraph (a) is also imposed upon other iron-bearing material as described in section 298.405 on the tonnage of merchantable iron ore concentrate produced therefrom. The tax on other iron-bearing material shall be imposed on the current year production. The rate of the tax imposed is the current year's tax rate.

(f) If the tax or any part of the tax imposed by this subdivision is held to be unconstitutional, a tax of \$2.56 per gross ton of merchantable iron ore concentrate produced shall be imposed.

(g) Consistent with the intent of this subdivision to impose a tax based upon the weight of merchantable iron ore concentrate, the commissioner of revenue may indirectly determine the weight of merchantable iron ore concentrate included in fluxed pellets by subtracting the weight of the limestone, dolomite, or olivine derivatives or other basic flux additives included in the pellets from the weight of the pellets. For purposes of this paragraph, "fluxed pellets" are pellets produced in a process in which limestone, dolomite, olivine, or other basic flux additives are combined with merchantable iron ore concentrate. No subtraction from the weight of the pellets shall be allowed for binders, mineral and chemical additives other than basic flux additives, or moisture.

(h)(1) Notwithstanding any other provision of this subdivision, for the first two years of a plant's commercial production of direct reduced ore from ore mined in this state, no tax is imposed under this section. For the third year of a plant's commercial production of direct reduced ore, the rate to be applied to direct reduced ore is 25 percent of the rate otherwise determined under this subdivision. For the fourth commercial production year, the rate is 50 percent of the rate otherwise determined under this subdivision; for the fifth commercial production year, the rate is 75 percent of the rate otherwise determined under this subdivision; and for all subsequent commercial production years, the full rate is imposed.

(2) Subject to clause (1), production of direct reduced ore in this state is subject to the tax imposed by this section, but if that production is not produced by a producer of taconite, iron sulfides, or other iron-bearing material, the production of taconite, iron sulfides, or other iron-bearing material, that is consumed in the production of direct reduced ore in this state is not subject to the tax imposed by this section on taconite, iron sulfides, or other iron-bearing material.

(3) Notwithstanding any other provision of this subdivision, no tax is imposed on direct reduced ore under this section during the facility's noncommercial production of direct reduced ore. The taconite or iron sulphides consumed in the noncommercial production of direct reduced ore is subject to the tax imposed by this section on taconite and iron sulphides. Three-year average production of direct reduced ore does not include production of direct reduced ore in any noncommercial year.

(4) Three-year average production for a direct reduced ore facility that has noncommercial production is the average of the commercial production of direct reduced ore for the current year and the previous two commercial years.

(5) As used in this paragraph, "commercial production" means production of more than 50,000 tons of direct reduced ore in the current year or in any prior year, and "noncommercial production" means production of 50,000 tons or less of direct reduced ore in any year.

(6) This paragraph applies only to plants for which all environmental permits have been obtained and construction has begun before July 1, 2008.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2022 and thereafter.

Sec. 6. Minnesota Statutes 2020, section 298.405, subdivision 1, is amended to read:

Subdivision 1. **Definition.** Iron-bearing material, other than taconite and semitaconite, having not more than 46.5 percent natural iron content on the average, is subject to taxation under section 298.24. The tax under that section applies to material that is:

~~(1) finer than or ground to 90 percent passing 20 mesh; and~~

~~(2) treated in Minnesota for the purpose of separating the iron particles from silica, alumina, or other detrimental compounds or elements unless used in a direct reduction process; making the iron-bearing material merchantable by any means of beneficiation, separation, concentration, or refinement. The tax under section 298.24 does not apply to unmined iron ore and low-grade iron-bearing formations as described in section 273.13, subdivision 31, clause (1).~~

~~(i) by electrostatic separation, roasting and magnetic separation, or flotation;~~

~~(ii) by a direct reduction process;~~

~~(iii) by any combination of such processes; or~~

~~(iv) by any other process or method not presently employed in gravity separation plants employing only crushing, screening, washing, jigging, heavy media separation, spirals, cyclones, drying or any combination thereof.~~

**EFFECTIVE DATE.** This section is effective for taxes payable in 2022 and thereafter.

## ARTICLE 7 PROPERTY TAXES

Section 1. Minnesota Statutes 2020, section 270B.12, subdivision 8, is amended to read:

Subd. 8. **County assessors; homestead classification and renter credit.** The commissioner may disclose names and Social Security numbers or names and individual taxpayer identification numbers of individuals who have applied for both homestead classification under section 273.13 and a property tax refund as a renter under chapter 290A for the purpose of and to the extent necessary to administer section 290A.25.

**EFFECTIVE DATE.** This section is effective for allowed disclosures made in 2021 and thereafter.

Sec. 2. Minnesota Statutes 2020, section 270B.12, subdivision 9, is amended to read:

Subd. 9. **County assessors; homestead application, determination, and income tax status.** (a) If, as a result of an audit, the commissioner determines that a person is a Minnesota nonresident or part-year resident for income tax purposes, the commissioner may disclose the person's name, address, and Social Security number or the person's name, address, and individual taxpayer identification number to the assessor of any political subdivision in the state, when there is reason to believe that the person may have claimed or received homestead property tax benefits for a corresponding assessment year in regard to property apparently located in the assessor's jurisdiction.

(b) To the extent permitted by section 273.124, subdivision 1, paragraph (a), the Department of Revenue may verify to a county assessor whether an individual who is requesting or receiving a homestead classification has filed a Minnesota income tax return as a resident for the most recent taxable year for which the information is available.

**EFFECTIVE DATE.** This section is effective for allowed disclosures made in 2021 and thereafter.

Sec. 3. Minnesota Statutes 2020, section 272.02, is amended by adding a subdivision to read:

**Subd. 104. Certain property owned by an Indian Tribe.** (a) Property is exempt that:

(1) is located in a county with a population greater than 28,000 but less than 29,000 as of the 2010 federal census;

(2) was on January 2, 2018, and is for the current assessment owned by a federally recognized Indian Tribe or its instrumentality, that is located in Minnesota;

(3) was on January 2, 2018, erroneously treated as exempt under subdivision 7; and

(4) is used for the same purpose as the property was used on January 2, 2018.

(b) The owner of property exempt under paragraph (a) may apply to the county for a refund of any state general tax paid for property taxes payable in 2020 and 2021. The county may prescribe the form and manner of the application. The county auditor must certify to the commissioner of revenue the amount needed for refunds under this section, which the commissioner must pay to the county. An amount necessary for refunds under this paragraph is appropriated from the general fund to the commissioner of revenue in fiscal year 2022. This paragraph expires June 30, 2022.

**EFFECTIVE DATE.** (a) The amendments in paragraph (a) are effective beginning with assessment year 2021. For assessment year 2021, an exemption application under this section must be filed with the county assessor by August 1, 2021.

(b) The amendments in paragraph (b) are effective the day following final enactment.

Sec. 4. Minnesota Statutes 2020, section 272.115, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** Except as otherwise provided in subdivision 5, 6, or 7, whenever any real estate is sold for a consideration in excess of \$3,000, whether by warranty deed, quitclaim deed, contract for deed or any other method of sale, the grantor, grantee or the legal agent of either shall file a certificate of value with the county auditor in the county in which the property is located when the deed or other document is presented for recording. Contract for deeds are subject to recording under section 507.235, subdivision 1. Value shall, in the case of any deed not a gift, be the amount of the full actual consideration thereof, paid or to be paid, including the amount of any lien or liens assumed. The items and value of personal property transferred with the real property must be listed and deducted from the sale price. The certificate of value shall include the classification to which the property belongs

for the purpose of determining the fair market value of the property, and shall include any proposed change in use of the property known to the person filing the certificate that could change the classification of the property. The certificate shall include financing terms and conditions of the sale which are necessary to determine the actual, present value of the sale price for purposes of the sales ratio study. If the property is being acquired as part of a like-kind exchange under section 1031 of the Internal Revenue Code of 1986, as amended through December 31, 2006, that must be indicated on the certificate. The commissioner of revenue shall promulgate administrative rules specifying the financing terms and conditions which must be included on the certificate. The certificate of value must include the Social Security number, individual tax identification number, or the federal employer identification number of the grantors and grantees. However, a married person who is not an owner of record and who is signing a conveyance instrument along with the person's spouse solely to release and convey their marital interest, if any, in the real property being conveyed is not a grantor for the purpose of the preceding sentence. A statement in the deed that is substantially in the following form is sufficient to allow the county auditor to accept a certificate for filing without the Social Security number or individual tax identification number of the named spouse: "(Name) claims no ownership interest in the real property being conveyed and is executing this instrument solely to release and convey a marital interest, if any, in that real property." The identification numbers of the grantors and grantees are private data on individuals or nonpublic data as defined in section 13.02, subdivisions 9 and 12, but, notwithstanding that section, the private or nonpublic data may be disclosed to the commissioner of revenue for purposes of tax administration. The information required to be shown on the certificate of value is limited to the information required as of the date of the acknowledgment on the deed or other document to be recorded.

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

Sec. 5. Minnesota Statutes 2020, section 273.124, subdivision 1, is amended to read:

Subdivision 1. **General rule.** (a) Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a residential homestead.

Agricultural land, as defined in section 273.13, subdivision 23, that is occupied and used as a homestead by its owner, who must be a Minnesota resident, is an agricultural homestead.

Dates for establishment of a homestead and homestead treatment provided to particular types of property are as provided in this section.

Property held by a trustee under a trust is eligible for homestead classification if the requirements under this chapter are satisfied.

The assessor shall require proof, as provided in subdivision 13, of the facts upon which classification as a homestead may be determined. Notwithstanding any other law, the assessor may at any time require a homestead application to be filed in order to verify that any property classified as a homestead continues to be eligible for homestead status. Notwithstanding any other law to the contrary, the Department of Revenue may, upon request from an assessor, verify whether an individual who is requesting or receiving homestead classification has filed a Minnesota income tax return as a resident for the most recent taxable year for which the information is available.

When there is a name change or a transfer of homestead property, the assessor may reclassify the property in the next assessment unless a homestead application is filed to verify that the property continues to qualify for homestead classification.

(b) For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held

primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner must use the property for the purposes of the homestead, and must apply to the assessor, both by the deadlines given in subdivision 9. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

(c) Residential real estate that is occupied and used for purposes of a homestead by a relative of the owner is a homestead but only to the extent of the homestead treatment that would be provided if the related owner occupied the property. For purposes of this paragraph and paragraph (g), "relative" means a parent, stepparent, child, stepchild, grandparent, grandchild, brother, sister, uncle, aunt, nephew, or niece. This relationship may be by blood or marriage. Property that has been classified as seasonal residential recreational property at any time during which it has been owned by the current owner or spouse of the current owner will not be reclassified as a homestead unless it is occupied as a homestead by the owner; this prohibition also applies to property that, in the absence of this paragraph, would have been classified as seasonal residential recreational property at the time when the residence was constructed. Neither the related occupant nor the owner of the property may claim a property tax refund under chapter 290A for a homestead occupied by a relative. In the case of a residence located on agricultural land, only the house, garage, and immediately surrounding one acre of land shall be classified as a homestead under this paragraph, except as provided in paragraph (d).

(d) Agricultural property that is occupied and used for purposes of a homestead by a relative of the owner, is a homestead, only to the extent of the homestead treatment that would be provided if the related owner occupied the property, and only if all of the following criteria are met:

(1) the relative who is occupying the agricultural property is a grandchild, child, sibling, ~~or parent, grandparent, stepparent, stepchild, uncle, aunt, nephew, or niece~~ of the owner of the agricultural property or of the spouse of the owner;

(2) the owner of the agricultural property must be a Minnesota resident;

(3) the owner of the agricultural property must not receive homestead treatment on any other agricultural property in Minnesota; and

(4) the owner of the agricultural property is limited to only one agricultural homestead per family under this paragraph.

Neither the related occupant nor the owner of the property may claim a property tax refund under chapter 290A for a homestead occupied by a relative qualifying under this paragraph. For purposes of this paragraph, "agricultural property" means the house, garage, other farm buildings and structures, and agricultural land.

Application must be made to the assessor by the owner of the agricultural property to receive homestead benefits under this paragraph. The assessor may require the necessary proof that the requirements under this paragraph have been met.

(e) In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to: (1) marriage dissolution proceedings, (2) legal separation, (3) employment or self-employment in another location, or (4) other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes. To qualify under clause (3), the spouse's place of employment or self-employment must be at least 50 miles distant from the other spouse's place of employment, and the homesteads must be at least 50 miles distant from each other.

(f) The assessor must not deny homestead treatment in whole or in part if:

(1) in the case of a property owner who is not married, the owner is absent due to residence in a nursing home, boarding care facility, or an elderly assisted living facility property as defined in section 273.13, subdivision 25a, and the property is not otherwise occupied; or

(2) in the case of a property owner who is married, the owner or the owner's spouse or both are absent due to residence in a nursing home, boarding care facility, or an elderly assisted living facility property as defined in section 273.13, subdivision 25a, and the property is not occupied or is occupied only by the owner's spouse.

(g) If an individual is purchasing property with the intent of claiming it as a homestead and is required by the terms of the financing agreement to have a relative shown on the deed as a co-owner, the assessor shall allow a full homestead classification. This provision only applies to first-time purchasers, whether married or single, or to a person who had previously been married and is purchasing as a single individual for the first time. The application for homestead benefits must be on a form prescribed by the commissioner and must contain the data necessary for the assessor to determine if full homestead benefits are warranted.

(h) If residential or agricultural real estate is occupied and used for purposes of a homestead by a child of a deceased owner and the property is subject to jurisdiction of probate court, the child shall receive relative homestead classification under paragraph (c) or (d) to the same extent they would be entitled to it if the owner was still living, until the probate is completed. For purposes of this paragraph, "child" includes a relationship by blood or by marriage.

(i) If a single-family home, duplex, or triplex classified as either residential homestead or agricultural homestead is also used to provide licensed child care, the portion of the property used for licensed child care must be classified as a part of the homestead property.

**EFFECTIVE DATE.** This section is effective beginning with property taxes payable in 2022 and thereafter.

Sec. 6. Minnesota Statutes 2020, section 273.124, subdivision 3a, is amended to read:

Subd. 3a. **Manufactured home park cooperative.** (a) When a manufactured home park is owned by a corporation or association organized under chapter 308A or 308B, and each person who owns a share or shares in the corporation or association is entitled to occupy a lot within the park, the corporation or association may claim homestead treatment for the park. Each lot must be designated by legal description or number, and each lot is limited to not more than one-half acre of land.

(b) The manufactured home park shall be entitled to homestead treatment if all of the following criteria are met:

(1) the occupant or the cooperative corporation or association is paying the ad valorem property taxes and any special assessments levied against the land and structure either directly, or indirectly through dues to the corporation or association; and

(2) the corporation or association organized under chapter 308A or 308B is wholly owned by persons having a right to occupy a lot owned by the corporation or association.

(c) A charitable corporation, organized under the laws of Minnesota with no outstanding stock, and granted a ruling by the Internal Revenue Service for 501(c)(3) tax-exempt status, qualifies for homestead treatment with respect to a manufactured home park if its members hold residential participation warrants entitling them to occupy a lot in the manufactured home park.

(d) "Homestead treatment" under this subdivision means the classification rate provided for class 4c property classified under section 273.13, subdivision 25, paragraph (d), clause (5), ~~item (ii)~~, and the homestead market value exclusion under section 273.13, subdivision 35, does not apply.

**EFFECTIVE DATE.** This section is effective beginning with property taxes payable in 2023 and thereafter.

Sec. 7. Minnesota Statutes 2020, section 273.124, subdivision 6, is amended to read:

Subd. 6. **Leasehold cooperatives.** When one or more dwellings or one or more buildings which each contain several dwelling units is owned by a nonprofit corporation subject to the provisions of chapter 317A and qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code, or a limited partnership which corporation or partnership operates the property in conjunction with a cooperative association, and has received public financing, homestead treatment may be claimed by the cooperative association on behalf of the members of the cooperative for each dwelling unit occupied by a member of the cooperative. The cooperative association must provide the assessor with the Social Security numbers or individual tax identification numbers of those members. To qualify for the treatment provided by this subdivision, the following conditions must be met:

(a) the cooperative association must be organized under chapter 308A or 308B and all voting members of the board of directors must be resident tenants of the cooperative and must be elected by the resident tenants of the cooperative;

(b) the cooperative association must have a lease for occupancy of the property for a term of at least 20 years, which permits the cooperative association, while not in default on the lease, to participate materially in the management of the property, including material participation in establishing budgets, setting rent levels, and hiring and supervising a management agent;

(c) to the extent permitted under state or federal law, the cooperative association must have a right under a written agreement with the owner to purchase the property if the owner proposes to sell it; if the cooperative association does not purchase the property it is offered for sale, the owner may not subsequently sell the property to another purchaser at a price lower than the price at which it was offered for sale to the cooperative association unless the cooperative association approves the sale;

(d) a minimum of 40 percent of the cooperative association's members must have incomes at or less than 60 percent of area median gross income as determined by the United States Secretary of Housing and Urban Development under section 142(d)(2)(B) of the Internal Revenue Code. For purposes of this clause, "member income" means the income of a member existing at the time the member acquires cooperative membership;

(e) if a limited partnership owns the property, it must include as the managing general partner a nonprofit organization operating under the provisions of chapter 317A and qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code and the limited partnership agreement must provide that the managing general partner have sufficient powers so that it materially participates in the management and control of the limited partnership;

(f) prior to becoming a member of a leasehold cooperative described in this subdivision, a person must have received notice that (1) describes leasehold cooperative property in plain language, including but not limited to the effects of classification under this subdivision on rents, property taxes and tax credits or refunds, and operating expenses, and (2) states that copies of the articles of incorporation and bylaws of the cooperative association, the lease between the owner and the cooperative association, a sample sublease between the cooperative association and a tenant, and, if the owner is a partnership, a copy of the limited partnership agreement, can be obtained upon written request at no charge from the owner, and the owner must send or deliver the materials within seven days after receiving any request;

(g) if a dwelling unit of a building was occupied on the 60th day prior to the date on which the unit became leasehold cooperative property described in this subdivision, the notice described in paragraph (f) must have been sent by first class mail to the occupant of the unit at least 60 days prior to the date on which the unit became leasehold cooperative property. For purposes of the notice under this paragraph, the copies of the documents referred to in paragraph (f) may be in proposed version, provided that any subsequent material alteration of those documents made after the occupant has requested a copy shall be disclosed to any occupant who has requested a

copy of the document. Copies of the articles of incorporation and certificate of limited partnership shall be filed with the secretary of state after the expiration of the 60-day period unless the change to leasehold cooperative status does not proceed;

(h) the county attorney of the county in which the property is located must certify to the assessor that the property meets the requirements of this subdivision;

(i) the public financing received must be from at least one of the following sources:

(1) tax increment financing proceeds used for the acquisition or rehabilitation of the building or interest rate write-downs relating to the acquisition of the building;

(2) government issued bonds exempt from taxes under section 103 of the Internal Revenue Code, the proceeds of which are used for the acquisition or rehabilitation of the building;

(3) programs under section 221(d)(3), 202, or 236, of Title II of the National Housing Act;

(4) rental housing program funds under Section 8 of the United States Housing Act of 1937, as amended, or the market rate family graduated payment mortgage program funds administered by the Minnesota Housing Finance Agency that are used for the acquisition or rehabilitation of the building;

(5) low-income housing credit under section 42 of the Internal Revenue Code;

(6) public financing provided by a local government used for the acquisition or rehabilitation of the building, including grants or loans from (i) federal community development block grants; (ii) HOME block grants; or (iii) residential rental bonds issued under chapter 474A; or

(7) other rental housing program funds provided by the Minnesota Housing Finance Agency for the acquisition or rehabilitation of the building;

(j) at the time of the initial request for homestead classification or of any transfer of ownership of the property, the governing body of the municipality in which the property is located must hold a public hearing and make the following findings:

(1) that the granting of the homestead treatment of the apartment's units will facilitate safe, clean, affordable housing for the cooperative members that would otherwise not be available absent the homestead designation;

(2) that the owner has presented information satisfactory to the governing body showing that the savings garnered from the homestead designation of the units will be used to reduce tenant's rents or provide a level of furnishing or maintenance not possible absent the designation; and

(3) that the requirements of paragraphs (b), (d), and (i) have been met.

Homestead treatment must be afforded to units occupied by members of the cooperative association and the units must be assessed as provided in subdivision 3, provided that any unit not so occupied shall be classified and assessed pursuant to the appropriate class. No more than three acres of land may, for assessment purposes, be included with each dwelling unit that qualifies for homestead treatment under this subdivision.

When dwelling units no longer qualify under this subdivision, the current owner must notify the assessor within 60 days. Failure to notify the assessor within 60 days shall result in the loss of benefits under this subdivision for taxes payable in the year that the failure is discovered. For these purposes, "benefits under this subdivision" means

the difference in the net tax capacity of the units which no longer qualify as computed under this subdivision and as computed under the otherwise applicable law, times the local tax rate applicable to the building for that taxes payable year. Upon discovery of a failure to notify, the assessor shall inform the auditor of the difference in net tax capacity for the building or buildings in which units no longer qualify, and the auditor shall calculate the benefits under this subdivision. Such amount, plus a penalty equal to 100 percent of that amount, shall then be demanded of the building's owner. The property owner may appeal the county's determination by serving copies of a petition for review with county officials as provided in section 278.01 and filing a proof of service as provided in section 278.01 with the Minnesota Tax Court within 60 days of the date of the notice from the county. The appeal shall be governed by the Tax Court procedures provided in chapter 271, for cases relating to the tax laws as defined in section 271.01, subdivision 5; disregarding sections 273.125, subdivision 5, and 278.03, but including section 278.05, subdivision 2. If the amount of the benefits under this subdivision and penalty are not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount of the benefit and penalty to the succeeding year's tax list to be collected as part of the property taxes on the affected buildings.

**EFFECTIVE DATE.** This section is effective beginning with assessment year 2021 and thereafter.

Sec. 8. Minnesota Statutes 2020, section 273.124, subdivision 9, is amended to read:

Subd. 9. **Homestead established after assessment date.** Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead on December ~~+~~ 31 of a year, constitutes class 1 or class 2a.

Any taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor under section 273.063, in writing, by December ~~+~~ 31 of the year of occupancy in order to qualify under this subdivision. The assessor must not deny full homestead treatment to a property that is partially homesteaded on January 2 but occupied for the purpose of a full homestead on December ~~+~~ 31 of a year.

The county assessor and the county auditor may make the necessary changes on their assessment and tax records to provide for proper homestead classification as provided in this subdivision.

If homestead classification has not been requested as of December ~~+~~ 31, the assessor will classify the property as nonhomestead for the current assessment year for taxes payable in the following year, provided that the owner of any property qualifying under this subdivision, which has not been accorded the benefits of this subdivision, may be entitled to receive homestead classification by proper application as provided in section 375.192.

The county assessor may publish in a newspaper of general circulation within the county a notice requesting the public to file an application for homestead as soon as practicable after acquisition of a homestead, but no later than December ~~+~~ 31.

The county assessor shall publish in a newspaper of general circulation within the county no later than December 1 of each year a notice informing the public of the requirement to file an application for homestead by December ~~+~~ 31.

In the case of manufactured homes assessed as personal property, the homestead must be established, and a homestead classification requested, by May 29 of the assessment year. The assessor may include information on these deadlines for manufactured homes assessed as personal property in the published notice or notices.

**EFFECTIVE DATE.** This section is effective beginning with assessments in 2021.

Sec. 9. Minnesota Statutes 2020, section 273.124, subdivision 13, is amended to read:

Subd. 13. **Homestead application.** (a) A person who meets the homestead requirements under subdivision 1 must file a homestead application with the county assessor to initially obtain homestead classification.

(b) The commissioner shall prescribe the content, format, and manner of the homestead application required to be filed under this chapter pursuant to section 270C.30. The application must clearly inform the taxpayer that this application must be signed by all owners who occupy the property or by the qualifying relative and returned to the county assessor in order for the property to receive homestead treatment.

(c) Every property owner applying for homestead classification must furnish to the county assessor the Social Security number or individual tax identification number of each occupant who is listed as an owner of the property on the deed of record, the name and address of each owner who does not occupy the property, and the name and Social Security number or individual tax identification number of the spouse of each occupying owner. The application must be signed by each owner who occupies the property and by each owner's spouse who occupies the property, or, in the case of property that qualifies as a homestead under subdivision 1, paragraph (c), by the qualifying relative.

If a property owner occupies a homestead, the property owner's spouse may not claim another property as a homestead unless the property owner and the property owner's spouse file with the assessor an affidavit or other proof required by the assessor stating that the property qualifies as a homestead under subdivision 1, paragraph (e).

Owners or spouses occupying residences owned by their spouses and previously occupied with the other spouse, either of whom fail to include the other spouse's name and Social Security number or individual tax identification number on the homestead application or provide the affidavits or other proof requested, will be deemed to have elected to receive only partial homestead treatment of their residence. The remainder of the residence will be classified as nonhomestead residential. When an owner or spouse's name and Social Security number or individual tax identification number appear on homestead applications for two separate residences and only one application is signed, the owner or spouse will be deemed to have elected to homestead the residence for which the application was signed.

(d) If residential real estate is occupied and used for purposes of a homestead by a relative of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for the property to receive homestead status, a homestead application must be filed with the assessor. The Social Security number or individual tax identification number of each relative occupying the property and the name and Social Security number or individual tax identification number of the spouse of a relative occupying the property shall be required on the homestead application filed under this subdivision. If a different relative of the owner subsequently occupies the property, the owner of the property must notify the assessor within 30 days of the change in occupancy. The Social Security number or individual tax identification number of a relative occupying the property or the spouse of a relative occupying the property is private data on individuals as defined by section 13.02, subdivision 12, but may be disclosed to the commissioner of revenue, or, for the purposes of proceeding under the Revenue Recapture Act to recover personal property taxes owing, to the county treasurer.

(e) The homestead application shall also notify the property owners that if the property is granted homestead status for any assessment year, that same property shall remain classified as homestead until the property is sold or transferred to another person, or the owners, the spouse of the owner, or the relatives no longer use the property as their homestead. Upon the sale or transfer of the homestead property, a certificate of value must be timely filed with the county auditor as provided under section 272.115. Failure to notify the assessor within 30 days that the property has been sold, transferred, or that the owner, the spouse of the owner, or the relative is no longer occupying the property as a homestead, shall result in the penalty provided under this subdivision and the property will lose its current homestead status.

(f) If a homestead application has not been filed with the county by December ~~45~~ 31, the assessor shall classify the property as nonhomestead for the current assessment year for taxes payable in the following year, provided that the owner may be entitled to receive the homestead classification by proper application under section 375.192.

**EFFECTIVE DATE.** This section is effective beginning with assessments in 2021.

Sec. 10. Minnesota Statutes 2020, section 273.124, subdivision 13a, is amended to read:

Subd. 13a. **Occupant list.** At the request of the commissioner, each county must give the commissioner a list that includes the name and Social Security number or individual tax identification number of each occupant of homestead property who is the property owner, property owner's spouse, qualifying relative of a property owner, or a spouse of a qualifying relative. The commissioner shall use the information provided on the lists as appropriate under the law, including for the detection of improper claims by owners, or relatives of owners, under chapter 290A.

**EFFECTIVE DATE.** This section is effective beginning with assessment year 2021 and thereafter.

Sec. 11. Minnesota Statutes 2020, section 273.124, subdivision 13c, is amended to read:

Subd. 13c. **Property lists.** In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners. The Social Security numbers, individual tax identification numbers, and federal identification numbers that are maintained by a county or city assessor for property tax administration purposes, and that may appear on the lists retain their classification as private or nonpublic data; but may be viewed, accessed, and used by the county auditor or treasurer of the same county for the limited purpose of assisting the commissioner in the preparation of microdata samples under section 270C.12. The commissioner shall use the information provided on the lists as appropriate under the law, including for the detection of improper claims by owners, or relatives of owners, under chapter 290A.

**EFFECTIVE DATE.** This section is effective for homestead data provided to the commissioner of revenue in 2022 and thereafter.

Sec. 12. Minnesota Statutes 2020, section 273.124, subdivision 13d, is amended to read:

Subd. 13d. **Homestead data.** On or before April 30 each year beginning in 2007, each county must provide the commissioner with the following data for each parcel of homestead property by electronic means as defined in section 289A.02, subdivision 8:

- (1) the property identification number assigned to the parcel for purposes of taxes payable in the current year;
- (2) the name and Social Security number or individual tax identification number of each occupant of homestead property who is the property owner or qualifying relative of a property owner, and the spouse of the property owner who occupies homestead property or spouse of a qualifying relative of a property owner who occupies homestead property;
- (3) the classification of the property under section 273.13 for taxes payable in the current year and in the prior year;
- (4) an indication of whether the property was classified as a homestead for taxes payable in the current year because of occupancy by a relative of the owner or by a spouse of a relative;
- (5) the property taxes payable as defined in section 290A.03, subdivision 13, for the current year and the prior year;
- (6) the market value of improvements to the property first assessed for tax purposes for taxes payable in the current year;

(7) the assessor's estimated market value assigned to the property for taxes payable in the current year and the prior year;

(8) the taxable market value assigned to the property for taxes payable in the current year and the prior year;

(9) whether there are delinquent property taxes owing on the homestead;

(10) the unique taxing district in which the property is located; and

(11) such other information as the commissioner decides is necessary.

The commissioner shall use the information provided on the lists as appropriate under the law, including for the detection of improper claims by owners, or relatives of owners, under chapter 290A.

**EFFECTIVE DATE.** This section is effective for homestead data provided to the commissioner of revenue in 2022 and thereafter.

Sec. 13. Minnesota Statutes 2020, section 273.124, subdivision 14, is amended to read:

Subd. 14. **Agricultural homesteads; special provisions.** (a) Real estate of less than ten acres that is the homestead of its owner must be classified as class 2a under section 273.13, subdivision 23, paragraph (a), if:

(1) the parcel on which the house is located is contiguous on at least two sides to (i) agricultural land, (ii) land owned or administered by the United States Fish and Wildlife Service, or (iii) land administered by the Department of Natural Resources on which in lieu taxes are paid under sections 477A.11 to 477A.14;

(2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20 acres;

(3) the noncontiguous land is located not farther than four townships or cities, or a combination of townships or cities from the homestead; and

(4) the agricultural use value of the noncontiguous land and farm buildings is equal to at least 50 percent of the market value of the house, garage, and one acre of land.

Homesteads initially classified as class 2a under the provisions of this paragraph shall remain classified as class 2a, irrespective of subsequent changes in the use of adjoining properties, as long as the homestead remains under the same ownership, the owner owns a noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use value qualifies under clause (4). Homestead classification under this paragraph is limited to property that qualified under this paragraph for the 1998 assessment.

(b)(i) Agricultural property shall be classified as the owner's homestead, to the same extent as other agricultural homestead property, if all of the following criteria are met:

(1) the agricultural property consists of at least 40 acres including undivided government lots and correctional 40's;

(2) the owner, the owner's spouse, or a grandchild, child, sibling, or parent of the owner or of the owner's spouse, is actively farming the agricultural property, either on the person's own behalf as an individual or on behalf of a partnership operating a family farm, family farm corporation, joint family farm venture, or limited liability company of which the person is a partner, shareholder, or member;

(3) both the owner of the agricultural property and the person who is actively farming the agricultural property under clause (2), are Minnesota residents;

(4) neither the owner nor the spouse of the owner claims another agricultural homestead in Minnesota; and

(5) neither the owner nor the person actively farming the agricultural property lives farther than four townships or cities, or a combination of four townships or cities, from the agricultural property, except that if the owner or the owner's spouse is required to live in employer-provided housing, the owner or owner's spouse, whichever is actively farming the agricultural property, may live more than four townships or cities, or combination of four townships or cities from the agricultural property.

The relationship under this paragraph may be either by blood or marriage.

(ii) Property containing the residence of an owner who owns qualified property under clause (i) shall be classified as part of the owner's agricultural homestead, if that property is also used for noncommercial storage or drying of agricultural crops.

(iii) As used in this paragraph, "agricultural property" means class 2a property and any class 2b property that is contiguous to and under the same ownership as the class 2a property.

(c) Noncontiguous land shall be included as part of a homestead under section 273.13, subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached land is located in the same township or city, or not farther than four townships or cities or combination thereof from the homestead. Any taxpayer of these noncontiguous lands must notify the county assessor that the noncontiguous land is part of the taxpayer's homestead, and, if the homestead is located in another county, the taxpayer must also notify the assessor of the other county.

(d) Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified as a homestead under section 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a.

(e) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of the April 1997 floods;

(2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or Wilkin;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 1997 assessment year and continue to be used for agricultural purposes;

(4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the 1997 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in dwelling. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(f) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of damage caused by a March 29, 1998, tornado;

(2) the property is located in the county of Blue Earth, Brown, Cottonwood, LeSueur, Nicollet, Nobles, or Rice;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 1998 assessment year;

(4) the dwelling occupied by the owner is located in this state and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to a March 29, 1998, tornado, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the owner must notify the assessor by December 1, 1998. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(g) Agricultural property of a family farm corporation, joint family farm venture, family farm limited liability company, or partnership operating a family farm as described under subdivision 8 shall be classified homestead, to the same extent as other agricultural homestead property, if all of the following criteria are met:

(1) the property consists of at least 40 acres including undivided government lots and correctional 40's;

(2) a shareholder, member, or partner of that entity is actively farming the agricultural property;

(3) that shareholder, member, or partner who is actively farming the agricultural property is a Minnesota resident;

(4) neither that shareholder, member, or partner, nor the spouse of that shareholder, member, or partner claims another agricultural homestead in Minnesota; and

(5) that shareholder, member, or partner does not live farther than four townships or cities, or a combination of four townships or cities, from the agricultural property.

Homestead treatment applies under this paragraph even if:

(i) the shareholder, member, or partner of that entity is actively farming the agricultural property on the shareholder's, member's, or partner's own behalf; or

(ii) the family farm is operated by a family farm corporation, joint family farm venture, partnership, or limited liability company other than the family farm corporation, joint family farm venture, partnership, or limited liability company that owns the land, provided that:

(A) the shareholder, member, or partner of the family farm corporation, joint family farm venture, partnership, or limited liability company that owns the land who is actively farming the land is a shareholder, member, or partner of the family farm corporation, joint family farm venture, partnership, or limited liability company that is operating the farm; and

(B) more than half of the shareholders, members, or partners of each family farm corporation, joint family farm venture, partnership, or limited liability company are persons or spouses of persons who are a qualifying relative under section 273.124, subdivision 1, paragraphs (c) and (d).

Homestead treatment applies under this paragraph for property leased to a family farm corporation, joint farm venture, limited liability company, or partnership operating a family farm if legal title to the property is in the name of an individual who is a member, shareholder, or partner in the entity.

(h) To be eligible for the special agricultural homestead under this subdivision, an initial full application must be submitted to the county assessor where the property is located. Owners and the persons who are actively farming the property shall be required to complete only a one-page abbreviated version of the application in each subsequent year provided that none of the following items have changed since the initial application:

(1) the day-to-day operation, administration, and financial risks remain the same;

(2) the owners and the persons actively farming the property continue to live within the four townships or city criteria and are Minnesota residents;

(3) the same operator of the agricultural property is listed with the Farm Service Agency;

(4) a Schedule F or equivalent income tax form was filed for the most recent year;

(5) the property's acreage is unchanged; and

(6) none of the property's acres have been enrolled in a federal or state farm program since the initial application.

The owners and any persons who are actively farming the property must include the appropriate Social Security numbers or individual tax identification numbers, and sign and date the application. If any of the specified information has changed since the full application was filed, the owner must notify the assessor, and must complete a new application to determine if the property continues to qualify for the special agricultural homestead. The commissioner of revenue shall prepare a standard reapplication form for use by the assessors.

(i) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of damage caused by the August 2007 floods;

(2) the property is located in the county of Dodge, Fillmore, Houston, Olmsted, Steele, Wabasha, or Winona;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 2007 assessment year;

(4) the dwelling occupied by the owner is located in this state and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the August 2007 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in homestead dwelling. For taxes payable in 2009, the owner must notify the assessor by December 1, 2008. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(j) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of the March 2009 floods;

(2) the property is located in the county of Marshall;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 2008 assessment year and continue to be used for agricultural purposes;

(4) the dwelling occupied by the owner is located in Minnesota and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the 2009 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in dwelling. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

**EFFECTIVE DATE.** This section is effective for applications for homestead filed in 2021 and thereafter.

Sec. 14. Minnesota Statutes 2020, section 273.1245, subdivision 1, is amended to read:

Subdivision 1. **Private or nonpublic data.** The following data are private or nonpublic data as defined in section 13.02, subdivisions 9 and 12, when they are submitted to a county or local assessor under section 273.124, 273.13, or another section, to support a claim for the property tax homestead classification under section 273.13, or other property tax classification or benefit:

(1) Social Security numbers;

(2) individual tax identification numbers;

~~(2)~~ (3) copies of state or federal income tax returns; and

~~(3)~~ (4) state or federal income tax return information, including the federal income tax schedule F.

**EFFECTIVE DATE.** This section is effective for applications for homestead filed in 2021 and thereafter.

Sec. 15. Minnesota Statutes 2020, section 273.13, subdivision 23, is amended to read:

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

(b) Class 2a agricultural land consists of parcels of property, or portions thereof, that are agricultural land and buildings. Class 2a property has a classification rate of one percent of market value, unless it is part of an agricultural homestead under paragraph (a). Class 2a property must also include any property that would otherwise be classified as 2b, but is interspersed with class 2a property, including but not limited to sloughs, wooded wind shelters, acreage abutting ditches, ravines, rock piles, land subject to a setback requirement, and other similar land that is impractical for the assessor to value separately from the rest of the property or that is unlikely to be able to be sold separately from the rest of the property.

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

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

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

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

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

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

"Agricultural purposes" as used in this section means the raising, cultivation, drying, or storage of agricultural products for sale, or the storage of machinery or equipment used in support of agricultural production by the same farm entity. For a property to be classified as agricultural based only on the drying or storage of agricultural products, the products being dried or stored must have been produced by the same farm entity as the entity operating the drying or storage facility. "Agricultural purposes" also includes (i) enrollment in a local conservation program or the Reinvest in Minnesota program under sections 103F.501 to 103F.535 or the federal Conservation Reserve Program as contained in Public Law 99-198 or a similar state or federal conservation program if the property was classified as agricultural (A) under this subdivision for taxes payable in 2003 because of its enrollment in a qualifying program and the land remains enrolled or (B) in the year prior to its enrollment, or (ii) use of land, not to exceed three acres, to provide environmental benefits such as buffer strips, old growth forest restoration or retention, or retention ponds to prevent soil erosion. For purposes of this section, a "local conservation program" means a program administered by a town, statutory or home rule charter city, or county, including a watershed district, water management organization, or soil and water conservation district, in which landowners voluntarily enroll land and receive incentive payments equal to at least \$50 per acre in exchange for use or other restrictions placed on the land. In order for property to qualify under the local conservation program provision, a taxpayer must apply to the

assessor by February 1 of the assessment year and must submit the information required by the assessor, including but not limited to a copy of the program requirements, the specific agreement between the land owner and the local agency, if applicable, and a map of the conservation area. Agricultural classification shall not be based upon the market value of any residential structures on the parcel or contiguous parcels under the same ownership.

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

(f) Agricultural land under this section also includes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) wholesale and retail sales;

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

(3) warehousing or storage of processed goods; and

(4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3),

the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

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

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

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

- (ii) the land is part of the airport property; and
- (iii) the land is not used for commercial or residential purposes.

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

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

- (1) a legal description of the property;
- (2) a disclosure that the property contains a commercial aggregate deposit that is not actively being mined but is present on the entire parcel enrolled;
- (3) documentation that the conditional use under the county or local zoning ordinance of this property is for mining; and
- (4) documentation that a permit has been issued by the local unit of government or the mining activity is allowed under local ordinance. The disclosure must include a statement from a registered professional geologist, engineer, or soil scientist delineating the deposit and certifying that it is a commercial aggregate deposit.

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

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

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

**EFFECTIVE DATE.** This section is effective for assessment year 2022 and thereafter.

Sec. 16. Minnesota Statutes 2020, section 273.13, subdivision 25, is amended to read:

Subd. 25. **Class 4.** (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more, excluding property qualifying for class 4d. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other

than hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. The market value of class 4a property has a classification rate of 1.25 percent.

(b) Class 4b includes:

(1) residential real estate containing less than four units, including property rented as a short-term rental property for more than 14 days in the preceding year, that does not qualify as class 4bb, other than seasonal residential recreational property;

(2) manufactured homes not classified under any other provision;

(3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b) containing two or three units; and

(4) unimproved property that is classified residential as determined under subdivision 33.

For the purposes of this paragraph, "short-term rental property" means nonhomestead residential real estate rented for periods of less than 30 consecutive days.

The market value of class 4b property has a classification rate of 1.25 percent.

(c) Class 4bb includes:

(1) nonhomestead residential real estate containing one unit, other than seasonal residential recreational property;

(2) a single family dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b); and

(3) a condominium-type storage unit having an individual property identification number that is not used for a commercial purpose.

Class 4bb property has the same classification rates as class 1a property under subdivision 22.

Property that has been classified as seasonal residential recreational property at any time during which it has been owned by the current owner or spouse of the current owner does not qualify for class 4bb.

(d) Class 4c property includes:

(1) except as provided in subdivision 22, paragraph (c), real and personal property devoted to commercial temporary and seasonal residential occupancy for recreation purposes, for not more than 250 days in the year preceding the year of assessment. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property is used for residential occupancy, and a fee is charged for residential occupancy. Class 4c property under this clause must contain three or more rental units. A "rental unit" is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site equipped with water and electrical hookups for recreational vehicles. A camping pad offered for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c under this clause regardless of the term of the rental agreement, as long as the use of the camping pad does not exceed 250 days. In order for a property to be classified under this clause, either (i) the business located on the property must provide recreational activities, at least 40 percent of the annual gross lodging receipts related to the property must be from business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid bookings by lodging guests during the year must be for periods of at least two consecutive

nights; or (B) at least 20 percent of the annual gross receipts must be from charges for providing recreational activities, or (ii) the business must contain 20 or fewer rental units, and must be located in a township or a city with a population of 2,500 or less located outside the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion of a state trail administered by the Department of Natural Resources. For purposes of item (i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4c property also includes commercial use real property used exclusively for recreational purposes in conjunction with other class 4c property classified under this clause and devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 250 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. In order for a property to qualify for classification under this clause, the owner must submit a declaration to the assessor designating the cabins or units occupied for 250 days or less in the year preceding the year of assessment by January 15 of the assessment year. Those cabins or units and a proportionate share of the land on which they are located must be designated class 4c under this clause as otherwise provided. The remainder of the cabins or units and a proportionate share of the land on which they are located will be designated as class 3a. The owner of property desiring designation as class 4c property under this clause must provide guest registers or other records demonstrating that the units for which class 4c designation is sought were not occupied for more than 250 days in the year preceding the assessment if so requested. The portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5) other nonresidential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy for recreation purposes does not qualify for class 4c. For the purposes of this paragraph, "recreational activities" means renting ice fishing houses, boats and motors, snowmobiles, downhill or cross-country ski equipment; providing marina services, launch services, or guide services; or selling bait and fishing tackle;

(2) qualified property used as a golf course if:

(i) it is open to the public on a daily fee basis. It may charge membership fees or dues, but a membership fee may not be required in order to use the property for golfing, and its green fees for golfing must be comparable to green fees typically charged by municipal courses; and

(ii) it meets the requirements of section 273.112, subdivision 3, paragraph (d).

A structure used as a clubhouse, restaurant, or place of refreshment in conjunction with the golf course is classified as class 3a property;

(3) real property up to a maximum of three acres of land owned and used by a nonprofit community service oriented organization and not used for residential purposes on either a temporary or permanent basis, provided that:

(i) the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment; or

(ii) the organization makes annual charitable contributions and donations at least equal to the property's previous year's property taxes and the property is allowed to be used for public and community meetings or events for no charge, as appropriate to the size of the facility.

For purposes of this clause:

(A) "charitable contributions and donations" has the same meaning as lawful gambling purposes under section 349.12, subdivision 25, excluding those purposes relating to the payment of taxes, assessments, fees, auditing costs, and utility payments;

(B) "property taxes" excludes the state general tax;

(C) a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (8), (10), or (19) of the Internal Revenue Code; and

(D) "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises.

Any portion of the property not qualifying under either item (i) or (ii) is class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity.

The organization shall maintain records of its charitable contributions and donations and of public meetings and events held on the property and make them available upon request any time to the assessor to ensure eligibility. An organization meeting the requirement under item (ii) must file an application by May 1 with the assessor for eligibility for the current year's assessment. The commissioner shall prescribe a uniform application form and instructions;

(4) postsecondary student housing of not more than one acre of land that is owned by a nonprofit corporation organized under chapter 317A and is used exclusively by a student cooperative, sorority, or fraternity for on-campus housing or housing located within two miles of the border of a college campus;

(5) ~~(i)~~ manufactured home parks as defined in section 327.14, subdivision 3, ~~excluding including~~ manufactured home parks described in items (ii) and (iii), ~~(ii) manufactured home parks as defined in section 327.14, subdivision 3,~~ that are described in section 273.124, subdivision 3a, ~~and (iii) class I manufactured home parks as defined in section 327C.01, subdivision 13;~~

(6) real property that is actively and exclusively devoted to indoor fitness, health, social, recreational, and related uses, is owned and operated by a not-for-profit corporation, and is located within the metropolitan area as defined in section 473.121, subdivision 2;

(7) a leased or privately owned noncommercial aircraft storage hangar not exempt under section 272.01, subdivision 2, and the land on which it is located, provided that:

(i) the land is on an airport owned or operated by a city, town, county, Metropolitan Airports Commission, or group thereof; and

(ii) the land lease, or any ordinance or signed agreement restricting the use of the leased premise, prohibits commercial activity performed at the hangar.

If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be filed by the new owner with the assessor of the county where the property is located within 60 days of the sale;

(8) a privately owned noncommercial aircraft storage hangar not exempt under section 272.01, subdivision 2, and the land on which it is located, provided that:

(i) the land abuts a public airport; and

(ii) the owner of the aircraft storage hangar provides the assessor with a signed agreement restricting the use of the premises, prohibiting commercial use or activity performed at the hangar; and

(9) residential real estate, a portion of which is used by the owner for homestead purposes, and that is also a place of lodging, if all of the following criteria are met:

- (i) rooms are provided for rent to transient guests that generally stay for periods of 14 or fewer days;
- (ii) meals are provided to persons who rent rooms, the cost of which is incorporated in the basic room rate;

(iii) meals are not provided to the general public except for special events on fewer than seven days in the calendar year preceding the year of the assessment; and

- (iv) the owner is the operator of the property.

The market value subject to the 4c classification under this clause is limited to five rental units. Any rental units on the property in excess of five, must be valued and assessed as class 3a. The portion of the property used for purposes of a homestead by the owner must be classified as class 1a property under subdivision 22;

(10) real property up to a maximum of three acres and operated as a restaurant as defined under section 157.15, subdivision 12, provided it: (i) is located on a lake as defined under section 103G.005, subdivision 15, paragraph (a), clause (3); and (ii) is either devoted to commercial purposes for not more than 250 consecutive days, or receives at least 60 percent of its annual gross receipts from business conducted during four consecutive months. Gross receipts from the sale of alcoholic beverages must be included in determining the property's qualification under item (ii). The property's primary business must be as a restaurant and not as a bar. Gross receipts from gift shop sales located on the premises must be excluded. Owners of real property desiring 4c classification under this clause must submit an annual declaration to the assessor by February 1 of the current assessment year, based on the property's relevant information for the preceding assessment year;

(11) lakeshore and riparian property and adjacent land, not to exceed six acres, used as a marina, as defined in section 86A.20, subdivision 5, which is made accessible to the public and devoted to recreational use for marina services. The marina owner must annually provide evidence to the assessor that it provides services, including lake or river access to the public by means of an access ramp or other facility that is either located on the property of the marina or at a publicly owned site that abuts the property of the marina. No more than 800 feet of lakeshore may be included in this classification. Buildings used in conjunction with a marina for marina services, including but not limited to buildings used to provide food and beverage services, fuel, boat repairs, or the sale of bait or fishing tackle, are classified as class 3a property; and

(12) real and personal property devoted to noncommercial temporary and seasonal residential occupancy for recreation purposes.

Class 4c property has a classification rate of 1.5 percent of market value, except that (i) each parcel of noncommercial seasonal residential recreational property under clause (12) has the same classification rates as class 4bb property, (ii) ~~manufactured home parks assessed under clause (5), item (i), have the same classification rate as class 4b property, the market value of manufactured home parks assessed under clause (5), item (ii), have a classification rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by shareholders in the cooperative corporation or association and a classification rate of one percent if 50 percent or less of the lots are so occupied, and class I manufactured home parks as defined in section 327C.01, subdivision 13, have a classification rate of 1.0~~ have a classification rate of 0.75 percent, (iii) commercial-use seasonal residential recreational property and marina recreational land as described in clause (11), has a classification rate of one percent for the first \$500,000 of market value, and 1.25 percent for the remaining market value, (iv) the market value of property described in clause (4) has a classification rate of one percent, (v) the market value of property described in clauses (2), (6), and (10) has a classification rate of 1.25 percent, (vi) that portion of the market value of property in clause (9) qualifying for class 4c property has a classification rate of 1.25 percent, and (vii) property qualifying for classification under

clause (3) that is owned or operated by a congressionally chartered veterans organization has a classification rate of one percent. The commissioner of veterans affairs must provide a list of congressionally chartered veterans organizations to the commissioner of revenue by June 30, 2017, and by January 1, 2018, and each year thereafter.

(e) Class 4d property is qualifying low-income rental housing certified to the assessor by the Housing Finance Agency under section 273.128, subdivision 3. If only a portion of the units in the building qualify as low-income rental housing units as certified under section 273.128, subdivision 3, only the proportion of qualifying units to the total number of units in the building qualify for class 4d. The remaining portion of the building shall be classified by the assessor based upon its use. Class 4d also includes the same proportion of land as the qualifying low-income rental housing units are to the total units in the building. For all properties qualifying as class 4d, the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents.

(f) The first tier of market value of class 4d property has a classification rate of 0.75 percent. The remaining value of class 4d property has a classification rate of 0.25 percent. For the purposes of this paragraph, the "first tier of market value of class 4d property" means the market value of each housing unit up to the first tier limit. For the purposes of this paragraph, all class 4d property value must be assigned to individual housing units. The first tier limit is ~~\$100,000~~ \$174,000 for assessment year ~~2014~~ 2022 and assessment year 2023. For subsequent years, the limit is adjusted each year by the average statewide change in estimated market value of property classified as class 4a and 4d under this section for the previous assessment year, excluding valuation change due to new construction, rounded to the nearest \$1,000, provided, however, that the limit may never be less than \$100,000. Beginning with assessment year 2015, the commissioner of revenue must certify the limit for each assessment year by November 1 of the previous year.

**EFFECTIVE DATE; APPLICATION.** (a) The amendment to paragraph (d) is effective beginning with property taxes payable in 2023 and thereafter.

(b) The amendment to paragraph (f) is effective beginning with assessment year 2022.

Sec. 17. Minnesota Statutes 2020, section 273.13, subdivision 34, is amended to read:

Subd. 34. **Homestead of veteran with a disability or family caregiver.** (a) All or a portion of the market value of property owned by a veteran and serving as the veteran's homestead under this section is excluded in determining the property's taxable market value if the veteran has a service-connected disability of 70 percent or more as certified by the United States Department of Veterans Affairs. To qualify for exclusion under this subdivision, the veteran must have been honorably discharged from the United States armed forces, as indicated by United States Government Form DD214 or other official military discharge papers.

(b)(1) For a disability rating of 70 percent or more, \$150,000 of market value is excluded, except as provided in clause (2); and

(2) for a total (100 percent) and permanent disability, \$300,000 of market value is excluded.

(c) If a veteran with a disability qualifying for a valuation exclusion under paragraph (b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the spouse holds the legal or beneficial title to the homestead and permanently resides there, the exclusion shall carry over to the benefit of the veteran's spouse until such time as the spouse remarries, or sells, transfers, or otherwise disposes of the property, except as otherwise provided in paragraph (n). Qualification under this paragraph requires an application under paragraph (h), and a spouse must notify the assessor if there is a change in the spouse's marital status, ownership of the property, or use of the property as a permanent residence.

(d) If the spouse of a member of any branch or unit of the United States armed forces who dies due to a service-connected cause while serving honorably in active service, as indicated on United States Government Form DD1300 or DD2064, holds the legal or beneficial title to a homestead and permanently resides there, the spouse is entitled to the benefit described in paragraph (b), clause (2), until such time as the spouse remarries or sells, transfers, or otherwise disposes of the property, except as otherwise provided in paragraph (n).

(e) If a veteran meets the disability criteria of paragraph (a) but does not own property classified as homestead in the state of Minnesota, then the homestead of the veteran's primary family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify for under paragraph (b).

(f) In the case of an agricultural homestead, only the portion of the property consisting of the house and garage and immediately surrounding one acre of land qualifies for the valuation exclusion under this subdivision.

(g) A property qualifying for a valuation exclusion under this subdivision is not eligible for the market value exclusion under subdivision 35, or classification under subdivision 22, paragraph (b).

(h) To qualify for a valuation exclusion under this subdivision a property owner must apply to the assessor by December 15 ~~31~~ of the first assessment year for which the exclusion is sought. ~~For an application received after December 15, the exclusion shall become effective for the following assessment year.~~ Except as provided in paragraph (c), the owner of a property that has been accepted for a valuation exclusion must notify the assessor if there is a change in ownership of the property or in the use of the property as a homestead.

(i) A first-time application by a qualifying spouse for the market value exclusion under paragraph (d) must be made any time within two years of the death of the service member.

(j) For purposes of this subdivision:

(1) "active service" has the meaning given in section 190.05;

(2) "own" means that the person's name is present as an owner on the property deed;

(3) "primary family caregiver" means a person who is approved by the secretary of the United States Department of Veterans Affairs for assistance as the primary provider of personal care services for an eligible veteran under the Program of Comprehensive Assistance for Family Caregivers, codified as United States Code, title 38, section 1720G; and

(4) "veteran" has the meaning given the term in section 197.447.

(k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit under paragraph (b), clause (2), until the spouse remarries or sells, transfers, or otherwise disposes of the property, except as otherwise provided in paragraph (n), if:

(1) the spouse files a first-time application within two years of the death of the service member or by June 1, 2019, whichever is later;

(2) upon the death of the veteran, the spouse holds the legal or beneficial title to the homestead and permanently resides there;

(3) the veteran met the honorable discharge requirements of paragraph (a); and

(4) the United States Department of Veterans Affairs certifies that:

- (i) the veteran met the total (100 percent) and permanent disability requirement under paragraph (b), clause (2); or
- (ii) the spouse has been awarded dependency and indemnity compensation.

(l) The purpose of this provision of law providing a level of homestead property tax relief for veterans with a disability, their primary family caregivers, and their surviving spouses is to help ease the burdens of war for those among our state's citizens who bear those burdens most heavily.

(m) By July 1, the county veterans service officer must certify the disability rating and permanent address of each veteran receiving the benefit under paragraph (b) to the assessor.

(n) A spouse who received the benefit in paragraph (c), (d), or (k) but no longer holds the legal or beneficial title to the property may continue to receive the exclusion for a property other than the property for which the exclusion was initially granted until the spouse remarries or sells, transfers, or otherwise disposes of the property, provided that:

- (1) the spouse applies under paragraph (h) for the continuation of the exclusion allowed under this paragraph;
- (2) the spouse holds the legal or beneficial title to the property for which the continuation of the exclusion is sought under this paragraph, and permanently resides there;
- (3) the estimated market value of the property for which the exclusion is sought under this paragraph is less than or equal to the estimated market value of the property that first received the exclusion, based on the value of each property on the date of the sale of the property that first received the exclusion; and
- (4) the spouse has not previously received the benefit under this paragraph for a property other than the property for which the exclusion is sought.

**EFFECTIVE DATE.** This section is effective beginning with assessments in 2021.

Sec. 18. Minnesota Statutes 2020, section 273.1315, subdivision 2, is amended to read:

Subd. 2. **Class 1b homestead declaration 2009 and thereafter.** (a) Any property owner seeking classification and assessment of the owner's homestead as class 1b property pursuant to section 273.13, subdivision 22, paragraph (b), after October 1, 2008, shall file with the county assessor a class 1b homestead declaration, on a form prescribed by the commissioner of revenue. The declaration must contain the following information:

- (1) the information necessary to verify that, on or before June 30 of the filing year, the property owner or the owner's spouse satisfies the requirements of section 273.13, subdivision 22, paragraph (b), for class 1b classification; and
- (2) any additional information prescribed by the commissioner.

(b) The declaration must be filed on or before October 1 to be effective for property taxes payable during the succeeding calendar year. The Social Security numbers, individual tax identification numbers, and income and medical information received from the property owner pursuant to this subdivision are private data on individuals as defined in section 13.02. If approved by the assessor, the declaration remains in effect until the property no longer qualifies under section 273.13, subdivision 22, paragraph (b). Failure to notify the assessor within 30 days that the property no longer qualifies under that paragraph because of a sale, change in occupancy, or change in the status or condition of an occupant shall result in the penalty provided in section 273.124, subdivision 13b, computed on the basis of the class 1b benefits for the property, and the property shall lose its current class 1b classification.

**EFFECTIVE DATE.** This section is effective for applications for homestead filed in 2021 and thereafter.

Sec. 19. Minnesota Statutes 2020, section 275.025, subdivision 1, is amended to read:

Subdivision 1. **Levy amount.** The state general levy is levied against commercial-industrial property and seasonal residential recreational property, as defined in this section. The state general levy for commercial-industrial property is ~~\$737,090,000~~ \$716,990,000 for taxes payable in ~~2020~~ 2022 and thereafter. The state general levy for seasonal-recreational property is \$41,690,000 for taxes payable in 2020 and thereafter. The tax under this section is not treated as a local tax rate under section 469.177 and is not the levy of a governmental unit under chapters 276A and 473F.

The commissioner shall increase or decrease the preliminary or final rate for a year as necessary to account for errors and tax base changes that affected a preliminary or final rate for either of the two preceding years. Adjustments are allowed to the extent that the necessary information is available to the commissioner at the time the rates for a year must be certified, and for the following reasons:

- (1) an erroneous report of taxable value by a local official;
- (2) an erroneous calculation by the commissioner; and
- (3) an increase or decrease in taxable value for commercial-industrial or seasonal residential recreational property reported to the commissioner under section 270C.85, subdivision 2, clause (4), for the same year.

The commissioner may, but need not, make adjustments if the total difference in the tax levied for the year would be less than \$100,000.

**EFFECTIVE DATE.** This section is effective beginning with property taxes payable in 2022 and thereafter.

Sec. 20. Minnesota Statutes 2020, section 275.025, subdivision 2, is amended to read:

Subd. 2. **Commercial-industrial tax capacity.** For the purposes of this section, "commercial-industrial tax capacity" means the tax capacity of all taxable property classified as class 3 or class 5(1) under section 273.13, excluding:

- (1) the tax capacity attributable to the first ~~\$100,000~~ \$150,000 of market value of each parcel of commercial-industrial property as defined under section 273.13, subdivision 24, clauses (1) and (2);
- (2) electric generation attached machinery under class 3; and
- (3) property described in section 473.625.

County commercial-industrial tax capacity amounts are not adjusted for the captured net tax capacity of a tax increment financing district under section 469.177, subdivision 2, the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425, or fiscal disparities contribution and distribution net tax capacities under chapter 276A or 473F. For purposes of this subdivision, the procedures for determining eligibility for tier 1 under section 273.13, subdivision 24, clauses (1) and (2), shall apply in determining the portion of a property eligible to be considered within the first ~~\$100,000~~ \$150,000 of market value.

**EFFECTIVE DATE.** This section is effective beginning with property taxes payable in 2022 and thereafter.

Sec. 21. Minnesota Statutes 2020, section 275.065, subdivision 1, is amended to read:

Subdivision 1. **Proposed levy.** (a) Notwithstanding any law or charter to the contrary, on or before September 30, each county, home rule charter or statutory city, town, and special taxing district, excluding the Metropolitan Council and the Metropolitan Mosquito Control Commission, shall certify to the county auditor the proposed property tax levy for taxes payable in the following year. For towns, the final certified levy shall also be considered the proposed levy.

(b) Each county and city with a population of at least 500 must annually notify the public of its revenue, expenditures, fund balances, and other relevant budget information that is used to establish the proposed property tax levy. Each county and city with a population of at least 500 must hold a public meeting on the budget and proposed levy. The meeting must be held at least seven days prior to the day that the proposed levy under this subdivision is certified, the public must be allowed to speak at the meeting, and the meeting must not begin before 6:00 p.m.

~~(b)~~ (c) Notwithstanding any law or charter to the contrary, on or before September 15, the Metropolitan Council and the Metropolitan Mosquito Control Commission shall adopt and certify to the county auditor a proposed property tax levy for taxes payable in the following year.

~~(c)~~ (d) On or before September 30, each school district that has not mutually agreed with its home county to extend this date shall certify to the county auditor the proposed property tax levy for taxes payable in the following year. Each school district that has agreed with its home county to delay the certification of its proposed property tax levy must certify its proposed property tax levy for the following year no later than October 7. The school district shall certify the proposed levy as:

(1) a specific dollar amount by school district fund, broken down between voter-approved and non-voter-approved levies and between referendum market value and tax capacity levies; or

(2) the maximum levy limitation certified by the commissioner of education according to section 126C.48, subdivision 1.

~~(d)~~ (e) If the board of estimate and taxation or any similar board that establishes maximum tax levies for taxing jurisdictions within a first class city certifies the maximum property tax levies for funds under its jurisdiction by charter to the county auditor by the date specified in paragraph (a), the city shall be deemed to have certified its levies for those taxing jurisdictions.

~~(e)~~ (f) For purposes of this section, "special taxing district" means a special taxing district as defined in section 275.066. Intermediate school districts that levy a tax under chapter 124 or 136D, joint powers boards established under sections 123A.44 to 123A.445, and Common School Districts No. 323, Franconia, and No. 815, Prinsburg, are also special taxing districts for purposes of this section.

~~(f)~~ (g) At the meeting at which a taxing authority, other than a town, adopts its proposed tax levy under this subdivision, the taxing authority shall announce the time and place of any subsequent regularly scheduled meetings at which the budget and levy will be discussed and at which the public will be allowed to speak. The time and place of those meetings must be included in the proceedings or summary of proceedings published in the official newspaper of the taxing authority under section 123B.09, 375.12, or 412.191.

**EFFECTIVE DATE.** This section is effective for property taxes payable in 2022 and thereafter.

Sec. 22. Minnesota Statutes 2020, section 275.065, subdivision 3, is amended to read:

Subd. 3. **Notice of proposed property taxes.** (a) The county auditor shall prepare and the county treasurer shall deliver after November 10 and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes. Upon written request by the taxpayer, the treasurer may send the notice in electronic form or by ~~electronic mail~~ e-mail instead of on paper or by ordinary mail.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority proposes to collect for taxes payable the following year. In the case of a town, or in the case of the state general tax, the final tax amount will be its proposed tax. The notice must clearly state for each ~~city that has a population over 500, county, school district,~~ regional library authority established under section 134.201, ~~and metropolitan taxing districts as defined in paragraph (i), and fire protection special taxing districts established under section 2990.01,~~ the time and place of a meeting for each taxing authority in which the budget and levy will be discussed and public input allowed, prior to the final budget and levy determination. ~~The taxing authorities must provide the county auditor with the information to be included in the notice on or before the time it certifies its proposed levy under subdivision 1.~~ The public must be allowed to speak at that meeting, which must occur after November 24 and must not be held before 6:00 p.m. The notice must state for each city that has a population over 500, county, and school district, the time and place of the meeting to be held pursuant to subdivision 11. The taxing authorities must provide the county auditor with the information to be included in the notice on or before the time it certifies its proposed levy under subdivision 1. It must provide a telephone number for the taxing authority that taxpayers may call if they have questions related to the notice and an address where comments will be received by mail, except that no notice required under this section shall be interpreted as requiring the printing of a personal telephone number or address as the contact information for a taxing authority. If a taxing authority does not maintain public offices where telephone calls can be received by the authority, the authority may inform the county of the lack of a public telephone number and the county shall not list a telephone number for that taxing authority.

(d) The notice must state for each parcel:

(1) the market value of the property as determined under section 273.11, and used for computing property taxes payable in the following year and for taxes payable in the current year as each appears in the records of the county assessor on November 1 of the current year; and, in the case of residential property, whether the property is classified as homestead or nonhomestead. The notice must clearly inform taxpayers of the years to which the market values apply and that the values are final values;

(2) the items listed below, shown separately by county, city or town, and state general tax, agricultural homestead credit under section 273.1384, school building bond agricultural credit under section 273.1387, voter approved school levy, other local school levy, and the sum of the special taxing districts, and as a total of all taxing authorities:

(i) the actual tax for taxes payable in the current year; and

(ii) the proposed tax amount.

If the county levy under clause (2) includes an amount for a lake improvement district as defined under sections 103B.501 to 103B.581, the amount attributable for that purpose must be separately stated from the remaining county levy amount.

In the case of a town or the state general tax, the final tax shall also be its proposed tax unless the town changes its levy at a special town meeting under section 365.52. If a school district has certified under section 126C.17, subdivision 9, that a referendum will be held in the school district at the November general election, the county auditor must note next to the school district's proposed amount that a referendum is pending and that, if approved by the voters, the tax amount may be higher than shown on the notice. In the case of the city of Minneapolis, the levy for Minneapolis Park and Recreation shall be listed separately from the remaining amount of the city's levy. In the case of the city of St. Paul, the levy for the St. Paul Library Agency must be listed separately from the remaining amount of the city's levy. In the case of Ramsey County, any amount levied under section 134.07 may be listed separately from the remaining amount of the county's levy. In the case of a parcel where tax increment or the fiscal disparities areawide tax under chapter 276A or 473F applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease between the total taxes payable in the current year and the total proposed taxes, expressed as a percentage.

For purposes of this section, the amount of the tax on homesteads qualifying under the senior citizens' property tax deferral program under chapter 290B is the total amount of property tax before subtraction of the deferred property tax amount.

(e) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda and school district levy referenda;

(3) a levy limit increase approved by the voters by the first Tuesday after the first Monday in November of the levy year as provided under section 275.73;

(4) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;

(5) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and

(6) the contamination tax imposed on properties which received market value reductions for contamination.

(f) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(g) If the notice the taxpayer receives under this section lists the property as nonhomestead, and satisfactory documentation is provided to the county assessor by the applicable deadline, and the property qualifies for the homestead classification in that assessment year, the assessor shall reclassify the property to homestead for taxes payable in the following year.

(h) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:

(1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or

(2) post a copy of the notice in a conspicuous place on the premises of the property.

The notice must be mailed or posted by the taxpayer by November 27 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

(i) For purposes of this subdivision and subdivision 6, "metropolitan special taxing districts" means the following taxing districts in the seven-county metropolitan area that levy a property tax for any of the specified purposes listed below:

(1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325, 473.446, 473.521, 473.547, or 473.834;

(2) Metropolitan Airports Commission under section 473.667, 473.671, or 473.672; and

(3) Metropolitan Mosquito Control Commission under section 473.711.

For purposes of this section, any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be included with the appropriate county's levy.

(j) The governing body of a county, city, or school district may, with the consent of the county board, include supplemental information with the statement of proposed property taxes about the impact of state aid increases or decreases on property tax increases or decreases and on the level of services provided in the affected jurisdiction. This supplemental information may include information for the following year, the current year, and for as many consecutive preceding years as deemed appropriate by the governing body of the county, city, or school district. It may include only information regarding:

(1) the impact of inflation as measured by the implicit price deflator for state and local government purchases;

(2) population growth and decline;

(3) state or federal government action; and

(4) other financial factors that affect the level of property taxation and local services that the governing body of the county, city, or school district may deem appropriate to include.

The information may be presented using tables, written narrative, and graphic representations and may contain instruction toward further sources of information or opportunity for comment.

**EFFECTIVE DATE.** This section is effective for property taxes payable in 2022 and thereafter.

Sec. 23. Minnesota Statutes 2020, section 275.065, is amended by adding a subdivision to read:

**Subd. 3b. Notice of proposed property taxes required supplemental information.** (a) The county auditor must prepare a separate statement to be delivered with the notice of proposed taxes described in subdivision 3. The statement must fit on one sheet of paper and contain for each parcel:

(1) for the county, city or township, and school district in which the parcel lies, the certified levy for the current taxes payable year, the proposed levy for taxes payable in the following year, and the increase or decrease between these two amounts, expressed as a percentage;

(2) summary budget information listed in paragraph (b); and

(3) information on how to access each taxing authority's website where the taxpayer can find the proposed budget and information on how to participate in person and remotely in the Minnesota Property Taxpayer's Day meetings, held pursuant to subdivision 11.

(b) Summary budget information must contain budget data from the county, city, and school district that proposes a property tax levy on the parcel for taxes payable the following year. For the school district, the summary budget data must include the information provided to the public under section 123B.10, subdivision 1, paragraph (b), for the current year and prior year. For the county and city, the reported summary budget data must contain the same information, in the same categories, and in the same format as provided to the Office of the State Auditor as required by section 6.745. The statement must provide the governmental revenues and current expenditures information in clauses (1) and (2) for the taxing authority's budget for taxes payable the following year and the taxing authority's budget from taxes payable in the current year, as well as the percent change between the two years. The city must provide the county auditor with the summary budget data at the same time as the information required under subdivision 3. Only cities with a population of at least 500 are required to report the data described in this paragraph. If a city with a population over 500 fails to report the required information to the county auditor, the county auditor must list the city as "budget information not reported" on the portion of the statement dedicated to the city's budget information. The statement may take the same format as the annual summary budget report for cities and counties issued by the Office of the State Auditor. The summary budget data must include:

(1) a governmental revenues category, including and separately stating:

(i) "property taxes" defined as property taxes levied on an assessed valuation of real property and personal property, if applicable, by the city and county, including fiscal disparities;

(ii) "special assessments" defined as levies made against certain properties to defray all or part of the costs of a specific improvement, such as new sewer and water mains, deemed to benefit primarily those properties;

(iii) "state general purpose aid" defined as aid received from the state that has no restrictions on its use, including local government aid, county program aid, and market value credits; and

(iv) "state categorical aid" defined as revenues received for a specific purpose, such as streets and highways, fire relief, and flood control, including but not limited to police and fire state aid and out-of-home placement aid; and

(2) a current expenditures category, including and separately stating:

(i) "general government" defined as administration costs of city or county governments, including salaries of officials and maintenance of buildings;

(ii) "public safety" defined as costs related to the protection of persons and property, such as police, fire, ambulance services, building inspections, animal control, and flood control;

(iii) "streets and highways" defined as costs associated with the maintenance and repair of local highways, streets, bridges, and street equipment, such as patching, seal coating, street lighting, street cleaning, and snow removal;

(iv) "sanitation" defined as costs of refuse collection and disposal, recycling, and weed and pest control;

(v) "human services" defined as activities designed to provide public assistance and institutional care for individuals economically unable to provide for themselves;

(vi) "health" defined as costs of the maintenance of vital statistics, restaurant inspection, communicable disease control, and various health services and clinics;

(vii) "culture and recreation" defined as costs of libraries, park maintenance, mowing, planting, removal of trees, festivals, bands, museums, community centers, cable television, baseball fields, and organized recreation activities;

(viii) "conservation of natural resources" defined as the conservation and development of natural resources, including agricultural and forestry programs and services, weed inspection services, and soil and water conservation services;

(ix) "economic development and housing" defined as costs for development and redevelopment activities in blighted or otherwise economically disadvantaged areas, including low-interest loans, cleanup of hazardous sites, rehabilitation of substandard housing and other physical facilities, and other assistance to those wanting to provide housing and economic opportunity within a disadvantaged area; and

(x) "all other current expenditures" defined as costs not classified elsewhere, such as airport expenditures, cemeteries, unallocated insurance costs, unallocated pension costs, and public transportation costs.

(c) If a taxing authority reporting this data does not have revenues or expenditures in a category listed in paragraph (b), then the taxing authority must designate the amount as "0" for that specific category.

(d) The supplemental statement provided under this subdivision must be sent in electronic form or by e-mail if the taxpayer requests an electronic version the notice of proposed property taxes under subdivision 3, paragraph (a).

**EFFECTIVE DATE.** This section is effective for property taxes payable in 2022 and thereafter.

Sec. 24. Minnesota Statutes 2020, section 275.065, is amended by adding a subdivision to read:

**Subd. 11. Minnesota Property Taxpayer's Day.** (a) Notwithstanding any other provision of law, on the first Wednesday following the first Monday in December, each county, city with a population of at least 500, and each school district must annually hold a meeting to discuss each taxing authority's budget and levy, prior to the final budget and levy determination. The meeting shall be known as "Minnesota Property Taxpayer's Day."

(b) Counties must begin a meeting at 6:00 p.m. and discuss the county's budget and levy. The public must be allowed to speak no later than 20 minutes after the start of the meeting. Cities must begin a meeting to discuss their budget and levy at 7:00 p.m. and must allow the public to speak no later than 20 minutes after the start of the meeting. School districts must begin a meeting to discuss their budget and levy at 8:00 p.m. and must allow the public to speak no later than 20 minutes after the start of the meeting.

(c) Each taxing jurisdiction must broadcast the meeting virtually and provide a method for the public to participate in person and remotely. Information about the meeting, including instructions on how to participate remotely, must be posted on the website of each taxing jurisdiction required to hold a meeting under this subdivision by November 10.

**EFFECTIVE DATE.** This section is effective July 1, 2021.

Sec. 25. Minnesota Statutes 2020, section 275.066, is amended to read:

**275.066 SPECIAL TAXING DISTRICTS; DEFINITION.**

For the purposes of property taxation and property tax state aids, the term "special taxing districts" includes the following entities:

- (1) watershed districts under chapter 103D;
- (2) sanitary districts under sections 442A.01 to 442A.29;
- (3) regional sanitary sewer districts under sections 115.61 to 115.67;
- (4) regional public library districts under section 134.201;
- (5) park districts under chapter 398;
- (6) regional railroad authorities under chapter 398A;
- (7) hospital districts under sections 447.31 to 447.38;
- (8) St. Cloud Metropolitan Transit Commission under sections 458A.01 to 458A.15;
- (9) Duluth Transit Authority under sections 458A.21 to 458A.37;
- (10) regional development commissions under sections 462.381 to 462.398;
- (11) housing and redevelopment authorities under sections 469.001 to 469.047;
- (12) port authorities under sections 469.048 to 469.068;
- (13) economic development authorities under sections 469.090 to 469.1081;
- (14) Metropolitan Council under sections 473.123 to 473.549;
- (15) Metropolitan Airports Commission under sections 473.601 to 473.679;
- (16) Metropolitan Mosquito Control Commission under sections 473.701 to 473.716;
- (17) Morrison County Rural Development Financing Authority under Laws 1982, chapter 437, section 1;
- (18) Croft Historical Park District under Laws 1984, chapter 502, article 13, section 6;
- (19) East Lake County Medical Clinic District under Laws 1989, chapter 211, sections 1 to 6;
- (20) Floodwood Area Ambulance District under Laws 1993, chapter 375, article 5, section 39;
- (21) Middle Mississippi River Watershed Management Organization under sections 103B.211 and 103B.241;
- (22) emergency medical services special taxing districts under section 144F.01;
- (23) a county levying under the authority of section 103B.241, 103B.245, or 103B.251;
- (24) Southern St. Louis County Special Taxing District; Chris Jensen Nursing Home under Laws 2003, First Special Session chapter 21, article 4, section 12;
- (25) an airport authority created under section 360.0426; ~~and~~
- (26) fire protection special taxing districts under section 299O.01; and

(27) any other political subdivision of the state of Minnesota, excluding counties, school districts, cities, and towns, that has the power to adopt and certify a property tax levy to the county auditor, as determined by the commissioner of revenue.

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

Sec. 26. Minnesota Statutes 2020, section 290A.25, is amended to read:

**290A.25 VERIFICATION OF SOCIAL SECURITY NUMBERS.**

Annually, the commissioner of revenue shall furnish a list to the county assessor containing the names ~~and~~ Social Security numbers, and individual tax identification numbers of persons who have applied for both homestead classification under section 273.13 and a property tax refund as a renter under this chapter.

Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was improperly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that has been improperly allowed. For the purpose of this section, "homestead benefits" has the meaning given in section 273.124, subdivision 13b. The county auditor shall send a notice to persons who owned the affected property at the time the homestead application related to the improper homestead was filed, demanding reimbursement of the homestead benefits plus a penalty equal to 100 percent of the homestead benefits. The person notified may appeal the county's determination with the Minnesota Tax Court within 60 days of the date of the notice from the county as provided in section 273.124, subdivision 13b.

If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount of taxes and penalty to the county treasurer. The county treasurer will add interest to the unpaid homestead benefits and penalty amounts at the rate provided for delinquent personal property taxes for the period beginning 60 days after demand for payment was made until payment. If the person notified is the current owner of the property, the treasurer may add the total amount of benefits, penalty, interest, and costs to the real estate taxes otherwise payable on the property in the following year. If the person notified is not the current owner of the property, the treasurer may collect the amounts due under the Revenue Recapture Act in chapter 270A, or use any of the powers granted in sections 277.20 and 277.21 without exclusion, to enforce payment of the benefits, penalty, interest, and costs, as if those amounts were delinquent tax obligations of the person who owned the property at the time the application related to the improperly allowed homestead was filed. The treasurer may relieve a prior owner of personal liability for the benefits, penalty, interest, and costs, and instead extend those amounts on the tax lists against the property for taxes payable in the following year to the extent that the current owner agrees in writing.

Any amount of homestead benefits recovered by the county from the property owner shall be distributed to the county, city or town, and school district where the property is located in the same proportion that each taxing district's levy was to the total of the three taxing districts' levy for the current year. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis County auditor to be deposited in the taconite property tax relief account. Any amount recovered that is attributable to supplemental homestead credit is to be transmitted to the commissioner of revenue for deposit in the general fund of the state treasury. The total amount of penalty collected must be deposited in the county general fund.

**EFFECTIVE DATE.** This section is effective for lists furnished by the commissioner of revenue to county assessors in 2021 and thereafter.

Sec. 27. **[2990.01] FIRE PROTECTION SPECIAL TAXING DISTRICTS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given unless the context clearly indicates otherwise.

(b) "City" means a statutory or home rule charter city.

(c) "Governing body" means for a city, the city council; for a county, the county board; and for a town, the board of supervisors.

(d) "Political subdivision" means a county, city, or township organized to provide town government.

Subd. 2. **Authority to establish.** (a) Two or more political subdivisions may establish, by resolution of their governing bodies, a special taxing district to provide fire protection or emergency medical services or both in the area of the district, comprising the jurisdiction of each of the political subdivisions forming the district. For a county that participates in establishing a district, the county's jurisdiction comprises the unorganized territory of the county that it designates in its resolution for inclusion in the district. The area of the special taxing district does not need to be contiguous or its boundaries continuous.

(b) Before establishing a district under this section, the participating political subdivisions must enter an agreement that specifies how any liabilities, other than debt issued under subdivision 6, and assets of the district will be distributed if the district is dissolved. The agreement may also include other terms, including a method for apportioning the levy of the district among participating political subdivisions under subdivision 4, paragraph (b), as the political subdivisions determine appropriate. The agreement must be adopted no later than upon passage of the resolution establishing the district under paragraph (a), but may be later amended by agreement of each of the political subdivisions participating in the district.

(c) If the special taxing district includes the operation of a fire department, the resolution under paragraph (a) or agreement under paragraph (b) must specify which, if any, volunteer firefighter pension plan is associated with the district. A special taxing district that operates a fire department under this section may be associated with only one volunteer firefighting relief association or one account in the voluntary statewide volunteer firefighting retirement plan at one time.

(d) If the special taxing district includes the operation of a fire department, it must file its resolution establishing the fire protection special taxing district, and any agreements required for the establishment of the special taxing district, with the commissioner of revenue, including any amendments to those documents. If the resolution or agreement does not include sufficient information defining the fire department service area of the fire protection special taxing district, the secretary of the district board must file a written statement with the commissioner defining the fire department service area.

Subd. 3. **Board.** The special taxing district established under this section is governed by a board made up initially of representatives of each participating political subdivision in the proportions set out in the establishing resolution, subject to change as provided in the district's charter, if any, or in the district's bylaws. Each participating political subdivision's representative must be an elected member of the governing body of the political subdivision and serves at the pleasure of that participant's governing body.

Subd. 4. **Property tax levy.** (a) The board may levy a tax on the taxable real and personal property in the district. The proceeds of the levy must be used as provided in subdivision 5. The board shall certify the levy at the times provided under section 275.07. The board shall provide the county with whatever information is necessary to identify the property that is located within the district. If the boundaries include a part of a parcel, the entire parcel is included in the district. The county auditor must spread, collect, and distribute the proceeds of the tax at the same time and in the same manner as provided by law for all other property taxes.

(b) As an alternative to paragraph (a), the board may apportion its levy among the political subdivisions that are members of the district under a formula or method, such as population, number of service calls, cost of providing service, the market value of improvements, or other measure or measures, that was approved by the governing body of each of the political subdivisions that is a member of the district. The amount of the levy allocated to each political subdivision must be added to that political subdivision's levy and spread at the same time and in the same manner as provided by law for other taxes. The proceeds of the levy must be collected and remitted to the district and used as provided in subdivision 5.

Subd. 5. **Use of levy proceeds.** The proceeds of property taxes levied under this section must be used to provide fire protection or emergency medical services to residents of the district and property located in the district, as well as to pay debt issued under subdivision 6. Services may be provided by employees of the district or by contracting for services provided by other governmental or private entities.

Subd. 6. **Debt.** (a) The district may incur debt under chapter 475 when the board determines doing so is necessary to accomplish its duties.

(b) In addition, the board of the district may issue certificates of indebtedness or capital notes under section 412.301 to purchase capital equipment. In applying section 412.301, paragraph (e), to the district the following rules apply:

(1) the taxable property of the entire district must be used to calculate the percent of estimated market value; and

(2) "the number of voters at the last municipal election" means the sum of the number of voters at the last municipal election for each of the cities that is a member of the district plus the number of registered voters in each town that is a participating member of the district.

Subd. 7. **Powers.** (a) In addition to authority expressly granted in this section, a special taxing district may exercise any power that may be exercised by any of its participating political subdivisions and that is necessary or reasonable to support the services set out in subdivision 5. The district may only levy the taxes authorized in subdivision 4. These powers include, without limitation, the authority to participate in state programs and to enforce or carry out state laws related to fire protection or emergency medical services, including programs providing state aid, reimbursement or funding of employee benefits, authorizing local enforcement of state standards, and similar, to the extent the special taxing district meets the qualification criteria and requirements of a program. These include but are not limited to fire protection related programs and political subdivision powers or responsibilities under chapters 299A, 424A, and 477B; sections 6.495, 353.64, and 423A.022; and any administrative rules related to the fire code.

(b) To the extent that the district's authority under this subdivision overlaps with or may conflict with the authority of the participating political subdivision, the agreement under subdivision 2, paragraph (b), must provide for allocation of those powers or responsibilities between the participating political subdivisions and the district and may provide for resolution of conflicts in the exercise of those powers.

Subd. 8. **Additions and withdrawals.** (a) The board of the district may add additional eligible political subdivisions to a special taxing district under this section. The governing body of the proposed eligible political subdivision must agree to the addition in a resolution of its governing body. No political subdivision may be added to the district if it would cause the district to be out of compliance with subdivision 2, paragraph (c).

(b) A political subdivision may withdraw from a special taxing district under this section by resolution of its governing body. The political subdivision must notify the board of the special taxing district of the withdrawal by providing a copy of the resolution at least two years in advance of the proposed withdrawal. The taxable property of the withdrawing member is subject to the property tax levy under subdivision 4 for the two taxes payable years

following the notice of the withdrawal, unless the board and the withdrawing member agree otherwise by a resolution adopted by each of their governing bodies. If a political subdivision withdraws from a district for which debt was issued under subdivision 6 when the political subdivision was a participating member of the district and which is outstanding when the political subdivision withdraws from the district, the taxable property of the withdrawing political subdivision remains subject to the special taxing district debt levy until that outstanding debt has been paid or defeased. If the district's property levy to repay the debt was apportioned among the political subdivisions under an alternative formula or method under subdivision 4, paragraph (b), the withdrawing political subdivision is subject to the same percentage of the debt levy as applied in the taxes payable year immediately before its withdrawal from the district.

(c) Notwithstanding subdivision 2, a special taxing district comprised of two political subdivisions continues to exist even if one of the political subdivisions withdraws.

Subd. 9. **Dissolution.** The special taxing district may be dissolved by resolution approved by majority vote of the board. If the special taxing district is dissolved, the assets and liabilities may be assigned to a successor entity, if any, or otherwise disposed of for public purposes as provided in the agreement adopted under subdivision 2, paragraph (b), or otherwise agreed to by the participating political subdivisions. A district may not be dissolved until all debt issued under subdivision 6 has been paid or defeased.

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

Sec. 28. Minnesota Statutes 2020, section 429.021, subdivision 1, is amended to read:

Subdivision 1. **Improvements authorized.** The council of a municipality shall have power to make the following improvements:

(1) To acquire, open, and widen any street, and to improve the same by constructing, reconstructing, and maintaining sidewalks, pavement, gutters, curbs, and vehicle parking strips of any material, or by grading, graveling, oiling, or otherwise improving the same, including the beautification thereof and including storm sewers or other street drainage and connections from sewer, water, or similar mains to curb lines.

(2) To acquire, develop, construct, reconstruct, extend, and maintain storm and sanitary sewers and systems, including outlets, holding areas and ponds, treatment plants, pumps, lift stations, service connections, and other appurtenances of a sewer system, within and without the corporate limits.

(3) To construct, reconstruct, extend, and maintain steam heating mains.

(4) To install, replace, extend, and maintain street lights and street lighting systems and special lighting systems.

(5) To acquire, improve, construct, reconstruct, extend, and maintain water works systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks, treatment plants, and other appurtenances of a water works system, within and without the corporate limits.

(6) To acquire, improve and equip parks, open space areas, playgrounds, and recreational facilities within or without the corporate limits.

(7) To plant trees on streets and provide for their trimming, care, and removal.

(8) To abate nuisances and to drain swamps, marshes, and ponds on public or private property and to fill the same.

(9) To construct, reconstruct, extend, and maintain dikes and other flood control works.

- (10) To construct, reconstruct, extend, and maintain retaining walls and area walls.
- (11) To acquire, construct, reconstruct, improve, alter, extend, operate, maintain, and promote a pedestrian skyway system. Such improvement may be made upon a petition pursuant to section 429.031, subdivision 3.
- (12) To acquire, construct, reconstruct, extend, operate, maintain, and promote underground pedestrian concourses.
- (13) To acquire, construct, improve, alter, extend, operate, maintain, and promote public malls, plazas or courtyards.
- (14) To construct, reconstruct, extend, and maintain district heating systems.
- (15) To construct, reconstruct, alter, extend, operate, maintain, and promote fire protection systems in existing buildings, but only upon a petition pursuant to section 429.031, subdivision 3.
- (16) To acquire, construct, reconstruct, improve, alter, extend, and maintain highway sound barriers.
- (17) To improve, construct, reconstruct, extend, and maintain gas and electric distribution facilities owned by a municipal gas or electric utility.
- (18) To purchase, install, and maintain signs, posts, and other markers for addressing related to the operation of enhanced 911 telephone service.
- (19) To improve, construct, extend, and maintain facilities for Internet access and other communications purposes, if the council finds that:
- (i) the facilities are necessary to make available Internet access or other communications services that are not and will not be available through other providers or the private market in the reasonably foreseeable future; and
  - (ii) the service to be provided by the facilities will not compete with service provided by private entities.
- (20) To assess affected property owners for all or a portion of the costs agreed to with an electric utility, telecommunications carrier, or cable system operator to bury or alter a new or existing distribution system within the public right-of-way that exceeds the utility's design and construction standards, or those set by law, tariff, or franchise, but only upon petition under section 429.031, subdivision 3.
- (21) To assess affected property owners for repayment of voluntary energy improvement financings under section 216C.436, subdivision 7, or 216C.437, subdivision 28.
- (22) To construct, reconstruct, alter, extend, operate, maintain, and promote energy improvement projects in existing buildings, provided that:
- (i) a petition for the improvement is made by a property owner under section 429.031, subdivision 3;
  - (ii) the municipality funds and administers the energy improvement project;
  - (iii) project funds are only used for the installation of improvements to heating, ventilation, and air conditioning equipment and building envelope and for the installation of renewable energy systems;
  - (iv) each property owner petitioning for the improvement receives notice that free or low-cost energy improvements may be available under federal, state, or utility programs;

(v) for energy improvement projects on residential property, only residential property with five or more units may obtain financing for projects under this clause; and

(vi) prior to financing an energy improvement project or imposing an assessment for a project, written notice is provided to the mortgage lender of any mortgage encumbering or otherwise secured by the property proposed to be improved.

**EFFECTIVE DATE.** This section is effective for special assessments payable in 2022 and thereafter.

Sec. 29. Minnesota Statutes 2020, section 429.031, subdivision 3, is amended to read:

Subd. 3. **Petition by all owners.** Whenever all owners of real property abutting upon any street named as the location of any improvement shall petition the council to construct the improvement and to assess the entire cost against their property, the council may, without a public hearing, adopt a resolution determining such fact and ordering the improvement. The validity of the resolution shall not be questioned by any taxpayer or property owner or the municipality unless an action for that purpose is commenced within 30 days after adoption of the resolution as provided in section 429.036. Nothing herein prevents any property owner from questioning the amount or validity of the special assessment against the owner's property pursuant to section 429.081. In the case of a petition for the municipality to own and install a fire protection system, energy improvement projects, a pedestrian skyway system, or on-site water contaminant improvements, the petition must contain or be accompanied by an undertaking satisfactory to the city by the petitioner that the petitioner will grant the municipality the necessary property interest in the building to permit the city to enter upon the property and the building to construct, maintain, and operate the fire protection system, energy improvement projects, pedestrian skyway system, or on-site water contaminant improvements. In the case of a petition for the installation of a privately owned fire protection system, energy improvement projects, a privately owned pedestrian skyway system, or privately owned on-site water contaminant improvements, the petition shall contain the plans and specifications for the improvement, the estimated cost of the improvement and a statement indicating whether the city or the owner will contract for the construction of the improvement. If the owner is contracting for the construction of the improvement, the city shall not approve the petition until it has reviewed and approved the plans, specifications, and cost estimates contained in the petition. The construction cost financed under section 429.091 shall not exceed the amount of the cost estimate contained in the petition. In the case of a petition for the installation of a fire protection system, energy improvement projects, a pedestrian skyway system, or on-site water contaminant improvements, the petitioner may request abandonment of the improvement at any time after it has been ordered pursuant to subdivision 1 and before contracts have been awarded for the construction of the improvement under section 429.041, subdivision 2. If such a request is received, the city council shall abandon the proceedings but in such case the petitioner shall reimburse the city for any and all expenses incurred by the city in connection with the improvement.

**EFFECTIVE DATE.** This section is effective for special assessments payable in 2022 and thereafter.

Sec. 30. Laws 2009, chapter 88, article 2, section 46, subdivision 3, as amended by Laws 2013, chapter 143, article 4, section 37, and Laws 2019, First Special Session chapter 6, article 4, section 34, is amended to read:

Subd. 3. **Tax.** The district board may impose a property tax on taxable property as provided in this subdivision to pay the costs of providing fire or ambulance services, or both, throughout the district. The board shall annually determine the total amount of the levy that is attributable to the cost of providing fire services and the cost of providing ambulance services within the primary service area. ~~For those municipalities that only receive ambulance services, the costs for the provision of ambulance services shall be levied against taxable property within those municipalities at a rate necessary not to exceed 0.019 percent of the estimated market value. For those municipalities that receive both fire and ambulance services, the tax shall be imposed at a rate that does not exceed 0.2835 percent of estimated market value.~~

When a member municipality opts to receive fire service from the district or an additional municipality becomes a member of the district, the cost of providing fire services to that community shall be determined by the board ~~and added to the maximum levy amount.~~

Each county auditor of a county that contains a municipality subject to the tax under this section must collect the tax and pay it to the Fire and Ambulance Special Taxing District. The district may also impose other fees or charges as allowed by law for the provision of fire and ambulance services.

**EFFECTIVE DATE.** This section is effective the day after the governing body of the Cloquet Area Fire and Ambulance Special Taxing District and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 31. **SUSTAINABLE FOREST INCENTIVE ACT; VIOLATIONS.**

Land that was split-classified under Minnesota Statutes 2018, section 273.13, subdivision 23, paragraph (c), while enrolled in the sustainable forest incentive act management program under Minnesota Statutes, chapter 290C, is not in violation of the conditions of enrollment under Minnesota Statutes, sections 290C.03 and 290C.11, if, at the time of enrollment, a structure that is not a minor, ancillary nonresidential structure, or an excluded area three acres or larger that now contains a structure that is not a minor, ancillary nonresidential structure, was identified on the covenant required under Minnesota Statutes, section 290C.04, and appropriate acreage was excluded in accordance with Minnesota Statutes, section 290C.03.

**EFFECTIVE DATE.** This section is effective for determinations of violations of the conditions of enrollment after June 30, 2021.

Sec. 32. **REPEALER.**

Minnesota Statutes 2020, sections 327C.01, subdivision 13; and 327C.16, are repealed.

**EFFECTIVE DATE.** This section is effective beginning with property taxes payable in 2023.

ARTICLE 8  
AIDS AND CREDITS

Section 1. Minnesota Statutes 2020, section 477A.013, subdivision 13, is amended to read:

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)~~ (a) 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.~~

(b) The city of Floodwood shall have its total aid under subdivision 9 increased by \$250,000 for aids payable in 2022 through 2026.

(c) The city of Staples shall have its total aid under subdivision 9 increased by \$320,000 for aids payable in 2022 through 2026.

(d) The city of Warren shall have its total aid under subdivision 9 increased by \$320,000 for aids payable in 2022 through 2026.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2022 and thereafter.

Sec. 2. Minnesota Statutes 2020, section 477A.03, subdivision 2a, is amended to read:

Subd. 2a. **Cities.** ~~For aids payable in 2016 and 2017, the total aid paid under section 477A.013, subdivision 9, is \$519,398,012. For aids payable in 2018 and 2019, the total aid paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable in 2020, the total aid paid under section 477A.013, subdivision 9, is \$560,398,012. For aids payable in 2021 and thereafter, the total aid payable under section 477A.013, subdivision 9, is \$564,398,012. For aids payable in 2022 through 2026, the total aid payable under section 477A.013, subdivision 9, is \$565,288,012. For aids payable in 2027 and thereafter, the total aid payable under section 477A.013, subdivision 9, is \$564,398,012.~~

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2022 and thereafter.

Sec. 3. Minnesota Statutes 2020, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. **Counties.** (a) For aids payable in 2018 and 2019, the total aid payable under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2020, the total aid payable under section 477A.0124, subdivision 3, is \$116,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2021 through 2024, the total aid payable under section 477A.0124, subdivision 3, is \$118,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is \$115,795,000. ~~Each calendar year On or before the first installment date provided in section 477A.015, paragraph (a), \$500,000 of this appropriation shall be retained transferred each year by the commissioner of revenue to make reimbursements to the commissioner of management and budget the Board of Public Defense for payments made the payment of services under section 611.27. The reimbursements shall be to defray the additional costs associated with court ordered counsel under section 611.27. Any retained transferred amounts not used for reimbursement in a year expended or encumbered in a fiscal year shall be certified by the board of public defense to the commissioner of revenue on or before October 1 and shall be included in the next distribution certification of county need aid that is certified to the county auditors for the purpose of property tax reduction for the next taxes payable year.~~

(b) For aids payable in 2018 and 2019, the total aid under section 477A.0124, subdivision 4, is \$130,873,444. For aids payable in 2020, the total aid under section 477A.0124, subdivision 4, is \$143,873,444. For aids payable in 2021 and thereafter, the total aid under section 477A.0124, subdivision 4, is \$145,873,444. The commissioner of revenue shall transfer to the commissioner of management and budget \$207,000 annually for the cost of preparation of local impact notes as required by section 3.987, and other local government activities. The commissioner of revenue shall transfer to the commissioner of education \$7,000 annually for the cost of preparation of local impact notes for school districts as required by section 3.987. The commissioner of revenue shall deduct the amounts transferred under this paragraph from the appropriation under this paragraph. The amounts transferred are appropriated to the commissioner of management and budget and the commissioner of education respectively.

Sec. 4. **[477A.30] LOCAL HOMELESS PREVENTION AID.**

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "city" means a statutory or home rule charter city;

(2) "distribution factor" means the total number of students experiencing homelessness in a county in the current school year and the previous two school years divided by the total number of students experiencing homelessness in all counties in the current school year and the previous two school years; and

(3) "families" means families and persons 24 years of age or younger.

Subd. 2. **Purpose.** The purpose of this section is to help local governments ensure no child is homeless within a local jurisdiction by keeping families from losing housing and helping those experiencing homelessness find housing.

Subd. 3. **Distribution.** The money appropriated to local homeless prevention aid under this section must be allocated to counties by multiplying each county's distribution factor by the total distribution available under this section. Distribution factors must be based on the most recent counts of students experiencing homelessness in each county, as certified by the commissioner of education to the commissioner of revenue by July 1 of the year the aid is certified to the counties under subdivision 5.

Subd. 4. **Use of proceeds.** (a) Counties that receive a distribution under this section must use the proceeds to fund new or existing family homeless prevention and assistance projects or programs. These projects or programs may be administered by a county, a group of contiguous counties jointly acting together, a city, a group of contiguous cities jointly acting together, a Tribe, a group of Tribes, or a community-based nonprofit organization. Each project or program must include plans for:

(1) targeting families with children who are eligible for a prekindergarten through grade 12 academic program and are:

(i) living in overcrowded conditions in their current housing;

(ii) paying more than 50 percent of their income for rent; or

(iii) lacking a fixed, regular, and adequate nighttime residence;

(2) targeting unaccompanied youth in need of an alternative residential setting;

(3) connecting families with the social services necessary to maintain the families' stability in their homes, including but not limited to housing navigation, legal representation, and family outreach; and

(4) one or more of the following:

(i) providing rental assistance for a specified period of time which may exceed 24 months; or

(ii) providing support and case management services to improve housing stability, including but not limited to housing navigation and family outreach.

(b) Counties may choose not to spend all or a portion of the distribution under this section. Any unspent funds must be returned to the commissioner of revenue by December 31 of the year following the year that the aid was received. Any funds returned to the commissioner under this paragraph must be added to the overall distribution of aids certified under this section in the following year. Any unspent funds returned to the commissioner after the expiration under subdivision 8 are canceled to the general fund.

Subd. 5. **Payments.** The commissioner of revenue must compute the amount of local homeless prevention aid payable to each county under this section. On or before August 1 of each year, the commissioner shall certify the amount to be paid to each county in the following year. The commissioner shall pay local homeless prevention aid annually at the times provided in section 477A.015.

Subd. 6. **Appropriation.** \$25,000,000 is annually appropriated from the general fund to the commissioner of revenue to make payments required under this section.

Subd. 7. **Report.** (a) No later than January 15, 2024, the commissioner of revenue must produce a report on projects and programs funded by counties under this section. The report must include a list of the projects and programs, the number of people served by each, and an assessment of how each project and program impacts people who are currently experiencing homelessness or who are at risk of experiencing homelessness, as reported by the counties to the commissioner by December 31 each year on a form prescribed by the commissioner. The commissioner must provide a copy of the report to the chairs and ranking minority members of the legislative committees with jurisdiction over property taxes and services for persons experiencing homelessness.

(b) The report in paragraph (a) must be updated every two years and the commissioner of revenue must provide copies of the updated reports to the chairs and ranking minority members of the legislative committees with jurisdiction over property taxes and services for persons experiencing homelessness by January 15 of the year the report is due. Report requirements under this subdivision expire following the report which includes the final distribution preceding the expiration in subdivision 8.

Subd. 8. **Expiration.** Distributions under this section expire after aids payable in 2029 have been distributed.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2022 and thereafter.

Sec. 5. **COUNTY RELIEF GRANTS TO LOCAL BUSINESSES; APPROPRIATION.**

Subdivision 1. **Appropriation.** (a) \$94,650,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of revenue for payments to counties for relief grants under this section. This is a onetime appropriation. The appropriation under this section must be used for the following purposes:

- (1) \$87,900,000 must be used for grants under subdivision 2;
- (2) \$2,000,000 must be used for grants under subdivision 3; and
- (3) \$4,750,000 must be used for grants under subdivision 4.

(b) Each county may use the greater of \$6,250 or 2.5 percent of the total amount received under subdivisions 1 and 2 for administrative costs incurred from making grants under this section. A county may contract with a third party to administer the grant program on behalf of the county.

Subd. 2. **Business relief grants.** (a) From the amount appropriated under subdivision 1, paragraph (a), clause (1), each county shall be issued a payment in the amount of \$150,000 or a per capita amount determined by reference to the population of each county according to the most recently available 2019 population estimate from the state demographer as of December 1, 2020, whichever is greater.

(b) Counties shall use the funds under this subdivision to make grants to individual businesses, nonprofits, and establishments operated by congressionally chartered veterans' organizations that, to the extent it is feasible for the county to determine:

(1) are located in the applicable county in the state, in a county with which there is a collaborative agreement under paragraph (g), or on adjacent Tribal land;

(2) have no current tax liens on record with the secretary of state as of the time of application for a grant under this section; and

(3) were impacted by an executive order related to the COVID-19 pandemic.

(c) A county shall determine grant recipients and the grant amount awarded per grant. A county may award a grant to a business that is owned by a Tribal government and located on Tribal land if the business has voluntarily complied with Executive Order No. 20-99. Nonprofits, including nonprofit arts organizations, museums, and fitness centers, that earn revenue similar to businesses, including but not limited to ticket sales and membership fees, are eligible for grants under this section.

(d) Grant funds must be used by an eligible business or nonprofit for operating expenses incurred during the COVID-19 pandemic.

(e) Grants under this subdivision must be awarded by July 31, 2021.

(f) Grants and the process of making grants under this subdivision are exempt from the following statutes and related policies: Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98, subdivisions 5, 7, and 8. A county opting to use a third party to administer grants is exempt from Minnesota Statutes, section 471.345, in the selection of the third-party administrator. The exemptions under this paragraph expire July 31, 2021.

(g) Two or more counties may enter into a collaborative agreement and combine payments received under paragraph (a). These combined funds must be used to make grants as allowed by this subdivision.

(h) By January 31, 2022, the commissioner of employment and economic development shall report to the legislative committees with jurisdiction over economic development policy and finance on the grants provided under this subdivision.

(i) Any amount from the appropriation in subdivision 1, paragraph (a), clause (1), unexpended after August 15, 2021, is canceled.

**Subd. 3. Northwest Angle grants.** (a) Lake of the Woods County shall be issued a payment equal to the amount appropriated under subdivision 1, paragraph (a), clause (2), to make grants to individual businesses, nonprofits, and establishments operated by congressionally chartered veterans' organizations that, to the extent it is feasible for the county to determine:

(1) are located in Angle Township; and

(2) have no current tax liens on record with the secretary of state as of the time of application for a grant under this section.

(b) The county shall determine grant recipients and the grant amount awarded per grant.

(c) Grants under this subdivision must be awarded by July 31, 2021.

(d) Grants and the process of making grants under this subdivision are exempt from the following statutes and related policies: Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98, subdivisions 5, 7, and 8. A county opting to use a third party to administer grants is exempt from Minnesota Statutes, section 471.345, in the selection of the third-party administrator. The exemptions under this paragraph expire July 31, 2021.

(e) By January 31, 2022, the commissioner of employment and economic development shall report to the legislative committees with jurisdiction over economic development policy and finance on the grants provided under this subdivision.

(f) Any amount from the appropriation in subdivision 1, paragraph (a), clause (2), unexpended after August 15, 2021, is canceled.

Subd. 4. **Damage remediation grants.** (a) Hennepin County shall be issued a payment equal to the amount appropriated under subdivision 1, paragraph (a), clause (3), for grants to remediate the effects of fires and vandalism that occurred due to the unrest in the city of Minneapolis and surrounding communities after May 24, 2020, and before June 16, 2020.

(b) A grant recipient must use the money issued under this subdivision for remediation costs, including disaster recovery, infrastructure, reimbursement for emergency personnel costs, reimbursement for equipment costs, and reimbursement for property tax abatements, incurred by public or private entities as a result of the fires and vandalism. This appropriation under subdivision 1, paragraph (a), clause (3), is available until June 30, 2023.

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

## ARTICLE 9 LOCAL TAXES

Section 1. Laws 2019, First Special Session chapter 6, article 6, section 25, is amended to read:

### Sec. 25. **CITY OF PLYMOUTH; LOCAL LODGING TAX AUTHORIZED.**

(a) Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of law, ordinance, or city charter, the city council for the city of Plymouth may impose by ordinance a tax of up to three percent on the gross receipts subject to the lodging tax under Minnesota Statutes, section 469.190. This tax is in addition to any tax imposed under Minnesota Statutes, section 469.190, and the total tax imposed under that section and this provision must not exceed six percent.

(b) Two-thirds of the revenue from the tax imposed under this section must be dedicated and used for capital improvements to public recreational facilities and marketing and promotion of the community, and the remaining one-third of the revenue must be used for the same purposes as a tax imposed under Minnesota Statutes, section 469.190.

(c) ~~The tax imposed under this authority terminates at the earlier of: (1) ten years after the tax is first imposed; or (2) December 31, 2030 when the city council determines that the amount received from the tax is sufficient to retire bonds issued before January 1, 2022, for capital improvements under paragraph (b), plus an amount sufficient to pay costs, including interest costs, related to the issuance of the bonds.~~

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

Sec. 2. Laws 2019, First Special Session chapter 6, article 6, section 27, is amended to read:

### Sec. 27. **CITY OF SARTELL; LOCAL TAXES AUTHORIZED.**

Subdivision 1. **Food and beverage tax authorized.** Notwithstanding Minnesota Statutes, section 297A.99 or 477A.016, or any ordinance or other provision of law, and if approved by voters at ~~the November 3, 2020, a general election, or at a special election held before November 3, 2020~~ pursuant to a resolution adopted by its governing body, the city of Sartell may, by ordinance, impose a sales tax of up to 1-1/2 percent on the gross receipts of all food and beverages sold by a restaurant or place of refreshment, as defined by ordinance of the city, that is located within the city. For purposes of this section, "food and beverages" include retail on-sale of intoxicating liquor and fermented malt beverages.

Subd. 2. **Use of proceeds from authorized taxes.** The proceeds of the taxes imposed under subdivision 1 must be used by the city to fund capital or operational costs for new and existing recreational facilities and related amenities within the city. Authorized expenses include securing or paying debt service on bonds or other obligations issued to finance construction and improvement projects.

~~Subd. 3. **Termination of taxes.** The tax imposed under subdivision 1 expires five years after the tax is first imposed.~~

Subd. 4. **Collection, administration, and enforcement.** The city may enter into an agreement with the commissioner of revenue to administer, collect, and enforce the taxes under subdivision 1. If the commissioner agrees to collect the tax, the provisions of Minnesota Statutes, sections 270C.171 and 297A.99, related to collection, administration, and enforcement apply.

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

Sec. 3. **CARLTON COUNTY; LOCAL SALES AND USE TAX AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, sections 297A.99, subdivision 2, paragraph (b), and 477A.016, or any other law or ordinance, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, Carlton County may impose, by ordinance, a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by Carlton County to pay the costs of collecting and administering the tax, and to finance up to \$60,000,000 for the construction of a new law enforcement center and jail serving a regional female offender program. Authorized costs include related parking, design, construction, reconstruction, mechanical upgrades, and engineering costs, as well as the associated bond costs for any bonds issued under subdivision 3.

Subd. 3. **Bonding authority.** (a) Carlton County may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed \$60,000,000, plus an amount applied to the payment of costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the county, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the county. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the earlier of: (1) 30 years after the tax is first imposed; or (2) when the county determines that it has received from this tax \$60,000,000 to fund the project listed in subdivision 2, plus an amount sufficient to pay costs, including interest costs, related to the issuance of the bonds authorized in subdivision 3. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the county's general fund. The tax imposed under subdivision 1 may expire at an earlier time if the county determines by ordinance.

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

Sec. 4. **CITY OF CLOQUET; TAXES AUTHORIZED.**

**Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Cloquet may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

**Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Cloquet to pay the costs of collecting and administering the tax and the capital and administrative costs of any or all of the projects listed in this subdivision. The amount spent on each project is limited to the amount set forth below plus an amount equal to interest on and the costs of issuing any bonds:

(1) construction, reconstruction, expansion, or improvement related to the Pine Valley Regional Park Project, including ski jump repairs, chalet replacement, and parking and lighting improvements, in an amount not to exceed \$2,124,700; and

(2) restoration, repair, and upgrading of the Cloquet Ice Arena in an amount not to exceed \$6,025,500.

**Subd. 3. Bonding authority.** (a) The city of Cloquet may issue bonds under Minnesota Statutes, chapter 475, to finance up to \$8,150,200 of the portion of the costs of the facilities authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed \$8,150,200 plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Cloquet, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Cloquet, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

**Subd. 4. Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 10 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 5. **CITY OF EDINA; TAXES AUTHORIZED.**

**Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Edina may impose by

ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Edina to pay the costs of collecting and administering the tax and paying for the following projects in the city, including securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) \$17,700,000 plus associated bonding costs for development of Fred Richards Park as identified in the Fred Richards Park Master Plan; and

(2) \$21,600,000 plus associated bonding costs for improvements to Braemar Park as identified in the Braemar Park Master Plan.

Subd. 3. **Bonding authority.** (a) The city of Edina may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed: (1) \$17,700,000 for the project listed in subdivision 2, clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds; and (2) \$21,600,000 for the project listed in subdivision 2, clause (2), plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Edina, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Edina, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 19 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

#### Sec. 6. **CITY OF FERGUS FALLS; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax; authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter, the city of Fergus Falls may, if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, impose, by ordinance, a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Fergus Falls to pay the costs of collecting and administering the tax and for the following projects in the city, including securing and paying debt service, on bonds issued to finance all or part of the following projects:

(1) \$7,800,000 for an aquatics center; and

(2) \$5,200,000 for the DeLagoon Improvement Project.

Subd. 3. **Bonding authority.** (a) The city of Fergus Falls may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 2, and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed:

(1) \$7,800,000 for the project listed in subdivision 2, clause (1), plus an amount needed to pay capitalized interest and an amount to be applied to the payment of the costs of issuing the bonds; and

(2) \$5,200,000 for the project listed in subdivision 2, clause (2), plus an amount needed to pay capitalized interest and an amount to be applied to the payment of the costs of issuing the bonds.

(b) The bonds may be paid from or secured by any funds available to the city of Fergus Falls, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(c) The bonds are not included in computing any debt limitation applicable to the city of Fergus Falls, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) December 31, 2037, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

#### Sec. 7. **CITY OF GRAND RAPIDS; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Grand Rapids may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Grand Rapids to pay the costs of collecting and administering the tax including securing and paying debt service on bonds issued and to finance up to \$5,980,000 for reconstruction, remodeling, and upgrades to the Grand Rapids IRA Civic Center. Authorized costs include design, construction, reconstruction, mechanical upgrades, and engineering costs, as well as the associated bond costs for any bonds issued under subdivision 3.

Subd. 3. **Bonding authority.** (a) The city of Grand Rapids may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed \$5,980,000, plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Grand Rapids, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Grand Rapids, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the earlier of: (1) seven years after the tax is first imposed; or (2) when the city council determines that \$5,980,000, plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds, has been received from the tax to pay the costs of the project authorized under subdivision 2, and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3. Any funds remaining after payment of all such costs and retirement or redemption of the bonds shall be placed in the general fund of the city, except for funds required to be retained in the state general fund under Minnesota Statutes, section 297A.99, subdivision 3. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

#### Sec. 8. **CITY OF HERMANTOWN; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Hermantown may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Hermantown to pay the costs of collecting and administering the tax and paying for the following projects in the city related to a Community Recreational Initiative, including securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) \$10,840,000 for an addition of a second ice sheet with locker rooms and other facilities and upgrades to the Hermantown Hockey Arena; and

(2) \$4,570,000 for construction of the Hermantown-Proctor trail running from the Essentia Wellness Center to the border with Proctor and eventually connecting to the Munger Trail.

Subd. 3. **Bonding authority.** (a) The city of Hermantown may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed: (1) \$10,840,000 for the project listed in subdivision 2, clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds; and (2) \$4,570,000 for the project listed in subdivision 2, clause (2), plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Hermantown, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Hermantown, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 16 years after being first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

#### Sec. 9. **ITASCA COUNTY; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivision 1, or 477A.016, or any other law or ordinance and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, Itasca County may impose by ordinance a sales and use tax of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by Itasca County to pay the costs of collecting and administering the tax and paying for up to \$75,000,000 for new construction of or upgrades to correctional facilities, new construction of or upgrades to court facilities including ancillary support accommodations, and new construction of or upgrades to county offices, plus an amount needed for securing and paying debt service on bonds issued for the project.

Subd. 3. **Bonding authority.** (a) Itasca County may issue bonds under Minnesota Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed \$75,000,000 for the project listed in subdivision 2, plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the county, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the county, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years after the tax is first imposed, or (2) when the county board determines that the amount received from the tax is sufficient to pay \$75,000,000 in project costs authorized under subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the county. The tax imposed under subdivision 1 may expire at an earlier time if the county so determines by ordinance.

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

Sec. 10. **CITY OF LITCHFIELD; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Litchfield may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Litchfield to pay the costs of collecting and administering the tax and for up to \$10,000,000 for the cost of constructing a community wellness/recreation center that will include a gymnasium and general fitness spaces, a dedicated walking section, a community room, and any locker rooms and mechanical equipment needed for future additions to the facility.

Subd. 3. **Bonding authority.** (a) The city of Litchfield may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed \$10,000,000 for the project listed in subdivision 2 plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Litchfield, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Litchfield and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years after being first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 11. **CITY OF LITTLE FALLS; TAXES AUTHORIZED.**

**Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Little Falls may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision.

**Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Little Falls to pay the costs of collecting and administering the tax and for up to \$17 million for the cost of constructing a community recreational facility that includes a gymnasium with an indoor track, multipurpose rooms for meeting and educational spaces, office and storage space, and outdoor recreational facilities for aquatic recreation with a master plan to incorporate future additions to the facility.

**Subd. 3. Bonding authority.** (a) The city of Little Falls may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed \$17,000,000 for the project listed in subdivision 2 plus an amount needed to pay capitalized interest and an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Little Falls, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Little Falls, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

**Subd. 4. Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years after being first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for the project if approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 12. **CITY OF MAPLE GROVE; TAXES AUTHORIZED.**

**Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Maple Grove may impose by ordinance a sales and

use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Maple Grove to pay the costs of collecting and administering the tax, and to finance up to \$90,000,000 for the expansion and renovation of the Maple Grove Community Center, plus an amount needed for securing and paying debt service on bonds issued to finance the project.

Subd. 3. **Bonding authority.** (a) The city of Maple Grove may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2, and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed \$90,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the earlier of: (1) 20 years after the tax is first imposed; or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for the project approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

### Sec. 13. **COUNTY OF MILLE LACS; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, Mille Lacs County may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by Mille Lacs County to pay the costs of collecting and administering the tax, and to finance up to \$10,000,000 for the construction of a public works building in Mille Lacs County, plus an amount needed for securing and paying debt service on bonds issued to finance the project.

Subd. 3. **Bonding authority.** (a) Mille Lacs County may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2, and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed \$10,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the county, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the county. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the earlier of: (1) eight years after the tax is first imposed; or (2) when the county board determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for the project approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the county. The tax imposed under subdivision 1 may expire at an earlier time if the county so determines by ordinance.

**EFFECTIVE DATE.** This section is effective the day after the governing body of Mille Lacs County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 14. **CITY OF MOORHEAD; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Moorhead may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Moorhead to pay the costs of collecting and administering the tax, and to finance up to \$31,590,000 for the construction of a regional library and community center in the city of Moorhead, plus an amount needed for securing and paying debt service on bonds issued to finance the project.

Subd. 3. **Bonding authority.** (a) The city of Moorhead may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2, and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed \$31,590,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the earlier of: (1) 22 years after the tax is first imposed; or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for the project approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 15. **CITY OF OAKDALE; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other ordinance or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Oakdale may impose, by ordinance, a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Oakdale to pay the costs of collecting and administering the tax and paying for the following projects in the city, including securing and paying debt service on bonds issued to finance all or part of the following projects:

- (1) \$22,000,000 plus associated bonding costs for construction of a new public works facility; and
- (2) \$15,000,000 plus associated bonding costs for expansion of the police department facility.

Subd. 3. **Bonding authority.** (a) The city of Oakdale may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed: (1) \$22,000,000 for the project listed in subdivision 2, clause (1), plus an amount applied to the payment of costs of issuing the bonds; and (2) \$15,000,000 for the projects listed in subdivision 2, clause (2), plus an amount applied to the payment of costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Oakdale, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the earlier of: (1) 25 years after the tax is first imposed; or (2) when the city council determines that the city has received from this tax \$37,000,000 to fund the projects listed in subdivision 2 plus an amount sufficient to pay costs, including interest costs, related to the issuance of the bonds authorized in subdivision 3. Except as otherwise provided under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to timing of the termination under Minnesota Statutes, section 297A.99, shall be placed in the city's general fund. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 16. **CITY OF ST. CLOUD; TAXES AUTHORIZED.**

**Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of St. Cloud may impose, by ordinance, a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

**Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of St. Cloud to pay the costs of collecting and administering the tax, including securing and paying debt service on bonds issued, and to finance up to \$21,100,000 plus associated bonding costs for expansion and improvement of St. Cloud's Municipal Athletic Complex.

**Subd. 3. Bonding authority.** (a) The city of St. Cloud may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed \$21,100,000 plus an amount applied to the payment of costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of St. Cloud, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

**Subd. 4. Termination of taxes.** The tax imposed under subdivision 1 expires at the earlier of: (1) five years after the tax is first imposed; or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2, and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, plus an amount sufficient to pay costs, including interest costs, related to the issuance of the bonds authorized in subdivision 3. Any funds remaining after payment of the allowed costs due to timing of the termination under Minnesota Statutes, section 297A.99, shall be placed in the city's general fund. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 17. **CITY OF ST. PETER; TAXES AUTHORIZED.**

**Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of St. Peter may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of St. Peter to pay the costs of collecting and administering the tax and paying for up to \$9,121,000 for construction of a new fire station, plus an amount needed for securing and paying debt service on bonds issued to finance the project.

Subd. 3. **Bonding authority.** (a) The city of St. Peter may issue bonds under Minnesota Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed \$9,121,000 for the project listed in subdivision 2, plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of St. Peter, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of St. Peter; and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 40 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the \$9,121,000 in project costs authorized under subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

Sec. 18. **CITY OF WADENA; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Wadena may impose, by ordinance, a sales and use tax of one-quarter of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Wadena to pay the costs of collecting and administering the tax and to finance up to \$3,000,000, plus associated bonding costs including securing and paying debt service on bonds issued, for the Wadena Library Rehabilitation Project.

Subd. 3. **Bonding authority.** (a) The city of Wadena may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed \$3,000,000, plus an amount applied to the payment of costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Wadena, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the earlier of: (1) 20 years after the tax is first imposed; or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2, and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, plus an amount sufficient to pay costs, including interest costs, related to the issuance of the bonds authorized in subdivision 3. Any funds remaining after payment of the allowed costs due to timing of the termination under Minnesota Statutes, section 297A.99, shall be placed in the city's general fund. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

**Sec. 19. CITY OF WAITE PARK; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Waite Park may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Waite Park to pay the costs of collecting and administering the tax and for the following projects in the city, including securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) up to \$7,500,000 plus associated bonding costs for regional trail connections; and

(2) up to \$20,000,000 plus associated bonding costs for construction and equipping of a public safety facility.

Subd. 3. **Bonding authority.** (a) The city of Waite Park may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed:

(1) \$7,500,000 for the project listed in subdivision 2, clause (1), plus an amount needed to pay capitalized interest and an amount to be applied to the payment of the costs of issuing the bonds; and

(2) \$20,000,000 for the project listed in subdivision 2, clause (2), plus an amount needed to pay capitalized interest and an amount to be applied to the payment of the costs of issuing the bonds.

The bonds may be paid from or secured by any funds available to the city of Waite Park, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Waite Park, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 19 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

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

#### ARTICLE 10 TAX INCREMENT FINANCING

Section 1. Minnesota Statutes 2020, section 469.176, is amended by adding a subdivision to read:

Subd. 4n. **Temporary use of increment authorized.** (a) Notwithstanding any other provision of this section or any other law to the contrary, except the requirements to pay bonds to which increments are pledged, the authority may elect by resolution to transfer unobligated increments from a district either (1) to the municipality for deposit into the municipality's general fund upon the request of the municipality, or (2) to provide improvements, loans, interest rate subsidies, or assistance in any form to businesses impacted by COVID-19. The authority may transfer increments under this subdivision after the spending plan and public hearing requirements under paragraph (c) are met. The municipality may expend transferred increments under clause (1) for any purpose permitted under the municipality's general fund.

(b) For each calendar year for which transfers are permitted under this subdivision, the maximum transfer equals the excess of the district's unobligated increments which includes any increment not required for payments of obligations due during the six months following the transfer on outstanding bonds, binding contracts, and other outstanding financial obligations of the district to which the district's increments are pledged.

(c) The authority may transfer increments permitted under this subdivision after creating a written spending plan that authorizes the authority to take the action described in paragraph (a) and details the use of transferred increments. Additionally, the municipality must approve the authority's spending plan after holding a public hearing. The municipality must publish notice of the hearing in a newspaper of general circulation in the municipality and on the municipality's public website at least ten days, but not more than 30 days, prior to the date of the hearing.

(d) Increment that is improperly retained, received, spent, or transferred is not eligible for a transfer under this subdivision.

(e) An authority making a transfer under this subdivision must provide to the Office of the State Auditor a copy of the spending plan approved and signed by the municipality.

(f) The authority to transfer increments under this subdivision expires on December 31, 2022. All transferred increments must be spent by December 31, 2022. If the municipality cannot spend the transferred increments by December 31, 2022, the municipality must adopt a spending plan that details the use of transferred increments, and must provide a copy of this spending plan to the Office of the State Auditor.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies to increments from any district that are unobligated as of the date of final enactment regardless of when the authority made a request for certification.

Sec. 2. Minnesota Statutes 2020, section 469.1763, subdivision 2, is amended to read:

Subd. 2. **Expenditures outside district.** (a) For each tax increment financing district, an amount equal to at least 75 percent of the total revenue derived from tax increments paid by properties in the district must be expended on activities in the district or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities in the district or to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995, the in-district percentage for purposes of the preceding sentence is 80 percent. Not more than 25 percent of the total revenue derived from tax increments paid by properties in the district may be expended, through a development fund or otherwise, on activities outside of the district but within the defined geographic area of the project except to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995, the pooling percentage for purposes of the preceding sentence is 20 percent. The revenues derived from tax increments paid by properties in the district that are expended on costs under section 469.176, subdivision 4h, paragraph (b), may be deducted first before calculating the percentages that must be expended within and without the district.

(b) In the case of a housing district, ~~a housing project, as defined in section 469.174, subdivision 11, is an activity in the district.~~ the following are considered to be activities in the district:

(1) a housing project, as defined in section 469.174, subdivision 11; and

(2) a transfer of increments to an affordable housing trust fund established pursuant to section 462C.16, for expenditures made in conformity with the political subdivision's ordinance and policy establishing the trust fund. Any transfers made pursuant to this clause are not subject to the annual reporting requirements imposed by section 469.175, subdivision 6, except that the amount of any transfer must be reported.

(c) All administrative expenses are for activities outside of the district, except that if the only expenses for activities outside of the district under this subdivision are for the purposes described in paragraph (d), administrative expenses will be considered as expenditures for activities in the district.

(d) The authority may elect, in the tax increment financing plan for the district, to increase by up to ~~ten~~ 25 percentage points the permitted amount of expenditures for activities located outside the geographic area of the district under paragraph (a). As permitted by section 469.176, subdivision 4k, the expenditures, including the permitted expenditures under paragraph (a), need not be made within the geographic area of the project. Expenditures that meet the requirements of this paragraph are legally permitted expenditures of the district, notwithstanding section 469.176, subdivisions 4b, 4c, and 4j. To qualify for the increase under this paragraph, the expenditures must:

(1) be used ~~exclusively~~ to assist housing that meets the requirement for a qualified low-income building, as that term is used in section 42 of the Internal Revenue Code, or to assist owner-occupied housing that meets the requirements of section 469.1761; and

(2) not exceed the qualified basis of the housing, as defined under section 42(c) of the Internal Revenue Code, less the amount of any credit allowed under section 42 of the Internal Revenue Code; and

(3) be used to:

(i) acquire and prepare the site of the housing;

(ii) acquire, construct, or rehabilitate the housing; or

(iii) make public improvements directly related to the housing; or

(4) be used to develop housing:

(i) if the market value of the housing does not exceed the lesser of:

(A) 150 percent of the average market value of single-family homes in that municipality; or

(B) \$200,000 for municipalities located in the metropolitan area, as defined in section 473.121, or \$125,000 for all other municipalities; and

(ii) if the expenditures are used to pay the cost of site acquisition, relocation, demolition of existing structures, site preparation, and pollution abatement on one or more parcels, if the parcel contains a residence containing one to four family dwelling units that has been vacant for six or more months and is in foreclosure as defined in section 325N.10, subdivision 7, but without regard to whether the residence is the owner's principal residence, and only after the redemption period has expired.

(e) The authority under paragraph (d), clause (4), expires on December 31, 2016. Increments may continue to be expended under this authority after that date, if they are used to pay bonds or binding contracts that would qualify under subdivision 3, paragraph (a), if December 31, 2016, is considered to be the last date of the five-year period after certification under that provision.

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

Sec. 3. Minnesota Statutes 2020, section 469.1763, subdivision 3, is amended to read:

Subd. 3. **Five-year rule.** (a) Revenues derived from tax increments paid by properties in the district are considered to have been expended on an activity within the district under subdivision 2 only if one of the following occurs:

(1) before or within five years after certification of the district, the revenues are actually paid to a third party with respect to the activity;

(2) bonds, the proceeds of which must be used to finance the activity, are issued and sold to a third party before or within five years after certification, the revenues are spent to repay the bonds, and the proceeds of the bonds either are, on the date of issuance, reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii) a reasonable temporary period within the meaning of the use of that term under section 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve or replacement fund;

(3) binding contracts with a third party are entered into for performance of the activity before or within five years after certification of the district and the revenues are spent under the contractual obligation;

(4) costs with respect to the activity are paid before or within five years after certification of the district and the revenues are spent to reimburse a party for payment of the costs, including interest on unreimbursed costs; or

(5) expenditures are made for housing purposes as permitted by subdivision 2, paragraphs (b) and (d), or for public infrastructure purposes within a zone as permitted by subdivision 2, paragraph (e).

(b) For purposes of this subdivision, bonds include subsequent refunding bonds if the original refunded bonds meet the requirements of paragraph (a), clause (2).

(c) For a redevelopment district or a renewal and renovation district certified after June 30, 2003, and before April 20, 2009, the five-year periods described in paragraph (a) are extended to ten years after certification of the district. For a redevelopment district certified after April 20, 2009, and before June 30, 2012, the five-year periods described in paragraph (a) are extended to eight years after certification of the district. This extension is provided primarily to accommodate delays in development activities due to unanticipated economic circumstances.

(d) For a redevelopment district that was certified after December 31, 2017, the five-year periods described in paragraph (a) are extended to ten years after certification of the district.

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

Sec. 4. Minnesota Statutes 2020, section 469.1763, subdivision 4, is amended to read:

Subd. 4. **Use of revenues for decertification.** (a) In each year beginning with the sixth year following certification of the district, or beginning with the 11th year following certification of the district for districts whose five-year rule is extended to ten years under subdivision 3, paragraph (d), if the applicable in-district percent of the revenues derived from tax increments paid by properties in the district exceeds the amount of expenditures that have been made for costs permitted under subdivision 3, an amount equal to the difference between the in-district percent of the revenues derived from tax increments paid by properties in the district and the amount of expenditures that have been made for costs permitted under subdivision 3 must be used and only used to pay or defease the following or be set aside to pay the following:

(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b);

(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4);

(3) credit enhanced bonds to which the revenues derived from tax increments are pledged, but only to the extent that revenues of the district for which the credit enhanced bonds were issued are insufficient to pay the bonds and to the extent that the increments from the applicable pooling percent share for the district are insufficient; or

(4) the amount provided by the tax increment financing plan to be paid under subdivision 2, paragraphs (b), (d), and (e).

(b) The district must be decertified and the pledge of tax increment discharged when the outstanding bonds have been defeased and when sufficient money has been set aside to pay, based on the increment to be collected through the end of the calendar year, the following amounts:

(1) contractual obligations as defined in subdivision 3, paragraph (a), clauses (3) and (4);

(2) the amount specified in the tax increment financing plan for activities qualifying under subdivision 2, paragraph (b), that have not been funded with the proceeds of bonds qualifying under paragraph (a), clause (1); and

(3) the additional expenditures permitted by the tax increment financing plan for housing activities under an election under subdivision 2, paragraph (d), that have not been funded with the proceeds of bonds qualifying under paragraph (a), clause (1).

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

Sec. 5. **CITY OF BLOOMINGTON; TIF AUTHORITY; AMERICAN BOULEVARD.**

Subdivision 1. **Establishment.** Pursuant to the special rules established in subdivision 2, the housing and redevelopment authority of the city of Bloomington or the city of Bloomington may establish a redevelopment district within the city of Bloomington, limited to the following parcels, identified by tax identification numbers, together with adjacent roads and rights-of-way: 04-027-24-11-0032, 04-027-24-11-0033, and 04-027-24-11-0034.

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

(1) the district meets all the requirements of Minnesota Statutes, section 469.174, subdivision 10;

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

(3) increments generated from the district may be expended on undergrounding or overhead power lines, transformers, and related utility infrastructure within the project area and all such expenditures are deemed expended on activities within the district for purposes of Minnesota Statutes, section 469.1763.

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

Sec. 6. **CITY OF BLOOMINGTON; TIF AUTHORITY; 98TH & ALDRICH.**

Subdivision 1. **Establishment.** Pursuant to the special rules established in subdivision 2, the housing and redevelopment authority of the city of Bloomington or the city of Bloomington may establish a redevelopment district within the city of Bloomington, limited to the following parcels, identified by tax identification numbers, together with adjacent roads and rights-of-way: 16-027-24-41-0010, 16-027-24-41-0011, and 16-027-24-41-0012.

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

(1) the district meets all the requirements of Minnesota Statutes, section 469.174, subdivision 10; and

(2) expenditures incurred in connection with the development of the property described in subdivision 1 meet the requirements of Minnesota Statutes, section 469.176, subdivision 4j.

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

Sec. 7. **CITY OF BURNSVILLE; TIF AUTHORITY.**

Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the economic development authority of the city of Burnsville or the city of Burnsville may establish one or more redevelopment districts located wholly within the area of the city of Burnsville, Dakota County, Minnesota, limited to the parcels comprising the Burnsville Center mall together with adjacent roads and rights-of-way.

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

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

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

(3) increments generated from the districts may be expended for the construction and acquisition of property for a bridge, tunnel, or other connector from the property described in subdivision 1 across adjacent roads and rights-of-way and all such expenditures are deemed expended on activities within the district for purposes of Minnesota Statutes, section 469.1763.

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

Sec. 8. **CITY OF FRIDLEY; TAX INCREMENT FINANCING DISTRICT; SPECIAL RULES.**

Subdivision 1. **Housing program uses.** Notwithstanding Minnesota Statutes, section 469.176, subdivision 4j, or 469.1763, subdivision 2, or any law to the contrary, the governing body of the city of Fridley or its development authority may elect to spend tax increments from Tax Increment Financing District No. 20 on housing programs outside of the district. The authorized housing programs include but are not limited to:

- (1) the revolving rehab loan program;
- (2) the multifamily improvement loan program;
- (3) the mobile home improvement loan program;
- (4) the last resort emergency deferred loan program;
- (5) the senior deferred loan program;
- (6) the down payment assistance loan program;
- (7) the residential major project grant program;
- (8) the residential paint rebate grant program; and
- (9) the front door grant program.

Subd. 2. **Decertification.** The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, and the use of revenues for decertification in Minnesota Statutes, section 469.1763, subdivision 4, do not apply to Tax Increment Financing District No. 20.

Subd. 3. **Expiration.** The authority to make the election under this section expires December 31, 2023.

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

Sec. 9. **CITY OF MINNETONKA; USE OF INCREMENT AUTHORIZED.**

(a) Notwithstanding Minnesota Statutes, section 469.1763, or any law to the contrary, tax increments from any redevelopment tax increment financing district in the city of Minnetonka may be used to assist affordable housing development that meets the requirements of Minnesota Statutes, section 469.1761, subdivision 2 or 3.

(b) The city of Minnetonka, or its economic development authority, is authorized to transfer tax increments from tax increment districts in the city of Minnetonka to the affordable housing trust fund established by the city of Minnetonka pursuant to Minnesota Statutes, section 462C.16, for expenditures made in conformity with the city ordinance establishing the trust fund. Transfers made pursuant to this paragraph are in addition to tax increment expenditures under Minnesota Statutes, section 469.1763, subdivision 2, paragraph (d). Any transfers made pursuant to this paragraph are not subject to the annual reporting requirements imposed by Minnesota Statutes, section 469.175, subdivision 6, except that the amount of any transfer must be reported.

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

Sec. 10. **CITY OF MOUNTAIN LAKE; TIF DISTRICT NO. 1-8; FIVE-YEAR RULE EXTENSION.**

(a) The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities must be undertaken within a five-year period from the date of certification of a tax increment financing district, is extended by a five-year period for Tax Increment Financing District No. 1-8, administered by the city of Mountain Lake or its economic development authority.

(b) The requirement of Minnesota Statutes, section 469.1763, subdivision 4, relating to the use of increment after the expiration of the five-year period in Minnesota Statutes, section 469.1763, subdivision 3, is extended to the district's 11th year.

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

Sec. 11. **CITY OF RICHFIELD; USE OF TAX INCREMENT AUTHORIZED.**

(a) Notwithstanding Minnesota Statutes, section 469.1763, or any law to the contrary, tax increments from any tax increment financing district in the city of Richfield may be used to assist affordable housing development that meets the requirements of Minnesota Statutes, section 469.1761, subdivision 2 or 3.

(b) The city of Richfield, or its housing and redevelopment authority, is authorized to transfer up to 15 percent of tax increments from redevelopment tax increment districts in the city of Richfield, including amounts previously accumulated, to the Affordable Housing Trust Fund established by the city of Richfield pursuant to Minnesota Statutes, section 462C.16, for expenditures made in conformity with the city ordinance establishing the trust fund. Transfers made pursuant to this paragraph are in addition to tax increment expenditures under Minnesota Statutes, section 469.1763, subdivision 2, paragraph (d). Any transfers made pursuant to this paragraph are not subject to the annual reporting requirements imposed by Minnesota Statutes, section 469.175, subdivision 6, except that the amount of any transfer must be reported.

(c) The authority to make transfers of tax increments pursuant to this section expires December 31, 2030.

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

Sec. 12. **CITY OF ST. LOUIS PARK; USE OF INCREMENT AUTHORIZED.**

(a) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, paragraph (d), or any law to the contrary, tax increment from any district for which the economic development authority of St. Louis Park has elected to increase the permitted amount of expenditures for activities located outside the district's area, as allowed by Minnesota Statutes, section 469.1763, subdivision 2, paragraph (d), clause (1), must be used exclusively to assist housing development that meets either the requirements of Minnesota Statutes, section 469.1761, subdivision 2, or Minnesota Statutes, section 469.1763, subdivision 2, paragraph (d), clauses (1) to (3).

(b) The economic development authority of St. Louis Park is authorized to make permanent transfers of tax increments accumulated for housing development pursuant to either Minnesota Statutes, section 469.1763, subdivision 2, paragraph (b) or (d), from the tax increment accounts to the Affordable Housing Trust Fund established by the city of St. Louis Park pursuant to Minnesota Statutes, section 462C.16, for expenditures made in conformity with the city ordinance and policy establishing such trust fund. Any transfers made pursuant to this paragraph are not subject to the annual reporting requirements imposed by Minnesota Statutes, section 469.175, subdivision 6, except that the amount of any transfer must be reported.

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

Sec. 13. **CITY OF WAYZATA; TIF DISTRICT NO. 6.**

Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, the city of Wayzata may expend increments generated from Tax Increment Financing District No. 6 for the design and construction of the lakefront pedestrian walkway and community transient lake public access infrastructure related to the Panoway on Wayzata Bay project, and all such expenditures are deemed expended on activities within the district.

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

Sec. 14. **CITY OF WINDOM; TIF DISTRICT 1-22; FIVE-YEAR RULE EXTENDED.**

(a) The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities must be undertaken within a five-year period from the date of certification of a tax increment financing district, is considered to be met for Tax Increment Financing District 1-22, administered by the city of Windom or its economic development authority, if activities are undertaken within ten years of the district's certification.

(b) The requirement of Minnesota Statutes, section 469.1763, subdivision 4, relating to the use of increment after the expiration of the five-year period in Minnesota Statutes, section 469.1763, subdivision 3, is extended to the district's 11th year.

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

Sec. 15. **CITY OF WINDOM; TIF DISTRICT 1-22; DURATION EXTENSION.**

Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, or any other law to the contrary, the city of Windom or its economic development authority may elect to extend the duration limit of Tax Increment Financing District 1-22 by five years.

**EFFECTIVE DATE.** This section is effective upon compliance by the city of Windom, Cottonwood County, and Independent School District No. 177 with the requirements of Minnesota Statutes, sections 469.1782, subdivision 2, and 645.021, subdivisions 2 and 3.

ARTICLE 11  
PUBLIC FINANCE

Section 1. Minnesota Statutes 2020, section 297A.993, subdivision 2, is amended to read:

Subd. 2. **Allocation; termination.** The proceeds of the taxes must be dedicated exclusively to: (1) payment of the capital cost of a specific transportation project or improvement; (2) payment of the costs, which may include both capital and operating costs, of a specific transit project or improvement; (3) payment of the capital costs of a

safe routes to school program under section 174.40; ~~or~~ (4) payment of transit operating costs; or (5) payment of the capital cost of constructing buildings and other facilities for maintaining transportation or transit projects or improvements. The transportation or transit project or improvement must be designated by the board of the county, or more than one county acting under a joint powers agreement. Except for taxes for operating costs of a transit project or improvement, or for transit operations, the taxes must terminate when revenues raised are sufficient to finance the project. Nothing in this subdivision prohibits the exclusive dedication of the proceeds of the taxes to payments for more than one project or improvement. After a public hearing a county may, by resolution, dedicate the proceeds of the tax for a new enumerated project.

Sec. 2. Minnesota Statutes 2020, section 453A.04, subdivision 21, is amended to read:

Subd. 21. ~~All other powers~~ Exercising powers of a municipal power agency. ~~It may exercise all other powers not inconsistent with the Constitution of the state of Minnesota or the United States Constitution, which powers may be reasonably necessary or appropriate for or incidental to the effectuation of its authorized purposes or to the exercise of any of the powers enumerated in this section, and generally may exercise in connection with its property and affairs, and in connection with property within its control, any and all powers which might be exercised by a natural person or a private corporation in connection with similar property and affairs. It may exercise the powers of a municipal power agency under chapter 453, for the limited purpose of engaging in tax-exempt prepayments and related transactions as described in section 148(b)(4) of the Internal Revenue Code of 1986, as amended, and the Code of Federal Regulations, title 26, part 1, section 1.148-1(e)(2)(iii), both as may be amended from time to time, or as may otherwise be authorized by statute or the Commissioner of Internal Revenue.~~

Sec. 3. Minnesota Statutes 2020, section 453A.04, is amended by adding a subdivision to read:

Subd. 22. All other powers. It may exercise all other powers not inconsistent with the Constitution of the state of Minnesota or the United States Constitution, which powers may be reasonably necessary or appropriate for or incidental to the effectuation of its authorized purposes or to the exercise of any of the powers enumerated in this section, and generally may exercise in connection with its property and affairs, and in connection with property within its control, any and all powers which might be exercised by a natural person or a private corporation in connection with similar property and affairs.

Sec. 4. Minnesota Statutes 2020, section 465.71, is amended to read:

#### **465.71 INSTALLMENT, LEASE PURCHASE; CITY, COUNTY, TOWN, SCHOOL.**

A home rule charter city, statutory city, county, town, or school district may purchase personal property under an installment contract, or lease real or personal property with an option to purchase under a lease-purchase agreement, by which contract or agreement title is retained by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any, but such purchases are subject to statutory and charter provisions applicable to the purchase of real or personal property. For purposes of the bid requirements contained in section 471.345, "the amount of the contract" shall include the total of all lease payments for the entire term of the lease under a lease-purchase agreement. The obligation created by an installment contract or a lease-purchase agreement for personal property, or an installment contract or a lease-purchase agreement for real property if the amount of the contract for purchase of the real property is less than \$1,000,000, shall not be included in the calculation of net debt for purposes of section 475.53, and shall not constitute debt under any other statutory provision. No election shall be required in connection with the execution of an installment contract or a lease-purchase agreement authorized by this section. The city, county, town, or school district must have the right to terminate a lease-purchase agreement at the end of any fiscal year during its term.

Sec. 5. Minnesota Statutes 2020, section 475.56, is amended to read:

**475.56 INTEREST RATE.**

(a) Any municipality issuing obligations under any law may issue obligations bearing interest at a single rate or at rates varying from year to year which may be lower or higher in later years than in earlier years. ~~Such higher rate for any period prior to maturity may be represented in part by separate coupons designated as additional coupons, extra coupons, or B coupons, but the~~ The highest aggregate rate of interest contracted to be so paid for any period shall not exceed the maximum rate authorized by law. ~~Such higher rate may also be represented in part by the issuance of additional obligations of the same series, over and above but not exceeding two percent of the amount otherwise authorized to be issued, and the amount of such additional obligations shall not be included in the amount required by section 475.59 to be stated in any bond resolution, notice, or ballot, or in the sale price required by section 475.60 or any other law to be paid; but if the principal amount of the entire series exceeds its cash sale price, such excess shall not, when added to the total amount of interest payable on all obligations of the series to their stated maturity dates, cause and~~ the average annual rate of such interest ~~to~~ may not exceed the maximum rate authorized by law. This section does not authorize a provision in any such obligations for the payment of a higher rate of interest after maturity than before.

(b) Any municipality issuing obligations under any law may sell original issue discount or premium obligations ~~having a stated principal amount in excess of the authorized amount and the sale price, provided that:~~ To determine the average annual rate of interest on the obligations, any discount shall be added to, and any premium subtracted from, the total amount of interest on the obligations to their stated maturity dates.

~~(1) the sale price does not exceed by more than two percent the amount of obligations otherwise authorized to be issued;~~

~~(2) the underwriting fee, discount, or other sales or underwriting commission does not exceed two percent of the sale price; and~~

~~(3) the discount rate necessary to present value total principal and interest payments over the term of the issue to the sale price does not exceed the lesser of the maximum rate permitted by law for municipal obligations or ten percent.~~

(c) Any obligation may bear interest at a rate varying periodically at the time or times and on the terms, including convertibility to a fixed rate of interest, determined by the governing body of the municipality, but the rate of interest for any period shall not exceed any maximum rate of interest for the obligations established by law. For purposes of section 475.61, subdivisions 1 and 3, the interest payable on variable rate obligations for their term shall be determined as if their rate of interest is the lesser of the maximum rate of interest payable on the obligations in accordance with their terms or the rate estimated for such purpose by the governing body, but if the interest rate is subsequently converted to a fixed rate the levy may be modified to provide at least five percent in excess of amounts necessary to pay principal of and interest at the fixed rate on the obligations when due. For purposes of computing debt service or interest pursuant to section 475.67, subdivision 12, interest throughout the term of bonds issued pursuant to this subdivision is deemed to accrue at the rate of interest first borne by the bonds. The provisions of this paragraph do not apply to general obligations issued by a statutory or home rule charter city with a population of less than 7,500, as defined in section 477A.011, subdivision 3, or to general obligations that are not rated A or better, or an equivalent subsequently established rating, by Standard and Poor's Corporation, Moody's Investors Service or other similar nationally recognized rating agency, except that any statutory or home rule charter city, regardless of population or bond rating, may issue variable rate obligations as a participant in a bond pooling program established by the League of Minnesota Cities that meets this bond rating requirement.

Sec. 6. Minnesota Statutes 2020, section 475.58, subdivision 3b, is amended to read:

Subd. 3b. **Street reconstruction and bituminous overlays.** (a) A municipality may, without regard to the election requirement under subdivision 1, issue and sell obligations for street reconstruction or bituminous overlays, if the following conditions are met:

(1) the streets are reconstructed or overlaid under a street reconstruction or overlay plan that describes the street reconstruction or overlay to be financed, the estimated costs, and any planned reconstruction or overlay of other streets in the municipality over the next five years, and the plan and issuance of the obligations has been approved by a vote of a two-thirds majority of the members of the governing body present at the meeting following a public hearing for which notice has been published in the official newspaper at least ten days but not more than 28 days prior to the hearing; and

(2) if a petition requesting a vote on the issuance is signed by voters equal to five percent of the votes cast in the last municipal general election and is filed with the municipal clerk within 30 days of the public hearing, the municipality may issue the bonds only after obtaining the approval of a majority of the voters voting on the question of the issuance of the obligations. If the municipality elects not to submit the question to the voters, the municipality shall not propose the issuance of bonds under this section for the same purpose and in the same amount for a period of 365 days from the date of receipt of the petition. If the question of issuing the bonds is submitted and not approved by the voters, the provisions of section 475.58, subdivision 1a, shall apply.

(b) Obligations issued under this subdivision are subject to the debt limit of the municipality and are not excluded from net debt under section 475.51, subdivision 4.

(c) For purposes of this subdivision, street reconstruction and bituminous overlays ~~includes~~ include but are not limited to: utility replacement and relocation and other activities incidental to the street reconstruction; ~~the addition or reconstruction of~~ turn lanes, bicycle lanes, sidewalks, paths, and other improvements having a substantial public safety function; ~~realignments, and other modifications to intersect with state and county roads;~~ and the local share of state and county road projects. For purposes of this subdivision, "street reconstruction" includes expenditures for street reconstruction that have been incurred by a municipality before approval of a street reconstruction plan, if such expenditures are included in a street reconstruction plan approved on or before the date of the public hearing under paragraph (a), clause (1), regarding issuance of bonds for such expenditures.

(d) Except in the case of turn lanes, bicycle lanes, sidewalks, paths, and other safety improvements; ~~realignments;~~ intersection modifications; and the local share of state and county road projects, street reconstruction and bituminous overlays does not include the portion of project cost allocable to widening a street or adding curbs and gutters where none previously existed.

Sec. 7. Minnesota Statutes 2020, section 475.60, subdivision 1, is amended to read:

Subdivision 1. **Advertisement.** All obligations shall be negotiated and sold by the governing body, except when authority therefor is delegated by the governing body or by the charter of the municipality to a board, department, or officers of the municipality. ~~Except as provided in section 475.56, obligations shall be sold at not less than par value plus accrued interest to date of delivery and not greater than two percent greater than the amount authorized to be issued plus accrued interest.~~ Except as provided in subdivision 2 all obligations shall be sold at competitive sale after notice given as provided in subdivision 3.

Sec. 8. Minnesota Statutes 2020, section 475.67, subdivision 8, is amended to read:

Subd. 8. **Escrow account securities.** Securities purchased for the escrow account shall be limited to:

(1) general obligations of the United States, securities whose principal and interest payments are guaranteed by the United States, including but not limited to Resolution Funding Corporation Interest Separate Trading of Registered Interest and Principal of Securities and United States Agency for International Development Bonds, and

securities issued by ~~the following agencies of the United States: Banks for Cooperatives, United States government-sponsored enterprises including but not limited to Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, and the Federal Farm Credit System,~~ the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation; or

(2) obligations issued or guaranteed by any state or any political subdivision of a state, which at the date of purchase are rated in the highest or the next highest rating category by Standard and Poor's Corporation, Moody's Investors Service, or a similar nationally recognized rating agency, but not less than the rating on the refunded bonds immediately prior to the refunding.

"Rating category," as used in this subdivision, means a generic securities rating category, without regard in the case of a long-term rating category to any refinement or gradation of such long-term rating category by a numerical modifier or otherwise.

Sec. 9. **REPEALER.**

Minnesota Statutes 2020, section 469.055, subdivision 7, is repealed.

ARTICLE 12  
TAX EXPENDITURE REVIEW

Section 1. Minnesota Statutes 2020, section 3.192, is amended to read:

**3.192 REQUIREMENTS FOR NEW OR RENEWED TAX EXPENDITURES.**

(a) Any bill that creates, renews, or continues a tax expenditure must include a statement of intent that clearly provides the purpose of the tax expenditure and a standard or goal against which its effectiveness may be measured.

(b) For purposes of this section, "tax expenditure" has the meaning given in section 270C.11, subdivision 6.

(c) Any bill that creates a new tax expenditure or continues an expiring tax expenditure must include an expiration date for the tax expenditure that is no more than eight years from the day the provision takes effect.

**EFFECTIVE DATE.** This section is effective beginning with the 2022 legislative session.

Sec. 2. Minnesota Statutes 2020, section 3.8853, subdivision 2, is amended to read:

Subd. 2. **Director; staff.** (a) The Legislative Budget Office Oversight Commission must appoint a director and establish the director's duties. The director may hire staff necessary to do the work of the office. The director serves in the unclassified service for a term of six years and may not be removed during a term except for cause after a public hearing.

(b) The director and staff hired under this section must provide professional and technical assistance to the Tax Expenditure Review Commission under section 3.8855.

Sec. 3. **[3.8855] TAX EXPENDITURE REVIEW COMMISSION.**

Subdivision 1. **Establishment.** The Tax Expenditure Review Commission is created to review Minnesota's tax expenditures and evaluate their effectiveness and fiscal impact.

Subd. 2. **Definitions.** For the purposes of this section, "significant tax expenditure," "tax," and "tax expenditure" have the meanings given in section 270C.11, subdivision 6.

Subd. 3. **Membership.** (a) The commission consists of:

(1) two senators appointed by the senate majority leader;

(2) two senators appointed by the senate minority leader;

(3) two representatives appointed by the speaker of the house;

(4) two representatives appointed by the minority leader of the house of representatives; and

(5) the commissioner of revenue or the commissioner's designee.

(b) Each appointing authority must make appointments by January 31 of the regular legislative session in the odd-numbered year.

(c) If the chair of the house or senate committee with primary jurisdiction over taxes is not an appointed member, the chair is an ex officio, nonvoting member of the commission.

Subd. 4. **Duties.** (a) In the first three years after the commission is established, the commission must complete an initial review of the state's tax expenditures. The initial review must identify the purpose of each of the state's tax expenditures, if none was identified in the enacting legislation in accordance with section 3.192. The commission may also identify metrics for evaluating the effectiveness of an expenditure.

(b) In each year following the initial review under paragraph (a), the commission must review and evaluate Minnesota's tax expenditures on a regular, rotating basis. The commission must establish a review schedule that ensures each tax expenditure will be reviewed by the commission at least once every ten years. The commission may review expenditures affecting similar constituencies or policy areas in the same year, but the commission must review a subset of the tax expenditures within each tax type each year. To the extent possible, the commission must review a similar number of tax expenditures within each tax type each year. The commission may decide not to review a tax expenditure that is adopted by reference to federal law.

(c) Before December 1 of the year a tax expenditure is included in a commission report, the commission must hold a public hearing on the expenditure, including but not limited to a presentation of the review components in subdivision 5.

Subd. 5. **Components of review.** (a) When reviewing a tax expenditure, the commission must at a minimum:

(1) provide an estimate of the annual revenue lost as a result of the expenditure;

(2) identify the purpose of the tax expenditure if none was identified in the enacting legislation in accordance with section 3.192;

(3) estimate the measurable impacts and efficiency of the tax expenditure in accomplishing the purpose of the expenditure;

(4) compare the effectiveness of the tax expenditure and a direct expenditure with the same purpose;

(5) identify potential modifications to the tax expenditure to increase its efficiency or effectiveness;

(6) estimate the amount by which the tax rate for the relevant tax could be reduced if the revenue lost due to the tax expenditure were applied to a rate reduction;

(7) if the tax expenditure is a significant tax expenditure, estimate the incidence of the tax expenditure and the effect of the expenditure on the incidence of the state's tax system;

(8) consider the cumulative fiscal impacts of other state and federal taxes providing benefits to taxpayers for similar activities; and

(9) recommend whether the expenditure be continued, repealed, or modified.

(b) The commission may omit a component in paragraph (a) if the commission determines it is not feasible due to the lack of available data, third-party research, staff resources, or lack of a majority support for a recommendation.

**Subd. 6. Department of Revenue; research support.** (a) The research division of the Department of Revenue must provide the commission with the data required to complete the review components in subdivision 5, paragraph (a), clauses (1), (6), (7), and (8).

(b) At the request of the commission, the research division of the Department of Revenue must provide the commission with summary data on a tax expenditure in support of a review.

(c) Data shared under this section must comply with the rules governing statistical studies under section 270B.04.

**Subd. 7. Report to legislature.** (a) By December 15 of each year, the commission must submit a written report to the legislative committees with jurisdiction over tax policy. The report must detail the results of the commission's review of tax expenditures in the previous calendar year, including the review components detailed in subdivision 5.

(b) Notwithstanding paragraph (a), during the period of initial review under subdivision 4, the report may be limited to the purpose statements and metrics for evaluating the effectiveness of expenditures, as identified by the commission. The report may also include relevant publicly available data on an expenditure.

(c) The report may include any additional information the commission deems relevant to the review of an expenditure.

(d) The legislative committees with jurisdiction over tax policy must hold a public hearing on the report during the regular legislative session in the year following the year in which the report was submitted.

**Subd. 8. Terms; vacancies.** (a) Members of the commission serve a term beginning upon appointment and ending at the beginning of the regular legislative session in the next odd-numbered year. The appropriate appointing authority must fill a vacancy for a seat of a current legislator for the remainder of the unexpired term. Members may be removed or replaced at the pleasure of the appointing authority.

(b) If a commission member ceases to be a member of the legislative body from which the member was appointed, the member vacates membership on the commission.

**Subd. 9. Officers.** The commission shall elect a chair and vice-chair as presiding officers. The chair and vice-chair must alternate every two years between members of the house of representatives and senate. The chair and vice-chair may not be from the same legislative chamber.

**Subd. 10. Staff.** Legislative Budget Office staff hired under section 3.8853, subdivision 2, must provide professional and technical assistance to the commission as the commission deems necessary, including assistance with the report under subdivision 7.

Subd. 11. **Expenses.** The members of the commission and its staff shall be reimbursed for all expenses actually and necessarily incurred in the performance of their duties. Reimbursement for expenses incurred shall be made in accordance with policies adopted by the Legislative Coordinating Commission.

**EFFECTIVE DATE; SPECIAL PROVISIONS.** (a) This section is effective the day following final enactment.

(b) Appointing authorities for the commission must make initial appointments by January 15, 2022. The speaker of the house must designate one member of the commission to convene the first meeting of the commission by July 1, 2022. The first report of the commission under Minnesota Statutes, section 3.8855, subdivision 7, is due on December 15, 2022.

Sec. 4. Minnesota Statutes 2020, section 270B.14, is amended by adding a subdivision to read:

Subd. 22. **Tax Expenditure Review Commission.** The commissioner must disclose to the Tax Expenditure Review Commission the data required under section 3.8855, subdivision 6.

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

Sec. 5. Minnesota Statutes 2020, section 270C.11, subdivision 2, is amended to read:

Subd. 2. **Preparation; submission.** The commissioner shall prepare a tax expenditure budget for the state. The tax expenditure budget report shall be submitted to the legislature by ~~February~~ November 1 of each even-numbered year.

**EFFECTIVE DATE.** This section is effective for tax expenditure budgets due on or after November 1, 2023.

Sec. 6. Minnesota Statutes 2020, section 270C.11, subdivision 4, is amended to read:

Subd. 4. **Contents.** (a) The report shall detail for each tax expenditure item:

(1) the amount of tax revenue forgone;

(2) a citation of the statutory or other legal authority for the expenditure, ~~and~~;

(3) the year in which it was enacted or the tax year in which it became effective;

(4) the purpose of the expenditure, as identified in the enacting legislation in accordance with section 3.192 or by the Tax Expenditure Review Commission;

(5) the incidence of the expenditure, if it is a significant sales or income tax expenditure; and

(6) the revenue-neutral amount by which the relevant tax rate could be reduced if the expenditure were repealed.

(b) The report may contain additional information which the commissioner considers relevant to the legislature's consideration and review of individual tax expenditure items. This may include, but is not limited to, ~~statements of the intended purpose of the tax expenditure, analysis of whether the expenditure is achieving that objective, and the effect of the expenditure device on the distribution of the tax burden and~~ administration of the tax system.

**EFFECTIVE DATE.** This section is effective for tax expenditure budgets due on or after November 1, 2023.

Sec. 7. Minnesota Statutes 2020, section 270C.11, subdivision 6, is amended to read:

Subd. 6. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "business tax credit" means:

(i) a credit against the corporate franchise tax claimed by a C corporation; or

(ii) a credit against the individual or fiduciary income tax claimed by a pass-through entity that is allocated to its partners, members, or shareholders;

(2) "pass-through entity" means a partnership, limited liability corporation, or S corporation;

(3) "significant tax expenditure" means a tax expenditure, but excluding any tax expenditure that:

(i) is incorporated into state law by reference to a federal definition of income;

(ii) results in a revenue reduction of less than \$10,000,000 per biennium; or

(iii) is a business tax credit;

(4) "tax expenditure" means a tax provision which provides a gross income definition, deduction, exemption, credit, or rate for certain persons, types of income, transactions, or property that results in reduced tax revenue, but excludes provisions used to mitigate tax pyramiding; and

~~(2)~~ (5) "tax" means any tax of statewide application or any tax authorized by state law to be levied by local governments generally. It does not include a special local tax levied pursuant to special law or to a special local tax levied pursuant to general authority that is no longer applicable to local governments generally; and

(6) "tax pyramiding" means imposing sales taxes under chapter 297A on intermediate business-to-business transactions rather than sales to final consumers.

**EFFECTIVE DATE.** This section is effective for tax expenditure budgets due on or after November 1, 2023.

Sec. 8. Minnesota Statutes 2020, section 270C.13, subdivision 1, is amended to read:

Subdivision 1. **Biennial report.** ~~(a)~~ The commissioner shall report to the legislature by March 1 of each odd-numbered year on the overall incidence of the income tax, sales and excise taxes, and property tax.

(b) The commissioner must submit the report:

(1) by March 1, 2021; and

(2) by March 1, 2024, and each even-numbered year thereafter.

(c) The report shall present information on the distribution of the tax burden as follows: (1) for the overall income distribution, using a systemwide incidence measure such as the Suits index or other appropriate measures of equality and inequality; (2) by income classes, including at a minimum deciles of the income distribution; and (3) by other appropriate taxpayer characteristics.

**EFFECTIVE DATE.** This section is effective for tax incidence reports due on or after March 1, 2021.

Sec. 9. **STATEMENT OF INTENT; TAX EXPENDITURE PURPOSE STATEMENTS.**

The intent of sections 10 to 15 is to identify purpose statements for the tax expenditures identified, in accordance with Minnesota Statutes, section 3.192. The purpose statements in this act for previously enacted expenditures were included in proposed legislation, but were omitted from the legislation that enacted the expenditures. The provisions of this act are intended to provide context for evaluating the effectiveness of the tax expenditures referenced and are not intended to have a substantive effect on the meaning or administration of the laws referenced.

Sec. 10. **PURPOSE STATEMENTS; 2021 OMNIBUS TAX BILL.**

Subdivision 1. **Intent.** In accordance with the requirements in Minnesota Statutes, section 3.192, the purpose and goals for the tax expenditures in this act are listed in this section.

Subd. 2. **Sales tax purpose statements.** (a) The purpose of the exemption in article 4, section 1, is to create parity between the purchase of season tickets in a preferred viewing location for a college sporting event with the purchase of suite licenses in a stadium for an amusement or athletic event. The standard against which effectiveness is to be measured is the increase in the number of college sporting event season tickets purchased.

(b) The purpose of the exemption in article 4, section 2, is to allow student groups to make fund-raising sales without the requirement of collecting sales tax and to restore the exemption that existed prior to a 2019 law change that imposed the requirement for student groups to collect sales tax on fund-raising sales when the proceeds are deposited into a school district account. The standard against which effectiveness is to be measured is the amount of time school districts spent collecting and filing sales tax and to increase the amount raised by school groups.

(c) The purpose of the exemption in article 4, section 3, is to reduce the cost to nonprofit organizations for providing prepared food through their charitable missions. The standard against which effectiveness is to be measured is the number of meals nonprofit organizations provided to those in need.

(d) The purpose of the exemptions in article 4, sections 4, 5, and 11 to 19, is to reduce the cost of constructions of public safety facilities and other publicly owned buildings. The standard against which effectiveness is to be measured is the decrease in the growth in local property taxes and services in these communities.

(e) The purpose of the exemptions in article 4, sections 9, 10, and 20, is to encourage rebuilding in the damaged area of each city. The standard against which effectiveness is to be measured is whether these properties returned to the tax rolls at the same or greater value.

(f) The purpose of the exemption in article 4, section 21, is to reduce the cost to restaurants for purchasing items that adapt the building to health guidelines surrounding COVID-19. The standard against which effectiveness is to be measured is the profitability of restaurants affected by the peacetime health emergency.

Subd. 3. **Income and corporate franchise tax purpose statements.** (a) The purpose of the tax expenditure in article 2, sections 2 and 3, extending the sunset date for the small business investment credit is to encourage investment in innovative small businesses in Minnesota. The standard against which effectiveness is to be measured is the increase in the number of these businesses in the state, the number of people employed by these businesses in the state, the productivity of these businesses, or the sales of these businesses.

(b) The purpose of the tax expenditure in article 2, sections 5, 21, and 40, establishing the film production credit is to encourage investment in Minnesota film productions. The standard against which effectiveness is to be measured is the increase in the number of these productions and people employed in the state's film industry.

(c) The purpose of the tax expenditure in article 2, section 27, extending the sunset date for the credit for historic structure rehabilitation is to encourage investment in rehabilitating historic buildings. The standard against which effectiveness is to be measured is the increase in the number of historic rehabilitation projects in the state.

(d) The purpose of the tax expenditures in article 1, sections 1, 2, 3, 13, and 14, conforming Minnesota individual income, corporate franchise, and estate taxes to changes in federal law through December 31, 2020, is to simplify compliance with and administration of those taxes. The standard against which effectiveness is to be measured is the reduction in the number of income tax forms and text in the instructions for taxpayers resulting from this provision.

(e) The purpose of the tax expenditure in article 1, section 17, providing a subtraction for a portion of unemployment compensation is to provide financial support to unemployed persons and to encourage economic activity in the state. The standard against which effectiveness is to be measured is the increase in after-tax income of unemployed persons and gross state product.

(f) The purpose of the tax expenditure in article 1, section 15, subdivisions 2 and 3, providing a subtraction for gross income related to the federal employer credits for paid family and medical leave is to provide financial support to businesses in Minnesota. The standard against which effectiveness is to be measured is the amount of tax paid by small businesses receiving the federal credits and the number of individuals employed by businesses receiving the federal credits.

(g) The purpose of the tax expenditure in article 1, section 15, subdivisions 4 and 5, providing a subtraction for wages used to claim the federal employee retention credit is to encourage businesses to retain their employees. The standard against which effectiveness is to be measured is the employment rate in Minnesota and the number of individuals employed by businesses receiving the federal credits.

**Subd. 4. Property tax purpose statements.** (a) The provision in article 7, section 3, creating a property tax exemption for certain property owned by an Indian Tribe is intended to reduce the tax burden on Tribe-owned property that fails to qualify for an exemption under Minnesota Statutes, section 272.02, subdivision 7, because the Tribe is not exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code. The standard against which effectiveness is to be measured is the reduction in property tax levied on Tribe-owned property.

(b) The provision in article 7, section 16, which sets the classification rate of all manufactured home park property at 0.75 percent is intended to reduce the tax burden on manufactured home parks and preserve manufactured home parks as an affordable housing option in Minnesota. The standard against which effectiveness is to be measured is the reduction in property tax burden on manufactured home parks and the number of manufactured home parks in Minnesota.

**Sec. 11. PURPOSE STATEMENTS; 2019 OMNIBUS TAX BILL.**

**Subdivision 1. Source of purpose statements.** The purpose statements in this section were originally included in the 2019 bill styled as House File 2125, the third engrossment, in the 91st Legislature. The tax expenditures referenced were enacted in Laws 2019, First Special Session chapter 6.

**Subd. 2. Sales tax purpose statements.** (a) The purpose of the exemption in Minnesota Statutes, section 297A.67, subdivision 37, is to level the playing field for costs between local governments and private entities of managing invasive species in lakes. The goal is an increase in the number of lakes where invasive species are being controlled.

(b) The purpose of the exemption in Minnesota Statutes, section 297A.70, subdivision 10, paragraph (c), is to reduce the cost of providing education on the state's farming history. The goal is to decrease the public cost of access to this facility.

(c) The purpose of the exemption in Minnesota Statutes, section 297A.70, subdivision 20, is to decrease maintenance costs for the ice arena. The goal is to increase local recreation opportunities and reduce local participation costs.

(d) The purpose of the exemption in Minnesota Statutes, section 297A.70, subdivision 21, is to help county agricultural societies maintain county fairgrounds. The goal is to increase spending on fairground maintenance and capital improvements.

(e) The purpose of the exemptions in Minnesota Statutes, section 297A.71, subdivision 50, is to encourage rebuilding in the damaged area of each city. The goal is to have these properties returned to the tax rolls at the same or greater value.

(f) The purpose of the exemptions in Minnesota Statutes, section 297A.71, subdivision 51, is to encourage rebuilding in the damaged area of each city. The goal is to have these properties returned to the tax rolls at the same or greater value.

(g) The purpose of the exemption in Minnesota Statutes, section 297A.71, subdivision 52, is to reduce the cost of providing local public services in these communities. The goal is to decrease the growth in local property taxes and service fees in these communities.

Subd. 3. **Income and corporate franchise tax purpose statements.** (a) The purpose and goal of the tax expenditure under Minnesota Statutes, sections 290.0132, subdivision 29; 290.0134, subdivision 18; 290.0921, subdivisions 2 and 3; relating to disallowed expenses under section 280E of the Internal Revenue Code, is to provide equitable state tax treatment between medical cannabis manufacturers that are not allowed to deduct their business expenses under the Internal Revenue Code and manufacturers of other goods who may deduct these expenses.

(b) The purpose of the tax expenditures under Minnesota Statutes, section 116J.8737, subdivision 1, relating to the minimum qualified investment threshold for minority-, veteran-, or women-owned businesses; subdivision 5, relating to the \$10,000,000 allocation for taxable years beginning after December 31, 2018, and before January 1, 2020, and beginning after December 31, 2020, and before January 1, 2022; and subdivision 12, relating to the extension of the sunset date; is to encourage investment in innovative small businesses in Minnesota and the goal of the these expenditures is to increase the number of these businesses in the state, the number of people employed by these businesses in the state, the productivity of these businesses, or the sales of these businesses.

## Sec. 12. **PURPOSE STATEMENTS; 2017 OMNIBUS TAX BILL.**

Subdivision 1. **Source of purpose statements.** The purpose statements in this section were originally included in the 2015 bill styled as House File 848, the third engrossment, in the 89th Legislature. The tax expenditures referenced were enacted in Laws 2017, First Special Session chapter 1.

Subd. 2. **Sales tax purpose statements.** (a) The provision of Minnesota Statutes, section 297A.67, subdivision 34, is intended to provide equitable tax treatment for different types of investments. The standard against which effectiveness is to be measured is the increase in precious metal bullion sold in the state and in number of coin and precious metal trade shows held in the state.

(b) The provisions of Minnesota Statutes, section 297A.70, subdivision 14, are intended to increase the ability of the nonprofit to provide opportunities for educating the public on the history of farming. The standard against which effectiveness is to be measured is an increase in the percent of the organization's budget being used for direct spending for its mission.

**Subd. 3. Income and corporate franchise tax purpose statements.** (a) The provisions of Minnesota Statutes, section 290.0132, subdivision 26, are intended to attract to Minnesota recipients of Social Security benefits and to retain those already present, by providing a phased-in subtraction of Social Security benefits. The standard against which effectiveness is to be measured is the change over time in the number of Social Security recipients in Minnesota, after adjusting for demographic changes.

(b) The provisions of Minnesota Statutes, section 290.0132, subdivision 23, and Minnesota Statutes, section 290.0684, are intended to increase saving for higher education expenses. The standard against which effectiveness is to be measured is the change over time, as tracked by the Minnesota Office of Higher Education, in: (1) the estimated number of Minnesota residents making contributions to the Minnesota College Savings Plan, and (2) the amount contributed.

(c) The modifications to Minnesota Dependent Care Credit amending Minnesota Statutes, section 290.067, subdivision 1, and repealing Minnesota Statutes, section 290.067, subdivision 2, modifying the limitations for claiming the credit, are intended to simplify the dependent care credit by tying it more closely to the federal credit and to recognize an increased burden in dependent care expenses as a cost of workforce participation for parents. The standard against which effectiveness is to be measured is the change in the error rate on claims for dependent care credits and the change in the average credit amount claimed by parents in the income range eligible for the credit under present law.

(d) The provisions of Minnesota Statutes, section 290.0686, are intended to improve the quality of teaching in Minnesota kindergarten through grade 12 schools by encouraging teachers to obtain master's degrees in the subject areas they teach. The standard against which effectiveness is to be measured is the change over time in the number of kindergarten through grade 12 classroom teachers with master's degrees in the subject area that they teach.

(e) The provisions of Minnesota Statutes, section 290.0682, are intended to reduce the debt burden of recent graduates of higher education programs and to reduce and potentially reverse the current net demographic loss of young adults in Minnesota. The standard against which effectiveness is to be measured is the change over time in the number of young adults choosing to move to or remain in Minnesota, as measured by the state demographer.

(f) The purpose of the tax expenditures under Minnesota Statutes, sections 290.01, subdivision 19; 289A.02, subdivision 7; 290.01, subdivision 31; and 290A.03, subdivision 15; conforming Minnesota individual income, corporate franchise, and estate taxes to changes in federal law through December 16, 2016, are intended to simplify compliance with and administration of those taxes. The standard against which effectiveness is to be measured is the reduction in the number of income tax forms and text in the instructions for taxpayers resulting from this provision.

**Subd. 4. Other purpose statements.** (a) The provisions in Minnesota Statutes, section 290.06, subdivision 38, are intended to reduce the effect of school bond referenda on owners of agricultural property. The standard against which the effectiveness of the credit is to be measured is the amount of property tax reductions provided to owners of agricultural land.

(b) The provisions in Minnesota Statutes, section 298.24, subdivision 1, are intended to encourage the production of direct reduced ore and the establishment of more direct reduced ore production facilities in Minnesota. The standard against which this effectiveness is to be measured is the amount of direct reduced ore produced and the number of producers of direct reduced ore before and after enactment.

### Sec. 13. **PURPOSE STATEMENTS; 2017 TAX CONFORMITY BILL.**

**Subdivision 1. Source of purpose statements.** The purpose statements in this section were originally included in the 2015 bill styled as House File 848, the third engrossment, in the 89th Legislature. The tax expenditure referenced was enacted in Laws 2017, chapter 1.

Subd. 2. **Income and corporate franchise tax purpose statements.** The purpose of the tax expenditures under Minnesota Statutes, sections 290.01, subdivision 19; 289A.02, subdivision 7; 290.01, subdivision 31; and 290A.03, subdivision 15; conforming Minnesota individual income, corporate franchise, and estate taxes to changes in federal law through December 16, 2016, are intended to simplify compliance with and administration of those taxes. The standard against which effectiveness is to be measured is the reduction in the number of income tax forms and text in the instructions for taxpayers resulting from this provision.

Sec. 14. **PURPOSE STATEMENTS; 2016 OMNIBUS SUPPLEMENTAL SPENDING BILL.**

Subdivision 1. **Source of purpose statements.** The purpose statements in this section were originally included in the 2015 bill styled as House File 848, the third engrossment, in the 89th Legislature. The tax expenditure referenced was enacted in Laws 2016, chapter 189.

Subd. 2. **Income and corporate franchise tax purpose statements.** The provisions of Minnesota Statutes, section 290.0132, subdivision 21, are intended to attract to Minnesota military retirees, and to retain those already present, by allowing a subtraction from income tied to the number of years of military service provided. The standard against which effectiveness is to be measured is the change over time in the number of military retirees in Minnesota.

Sec. 15. **PURPOSE STATEMENTS; 2014 OMNIBUS TAX BILL.**

Subdivision 1. **Source of purpose statements.** The purpose statements in this section were originally included in the 2014 bill styled as House File 3167, the third engrossment, in the 89th Legislature. The tax expenditures referenced were enacted in Laws 2014, chapter 308.

Subd. 2. **Sales tax purpose statements.** (a) The provision of Minnesota Statutes, section 297A.68, subdivision 3a, defining certain coin-operated amusement devices as sales for resale is intended to reduce tax pyramiding by exempting an input to a taxable service.

(b) The provision of Minnesota Statutes, section 297A.70, subdivision 2, paragraph (b), clause (5), modifying the sales tax on certain local government purchases is intended to reduce the cost of providing local government services, remove a barrier for intergovernmental cooperation, and reduce existing compliance and administration costs for local governments.

(c) The provisions of Minnesota Statutes, section 297A.70, subdivision 13, raising the limit on tax exempt fund-raising by nonprofit organizations are intended to reflect the impact on inflation over time on the limit and reduce compliance costs for groups that exceed the limit.

(d) The provision of Minnesota Statutes, section 297G.03, subdivision 5, allowing a microdistillery credit is to relieve small distillers of the burden of paying excise tax on the distribution of free samples of their products and to encourage the development and marketing of products by niche distillers in the state.

Subd. 3. **Income and corporate franchise tax purpose statements.** The modifications to the National Guard subtraction contained in Laws 2014, chapter 308, article 4, section 12, are intended to provide equitable tax treatment to Minnesota residents who are members of the National Guard and serve full time in Active Guard/Reserve status by allowing an income tax subtraction for military pay equivalent to that allowed under Minnesota Statutes 2014, section 290.01, subdivision 19b, clause (11), now codified as Minnesota Statutes, section 290.0132, subdivision 11, for Minnesota residents who serve full time in the armed forces of the United States.

Subd. 4. **Other purpose statements.** The purpose of the tax expenditure under Minnesota Statutes, section 291.005, subdivision 1, clause (8), subclause (iii), deeming certain qualified art on loan to Minnesota nonprofit entities as property with a situs outside Minnesota under the estate tax is intended to prevent the Minnesota estate tax from discouraging nonresident owners of art from loaning it to Minnesota nonprofit museums.

Sec. 16. **APPROPRIATION; TAX EXPENDITURE REVIEW.**

(a) \$36,000 in fiscal year 2022 and \$766,000 in fiscal year 2023 are appropriated from the general fund to the Legislative Coordinating Commission for the Tax Expenditure Review Commission under Minnesota Statutes, section 3.8855. The base for this appropriation is \$745,000 in fiscal year 2024 and \$796,000 in fiscal year 2025.

(b) \$148,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of revenue to provide research support to the Tax Expenditure Review Commission under Minnesota Statutes, section 3.8855.

ARTICLE 13  
MISCELLANEOUS TAX PROVISIONS

Section 1. **[16A.067] TAXPAYER RECEIPT.**

(a) The commissioner, in consultation with the commissioner of revenue, must develop and publish on the Department of Management and Budget's website an interactive taxpayer receipt in accordance with this section. The receipt must describe the share of state general fund expenditures represented by major expenditure categories in the most recent fiscal year for which data is available. The receipt must show the approximate allocation of motor vehicle fuel taxes among eligible transportation purposes.

(b) For each expenditure category, the receipt must include select data on the performance goals and outcomes for the category, based on the goals and outcomes data required under section 16A.10, subdivision 1b.

(c) The website must allow a user to input an income amount, and must estimate the amount of major state taxes paid by the user. The website must allocate the user's estimated state tax liability to each major expenditure category based on the category's percentage share of total state general fund spending. For the purposes of this section, "major state taxes" means income, sales, alcohol, tobacco, and motor vehicle fuels taxes.

(d) Using the income amount entered by the user, the website must estimate the amount of income and direct sales taxes paid based upon the taxpayer's income. The website must allow a user to indicate whether the user used tobacco, consumed alcohol, or purchased motor vehicle fuel in the previous year, and provide a corresponding estimate of the cigarette, alcohol, and motor vehicle fuel taxes paid by the user.

(e) The commissioner, in consultation with the commissioner of revenue, must update the receipt by December 31 of each year, and must annually promote to the public the availability of the website.

Sec. 2. Minnesota Statutes 2020, section 16A.152, subdivision 2, is amended to read:

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

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

(2) the budget reserve account established in subdivision 1a until that account reaches \$1,596,522,000;

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

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

~~(5) the clean water fund established in section 114D.50 until \$22,000,000 has been transferred into the fund; and~~

~~(6) (5) the amount necessary to increase the Minnesota 21st century fund by not more than the difference between \$5,000,000 and the sum of the amounts credited and canceled to it in the previous 12 months under Laws 2020, chapter 71, article 1, section 11, until the sum of all transfers under this section and all amounts credited or canceled under Laws 2020, chapter 71, article 1, section 11, equals \$20,000,000; and~~

(6) for a forecast in November only, the amount necessary to reduce the percentage of accelerated June liability tax payments required under sections 289A.20, subdivision 4, paragraph (b); 297F.09, subdivision 10; and 297G.09, subdivision 9, until the percentage equals zero, rounded to the nearest tenth of a percent with any remaining funds deposited in the budget reserve. By March 15 following the November forecast, the commissioner must provide the commissioner of revenue with the percentage of accelerated June liability owed based on the reduction required by this clause. By April 15 each year, the commissioner of revenue must certify that percentage to qualifying vendors and distributors.

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

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

~~(d) Paragraph (a), clause (5), expires after the entire amount of the transfer has been made.~~

**EFFECTIVE DATE.** This section is effective July 1, 2021.

Sec. 3. Minnesota Statutes 2020, section 270A.03, subdivision 2, is amended to read:

Subd. 2. **Claimant agency.** "Claimant agency" means any state agency, as defined by section 14.02, subdivision 2, the regents of the University of Minnesota, any district court of the state, any county, any statutory or home rule charter city, including a city that is presenting a claim for a municipal hospital or a public library or a municipal ambulance service, a hospital district, ~~a private nonprofit hospital that leases its building from the county or city in which it is located~~, any ambulance service licensed under chapter 144E, any public agency responsible for child support enforcement, any public agency responsible for the collection of court-ordered restitution, and any public agency established by general or special law that is responsible for the administration of a low-income housing program.

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

Sec. 4. Minnesota Statutes 2020, section 289A.08, is amended by adding a subdivision to read:

Subd. 18. **Taxpayer receipt.** (a) The commissioner must offer all individual income taxpayers the opportunity to elect to receive information about a taxpayer receipt via e-mail or United States mail. In the manner selected by the taxpayer, the commissioner must provide the taxpayer with information about how to access the taxpayer receipt website established under section 16A.067. The commissioner must allow a taxpayer to elect not to receive information about the receipt.

(b) Both the long and short forms described in subdivision 13 must include the opportunity to elect to receive information about the receipt.

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

Sec. 5. Minnesota Statutes 2020, section 289A.20, subdivision 4, is amended to read:

Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and payable to the commissioner monthly on or before the 20th day of the month following the month in which the taxable event occurred, or following another reporting period as the commissioner prescribes or as allowed under section 289A.18, subdivision 4, paragraph (f) or (g), except that use taxes due on an annual use tax return as provided under section 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

(b) A vendor having a liability of \$250,000 or more during a fiscal year ending June 30 must remit the June liability for the next year in the following manner:

(1) Two business days before June 30 of calendar year 2020 and 2021, the vendor must remit 87.5 percent of the estimated June liability to the commissioner. Two business days before June 30 of calendar year 2022 and thereafter, the vendor must remit 84.5 percent, or a reduced percentage as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the estimated June liability to the commissioner.

(2) On or before August 20 of the year, the vendor must pay any additional amount of tax not remitted in June.

(c) A vendor having a liability of:

(1) \$10,000 or more, but less than \$250,000, during a fiscal year ~~ending June 30, 2013, and fiscal years thereafter,~~ must remit by electronic means all liabilities on returns due for periods beginning in all subsequent calendar years on or before the 20th day of the month following the month in which the taxable event occurred, or on or before the 20th day of the month following the month in which the sale is reported under section 289A.18, subdivision 4; or

(2) \$250,000 or more, during a fiscal year ~~ending June 30, 2013, and fiscal years thereafter,~~ must remit by electronic means all liabilities in the manner provided in paragraph (a) on returns due for periods beginning in the subsequent calendar year, except for ~~90 percent~~ of the estimated June liability, which is due two business days before June 30. The remaining amount of the June liability is due on August 20.

(d) Notwithstanding paragraph (b) or (c), a person prohibited by the person's religious beliefs from paying electronically shall be allowed to remit the payment by mail. The filer must notify the commissioner of revenue of the intent to pay by mail before doing so on a form prescribed by the commissioner. No extra fee may be charged to a person making payment by mail under this paragraph. The payment must be postmarked at least two business days before the due date for making the payment in order to be considered paid on a timely basis.

(e) Paragraph (b) expires after the percentage of estimated payment is reduced to zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).

**EFFECTIVE DATE.** This section is effective for estimate payments required to be made after July 1, 2021.

Sec. 6. Minnesota Statutes 2020, section 289A.60, subdivision 15, is amended to read:

Subd. 15. **Accelerated payment of June sales tax liability; penalty for underpayment.** (a) For payments made after December 31, 2019 and before December 31, 2021, if a vendor is required by law to submit an estimation of June sales tax liabilities and 87.5 percent payment by a certain date, the vendor shall pay a penalty equal to ten percent of the amount of actual June liability required to be paid in June less the amount remitted in June. The penalty must not be imposed, however, if the amount remitted in June equals the lesser of 87.5 percent of the preceding May's liability or 87.5 percent of the average monthly liability for the previous calendar year.

(b) For payments made after December 31, 2021, the penalty must not be imposed if the amount remitted in June equals the lesser of 84.5 percent, or a reduced percentage as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the preceding May's liability or 84.5 percent of the average monthly liability for the previous calendar year.

(c) This subdivision expires after the percentage of estimated payment is reduced to zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).

**EFFECTIVE DATE.** This section is effective for estimate payments required to be made after July 1, 2021.

Sec. 7. Minnesota Statutes 2020, section 290A.04, subdivision 2, is amended to read:

Subd. 2. **Homeowners; homestead credit refund.** A claimant whose property taxes payable are in excess of the percentage of the household income stated below shall 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 property taxes payable. The state refund equals the amount of property taxes payable that remain, up to the state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to 1,739	1.0 percent	15 percent	\$2,770
1,740 to 3,459	1.1 percent	15 percent	\$2,770
3,460 to 5,239	1.2 percent	15 percent	\$2,770
5,240 to 6,989	1.3 percent	20 percent	\$2,770
6,990 to 8,719	1.4 percent	20 percent	\$2,770
8,720 to 12,219	1.5 percent	20 percent	\$2,770
12,220 to 13,949	1.6 percent	20 percent	\$2,770
13,950 to 15,709	1.7 percent	20 percent	\$2,770
15,710 to 17,449	1.8 percent	20 percent	\$2,770
17,450 to 19,179	1.9 percent	25 percent	\$2,770
19,180 to 24,429	2.0 percent	25 percent	\$2,770
24,430 to 26,169	2.0 percent	30 percent	\$2,770
26,170 to 29,669	2.0 percent	30 percent	\$2,770
29,670 to 41,859	2.0 percent	35 percent	\$2,770
41,860 to 61,049	2.0 percent	35 percent	\$2,240
61,050 to 69,769	2.0 percent	40 percent	\$1,960
69,770 to 78,499	2.1 percent	40 percent	\$1,620
78,500 to 87,219	2.2 percent	40 percent	\$1,450
87,220 to 95,939	2.3 percent	40 percent	\$1,270
95,940 to 101,179	2.4 percent	45 percent	\$1,070
101,180 to 104,689	2.5 percent	45 percent	\$890
104,690 to 108,919	2.5 percent	50 percent	\$730
108,920 to 113,149	2.5 percent	50 percent	\$540

<u>Household Income</u>	<u>Percent of Income</u>	<u>Percent Paid by Claimant</u>	<u>Maximum State Refund</u>
<u>\$0 to 1,820</u>	<u>1.0 percent</u>	<u>15 percent</u>	<u>\$3,150</u>
<u>1,820 to 3,630</u>	<u>1.1 percent</u>	<u>15 percent</u>	<u>\$3,150</u>
<u>3,630 to 5,490</u>	<u>1.2 percent</u>	<u>15 percent</u>	<u>\$3,150</u>
<u>5,490 to 7,330</u>	<u>1.3 percent</u>	<u>20 percent</u>	<u>\$3,150</u>
<u>7,330 to 9,140</u>	<u>1.4 percent</u>	<u>20 percent</u>	<u>\$3,150</u>
<u>9,140 to 12,810</u>	<u>1.5 percent</u>	<u>20 percent</u>	<u>\$3,150</u>
<u>12,810 to 14,630</u>	<u>1.6 percent</u>	<u>20 percent</u>	<u>\$3,150</u>
<u>14,630 to 16,470</u>	<u>1.7 percent</u>	<u>20 percent</u>	<u>\$3,150</u>
<u>16,470 to 18,300</u>	<u>1.8 percent</u>	<u>20 percent</u>	<u>\$3,150</u>
<u>18,300 to 20,110</u>	<u>1.9 percent</u>	<u>25 percent</u>	<u>\$3,150</u>
<u>20,110 to 25,620</u>	<u>2.0 percent</u>	<u>25 percent</u>	<u>\$3,150</u>
<u>25,620 to 27,440</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$3,150</u>
<u>27,440 to 31,110</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$3,150</u>
<u>31,110 to 43,890</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$3,150</u>
<u>43,890 to 64,020</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$2,600</u>
<u>64,020 to 73,160</u>	<u>2.0 percent</u>	<u>40 percent</u>	<u>\$2,310</u>
<u>73,160 to 82,320</u>	<u>2.1 percent</u>	<u>40 percent</u>	<u>\$1,950</u>
<u>82,320 to 91,460</u>	<u>2.2 percent</u>	<u>40 percent</u>	<u>\$1,770</u>
<u>91,460 to 100,600</u>	<u>2.3 percent</u>	<u>40 percent</u>	<u>\$1,580</u>
<u>100,600 to 106,100</u>	<u>2.4 percent</u>	<u>45 percent</u>	<u>\$1,320</u>
<u>106,100 to 109,780</u>	<u>2.5 percent</u>	<u>45 percent</u>	<u>\$1,080</u>
<u>109,780 to 114,210</u>	<u>2.5 percent</u>	<u>50 percent</u>	<u>\$870</u>
<u>114,210 to 118,650</u>	<u>2.5 percent</u>	<u>50 percent</u>	<u>\$620</u>

The payment made to a claimant shall be the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is ~~\$113,150~~ \$118,650 or more.

**EFFECTIVE DATE.** This section is effective for refunds based on property taxes payable after December 31, 2021.

Sec. 8. Minnesota Statutes 2020, section 290A.04, subdivision 2a, is amended to read:

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.

<u>Household Income</u>	<u>Percent of Income</u>	<u>Percent Paid by Claimant</u>	<u>Maximum State Refund</u>
<u>\$0 to 5,269</u>	<u>1.0 percent</u>	<u>5 percent</u>	<u>\$2,150</u>
<u>5,270 to 6,999</u>	<u>1.0 percent</u>	<u>10 percent</u>	<u>\$2,150</u>
<u>7,000 to 8,749</u>	<u>1.1 percent</u>	<u>10 percent</u>	<u>\$2,090</u>
<u>8,750 to 12,269</u>	<u>1.2 percent</u>	<u>10 percent</u>	<u>\$2,040</u>
<u>12,270 to 15,779</u>	<u>1.3 percent</u>	<u>15 percent</u>	<u>\$1,980</u>
<u>15,780 to 17,519</u>	<u>1.4 percent</u>	<u>15 percent</u>	<u>\$1,930</u>
<u>17,520 to 19,259</u>	<u>1.4 percent</u>	<u>20 percent</u>	<u>\$1,880</u>
<u>19,260 to 22,779</u>	<u>1.5 percent</u>	<u>20 percent</u>	<u>\$1,820</u>

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

<u>Household Income</u>	<u>Percent of Income</u>	<u>Percent Paid by Claimant</u>	<u>Maximum State Refund</u>
<u>\$0 to 5,530</u>	<u>1.0 percent</u>	<u>5 percent</u>	<u>\$2,250</u>
<u>5,530 to 7,340</u>	<u>1.0 percent</u>	<u>5 percent</u>	<u>\$2,250</u>
<u>7,340 to 9,180</u>	<u>1.1 percent</u>	<u>5 percent</u>	<u>\$2,190</u>
<u>9,180 to 12,870</u>	<u>1.2 percent</u>	<u>5 percent</u>	<u>\$2,140</u>
<u>12,870 to 16,550</u>	<u>1.3 percent</u>	<u>10 percent</u>	<u>\$2,080</u>
<u>16,550 to 18,370</u>	<u>1.4 percent</u>	<u>10 percent</u>	<u>\$2,020</u>
<u>18,370 to 20,200</u>	<u>1.4 percent</u>	<u>15 percent</u>	<u>\$1,970</u>
<u>20,200 to 23,890</u>	<u>1.5 percent</u>	<u>15 percent</u>	<u>\$1,910</u>
<u>23,890 to 25,720</u>	<u>1.6 percent</u>	<u>15 percent</u>	<u>\$1,860</u>
<u>25,720 to 27,560</u>	<u>1.7 percent</u>	<u>20 percent</u>	<u>\$1,860</u>
<u>27,560 to 31,240</u>	<u>1.8 percent</u>	<u>20 percent</u>	<u>\$1,860</u>
<u>31,240 to 33,060</u>	<u>1.9 percent</u>	<u>25 percent</u>	<u>\$1,860</u>
<u>33,060 to 38,580</u>	<u>2.0 percent</u>	<u>25 percent</u>	<u>\$1,860</u>
<u>38,580 to 44,080</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$1,860</u>
<u>44,080 to 51,440</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$1,860</u>
<u>51,440 to 53,270</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$1,690</u>
<u>53,270 to 55,100</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$1,520</u>
<u>55,100 to 56,960</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$1,290</u>
<u>56,960 to 58,780</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$1,120</u>
<u>58,780 to 60,630</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$1,020</u>
<u>60,630 to 62,470</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$570</u>
<u>62,470 to 64,300</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$220</u>

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~~ \$64,300 or more.

**EFFECTIVE DATE.** This section is effective for refunds based on rent paid after December 31, 2020.

Sec. 9. Minnesota Statutes 2020, section 297E.021, subdivision 4, is amended to read:

Subd. 4. **Appropriation; general reserve account.** To the extent the commissioner determines that revenues are available under subdivision 3 for the fiscal year, those amounts are appropriated from the general fund for deposit in a general reserve account established by order of the commissioner of management and budget until the

amount in the reserve is equal to \$100,000,000. Amounts in this reserve are appropriated as necessary for application against any shortfall in the amounts deposited to the general fund under section 297A.994 or, after consultation with the Legislative Commission on Planning and Fiscal Policy, amounts in this reserve are appropriated to the commissioner of management and budget for other uses related to the stadium authorized under section 473J.03, subdivision 8, that the commissioner deems financially prudent including but not limited to reimbursements for capital and operating costs relating to the stadium, refundings, and prepayment of debt. In no event, shall available revenues be pledged, nor shall the appropriations of available revenues made by this section constitute a pledge of available revenues as security for the prepayment of principal and interest on the appropriation bonds under section 16A.965.

Sec. 10. Minnesota Statutes 2020, section 297F.09, subdivision 10, is amended to read:

Subd. 10. **Accelerated tax payment; cigarette or tobacco products distributor.** A cigarette or tobacco products distributor having a liability of \$250,000 or more during a fiscal year ending June 30, shall remit the June liability for the next year in the following manner:

(a) Two business days before June 30 of calendar years 2020 and year 2021, the distributor shall remit the actual May liability and 87.5 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner. Two business days before June 30 of calendar year 2022 and each calendar year thereafter, the distributor must remit the actual May liability and 84.5 percent, or a reduced percentage as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner.

(b) On or before August 18 of the year, the distributor shall submit a return showing the actual June liability and pay any additional amount of tax not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability required to be paid in June, less the amount remitted in June. However, the penalty is not imposed if the amount remitted in June equals the lesser of:

(1) for calendar year 2021, 87.5 percent of the actual June liability for the that calendar year 2020 and 2021 June liabilities and 84.5 of the actual June liability for June 2022 and thereafter or 87.5 percent of the May liability for that calendar year; or

(2) 87.5 percent of the preceding May liability for the calendar year 2020 and 2021 June liabilities and 84.5 percent of the preceding May liability for June 2022 and thereafter. for calendar year 2022 and each calendar year thereafter, 84.5 percent, or a reduced percentage as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the actual June liability for that calendar year or 84.5 percent, or a reduced percentage as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the May liability for that calendar year.

(c) For calendar year 2022 and thereafter, the percent of the estimated June liability the vendor must remit by two business days before June 30 is 84.5 percent. This subdivision expires after the percentage of estimated payment is reduced to zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).

**EFFECTIVE DATE.** This section is effective for estimate payments required to be made after July 1, 2021.

Sec. 11. Minnesota Statutes 2020, section 297F.10, subdivision 1, is amended to read:

Subdivision 1. **Tax and use tax on cigarettes.** Revenue received from cigarette taxes, as well as related penalties, interest, license fees, and miscellaneous sources of revenue shall be deposited by the commissioner in the state treasury and credited as follows:

(1) \$22,250,000 each year must be credited to the Academic Health Center special revenue fund hereby created and is annually appropriated to the Board of Regents at the University of Minnesota for Academic Health Center funding at the University of Minnesota; and

(2) \$3,937,000 each year must be credited to the medical education and research costs account hereby created in the special revenue fund and is annually appropriated to the commissioner of health for distribution under section 62J.692, subdivision 4; and

(3) \$15,000,000 each year must be credited to the tobacco use prevention and cessation account hereby created in the special revenue fund and is annually appropriated to the commissioner of health for tobacco use prevention and cessation projects consistent with the duties specified in section 144.392; a public information program under section 144.393; the development of health promotion and health education materials about tobacco use prevention and cessation; tobacco use prevention activities under section 144.396; and statewide tobacco cessation services under section 144.397. In activities funded under this clause, the commissioner of health must prioritize preventing youth use of commercial tobacco and electronic delivery devices, must promote racial and health equity, and must use strategies that are evidence-based or based on promising practices. For purposes of this clause, "tobacco" and "electronic delivery device" have the meanings given in section 609.685, subdivision 1. This clause expires after the deposit made in fiscal year 2029; and

~~(3)~~ (4) the balance of the revenues derived from taxes, penalties, and interest (under this chapter) and from license fees and miscellaneous sources of revenue shall be credited to the general fund.

**EFFECTIVE DATE.** This section is effective for revenue received after June 30, 2021.

Sec. 12. Minnesota Statutes 2020, section 297G.09, subdivision 9, is amended to read:

Subd. 9. **Accelerated tax payment; penalty.** A person liable for tax under this chapter having a liability of \$250,000 or more during a fiscal year ending June 30, shall remit the June liability for the next year in the following manner:

(a) Two business days before June 30 of calendar ~~years 2020 and~~ year 2021, the taxpayer shall remit the actual May liability and 87.5 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner. Two business days before June 30 of calendar year 2022 and each calendar year thereafter, the distributor must remit the actual May liability and 84.5 percent, or a reduced percentage as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner.

(b) On or before August 18 of the year, the taxpayer shall submit a return showing the actual June liability and pay any additional amount of tax not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability required to be paid in June less the amount remitted in June. However, the penalty is not imposed if the amount remitted in June equals the lesser of:

(1) ~~for calendar year 2021, 87.5 percent of the actual June liability for the that calendar year 2020 and 2021 June liabilities and 84.5 percent of the actual June liability for June 2022 and thereafter~~ or 87.5 percent of the May liability for that calendar year; or

(2) ~~87.5 percent of the preceding May liability for the calendar year 2020 and 2021 June liabilities and 84.5 percent of the preceding May liability for June 2022 and thereafter.~~ for calendar year 2022 and thereafter, 84.5 percent, or a reduced percentage as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the actual June liability for that calendar year or 84.5 percent, or a reduced percentage as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the May liability for that calendar year.

~~(c) For calendar year 2022 and thereafter, the percent of the estimated June liability the vendor must remit by two business days before June 30 is 84.5 percent. This subdivision expires after the percentage of estimated payment is reduced to zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).~~

**EFFECTIVE DATE.** This section is effective for estimate payments required to be made after July 1, 2021.

Sec. 13. **[428B.01] DEFINITIONS.**

Subdivision 1. **Applicability.** As used in sections 428B.01 to 428B.09, the terms in this section have the meanings given them.

Subd. 2. **Activity.** "Activity" means but is not limited to all of the following:

(1) promotion of tourism within the district;

(2) promotion of business activity, including but not limited to tourism, of businesses subject to the service charge within the tourism improvement district;

(3) marketing, sales, and economic development; and

(4) other services provided for the purpose of conferring benefits upon businesses located in the tourism improvement district that are subject to the tourism improvement district service charge.

Subd. 3. **Business.** "Business" means the type or class of lodging business that is described in the municipality's ordinance, which benefits from district activities, adopted under section 428B.02.

Subd. 4. **Business owner.** "Business owner" means a person recognized by a municipality as the owner of a business.

Subd. 5. **City.** "City" means a home rule charter or statutory city.

Subd. 6. **Clerk.** "Clerk" means the chief clerical officer of the municipality.

Subd. 7. **Governing body.** "Governing body" means, with respect to a city, a city council or other governing body of a city. With respect to a town, governing body means a town board or other governing body of a town. With respect to a county, governing body means a board of commissioners or other governing body of a county.

Subd. 8. **Impacted business owners.** "Impacted business owners" means a majority of business owners located within a tourism improvement district.

Subd. 9. **Municipality.** "Municipality" means a county, city, or town.

Subd. 10. **Tourism improvement association.** "Tourism improvement association" means a new or existing and tax-exempt nonprofit corporation, entity, or agency charged with promoting tourism within the tourism improvement district and that is under contract with the municipality to administer the tourism improvement district and implement the activities and improvements listed in the municipality's ordinance.

Subd. 11. **Tourism improvement district.** "Tourism improvement district" means a tourism improvement district established under this chapter.

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

Sec. 14. **[428B.02] ESTABLISHMENT OF TOURISM IMPROVEMENT DISTRICT.**

**Subdivision 1. Ordinance.** (a) Upon a petition by impacted business owners, a governing body of a municipality may adopt an ordinance establishing a tourism improvement district after holding a public hearing on the district. The ordinance must include:

(1) a map that identifies the tourism improvement district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the tourism improvement district boundaries;

(2) the name of the tourism improvement association designated to administer the tourism improvement district and implement the approved activities and improvements;

(3) a list of the proposed activities and improvements in the tourism improvement district;

(4) the time and manner of collecting the service charge and any interest and penalties for nonpayment;

(5) a definition describing the type or class of businesses to be included in the tourism improvement district and subject to the service charge;

(6) the rate, method, and basis of the service charge for the district, including the portion dedicated to covering expenses listed in subdivision 4, paragraph (b); and

(7) the number of years the service charge will be in effect.

(b) If the boundaries of a proposed tourism improvement district overlap with the boundaries of an existing special service district, the tourism improvement district ordinance may list measures to avoid any impediments on the ability of the special service district to continue to provide its services to benefit its property owners.

**Subd. 2. Notice.** A municipality must provide notice of the hearing by publication in at least two issues of the official newspaper of the municipality. The two publications must be two weeks apart and the municipality must hold the hearing at least three days after the last publication. Not less than ten days before the hearing, the municipality must mail notice to the business owner of each business subject to the proposed service charge by the tourism improvement district. The notice must include:

(1) a map showing the boundaries of the proposed district;

(2) the time and place of the public hearing;

(3) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding the proposed service charge; and

(4) a brief description of the proposed activities, improvements, and service charge.

**Subd. 3. Business owner determination.** A business must provide ownership information to the municipality. A municipality has no obligation to obtain other information regarding the ownership of businesses, and its determination of ownership shall be final for the purposes of this chapter. If this chapter requires the signature of a business owner, the signature of the authorized representative of a business owner is sufficient.

**Subd. 4. Service charges; relationship to services.** (a) A municipality may impose a service charge on a business pursuant to this chapter for the purpose of providing activities and improvements that will provide benefits to a business that is located within the tourism improvement district and subject to the tourism improvement district

service charge. Each business paying a service charge within a district must benefit directly or indirectly from improvements provided by a tourism improvement association, provided, however, the business need not benefit equally. Service charges must be based on a percent of gross business revenue, a fixed dollar amount per transaction, or any other reasonable method based upon benefit and approved by the municipality.

(b) Service charges may be used to cover the costs of collections, as well as other administrative costs associated with operating, forming, or maintaining the district.

Subd. 5. **Public hearing.** At the public hearing regarding the adoption of the ordinance establishing a tourism improvement district, business owners and persons affected by the proposed district may testify on issues relevant to the proposed district. The hearing may be adjourned from time to time. The ordinance establishing the district may be adopted at any time within six months after the date of the conclusion of the hearing by a vote of the majority of the governing body of the municipality.

Subd. 6. **Appeal to district court.** Within 45 days after the adoption of the ordinance establishing a tourism improvement district, a person aggrieved, who is not precluded by failure to object before or at the public hearing, may appeal to the district court by serving a notice on the clerk of the municipality or governing body. The validity of the tourism improvement district and the service charge imposed under this chapter shall not be contested in an action or proceeding unless the action or proceeding is commenced within 45 days after the adoption of the ordinance establishing a tourism improvement district. The petitioner must file notice with the court administrator of the district court within ten days after its service. The clerk of the municipality must provide the petitioner with a certified copy of the findings and determination of the governing body. The court may affirm the action objected to or, if the petitioner's objections have merit, modify or cancel it. If the petitioner does not prevail on the appeal, the costs incurred shall be taxed to the petitioner by the court and judgment entered for them. All objections shall be deemed waived unless presented on appeal.

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

**Sec. 15. [428B.03] SERVICE CHARGE AUTHORITY; NOTICE; HEARING REQUIREMENT.**

Subdivision 1. **Authority.** A municipality may impose service charges authorized under section 428B.02, subdivision 4, to finance an activity or improvement in the tourism improvement district that is provided by the municipality if the activity or improvement is provided in the tourism improvement district at an increased level of service. The service charges may be imposed in the amount needed to pay for the increased level of service provided by the activity or improvement.

Subd. 2. **Annual hearing requirement; notice.** Beginning one year after the establishment of the tourism improvement district, the municipality must hold an annual hearing regarding continuation of the service charges in the tourism improvement district. The municipality must provide notice of the hearing by publication in the official newspaper at least seven days before the hearing. The municipality must mail notice of the hearing to business owners subject to the service charge at least seven days before the hearing. At the public hearing, a person affected by the proposed district may testify on issues relevant to the proposed district. Within six months of the public hearing, the municipality may adopt a resolution to continue imposing service charges within the district not exceeding the amount or rate expressed in the notice. For purposes of this section, the notice must include:

(1) a map showing the boundaries of the district;

(2) the time and place of the public hearing;

(3) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding the proposed service charge;

(4) a brief description of the proposed activities and improvements;

(5) the estimated annual amount of proposed expenditures for activities and improvements;

(6) the rate of the service charge for the district during the year and the nature and character of the proposed activities and improvements for the district during the year in which service charges are collected;

(7) the number of years the service charge will be in effect; and

(8) a statement that the petition requirement of section 428B.07 has either been met or does not apply to the proposed service charge.

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

Sec. 16. **[428B.04] MODIFICATION OF ORDINANCE.**

**Subdivision 1. Adoption of ordinance; request for modification.** Upon written request of the tourism improvement association, the governing body of a municipality may adopt an ordinance to modify the district after conducting a public hearing on the proposed modifications. If the modification includes a change to the rate, method, and basis of imposing the service charge or the expansion of the tourism improvement district's geographic boundaries, a petition as described in section 428B.07 must be submitted by impacted business owners to initiate proceedings for modification.

**Subd. 2. Notice of modification.** A municipality must provide notice of the hearing by publication in at least two issues of the municipality's official newspaper. The two publications must be two weeks apart and the municipality must hold a hearing at least three days after the last publication. Not less than ten days before the hearing, the municipality must mail notice to the business owner of each business subject to the service charge by the tourism improvement district. The notice must include:

(1) a map showing the boundaries of the district;

(2) the time and place of the public hearing;

(3) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding the proposed service charge; and

(4) a brief description of the proposed modification to the ordinance.

**Subd. 3. Hearing on modification.** At the public hearing regarding modification to the ordinance, a person affected by the proposed modification may testify on issues relevant to the proposed modification. Within six months after the conclusion of the hearing, the municipality may adopt the ordinance modifying the district by a vote of the majority of the governing body in accordance with the request for modification by the tourism improvement association and as described in the notice.

**Subd. 4. Objection.** If the modification of the ordinance includes the expansion of the tourism improvement district's geographic boundaries, the ordinance modifying the district may be adopted after following the notice and veto requirements in section 428B.08; however, a successful objection will be determined based on a majority of business owners who will pay the service charge in the expanded area of the district. For all other modifications, the ordinance modifying the district may be adopted following the notice and veto requirements in section 428B.08.

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

Sec. 17. **[428B.05] COLLECTION OF SERVICE CHARGES; PENALTIES.**

The service charges imposed under this chapter may be collected by the municipality, tourism improvement association, or other designated agency or entity. Collection of the service charges must be made at the time and in the manner set forth in the ordinance. The entity collecting the service charges may charge interest and penalties on delinquent payments for service charges imposed under this chapter as set forth in the municipality's ordinance.

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

Sec. 18. **[428B.06] TOURISM IMPROVEMENT ASSOCIATION.**

Subdivision 1. **Composition and duties.** The tourism improvement association must be designated in the municipality's ordinance. The tourism improvement association shall appoint a governing board or committee composed of a majority of business owners who pay the tourism improvement district service charge, or the representatives of those business owners. The governing board or committee must manage the funds raised by the tourism improvement district and fulfill the obligations of the tourism improvement district. A tourism improvement association has full discretion to select the specific activities and improvements that are funded with tourism improvement district service charges within the authorized activities and improvements described in the ordinance.

Subd. 2. **Annual report.** The tourism improvement association must submit to the municipality an annual report for each year in which a service charge is imposed. The report must include a financial statement of revenue raised by the district. The municipality may also, as part of the enabling ordinance, require the submission of other relevant information related to the association.

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

Sec. 19. **[428B.07] PETITION REQUIRED.**

A municipality may not establish a tourism improvement district under section 428B.02 unless impacted business owners file a petition requesting a public hearing on the proposed action with the clerk of the municipality.

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

Sec. 20. **[428B.08] VETO POWER OF OWNERS.**

Subdivision 1. **Notice of right to file objections.** The effective date of an ordinance or resolution adopted under this chapter must be at least 45 days after it is adopted by the municipality. Within five days after the municipality adopts the ordinance or resolution, the municipality must mail a summary of the ordinance or resolution to each business owner subject to the service charge within the tourism improvement district in the same manner that notice is mailed under section 428B.02. The mailing must include a notice that business owners subject to the service charge have the right to veto, by a simple majority, the ordinance or resolution by filing the required number of objections with the clerk of the municipality before the effective date of the ordinance or resolution and include notice that a copy of the ordinance or resolution is available for public inspection with the clerk of the municipality.

Subd. 2. **Requirements for veto.** If impacted business owners file an objection to the ordinance or resolution before the effective date of the ordinance or resolution, the ordinance or resolution does not become effective.

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

Sec. 21. **[428B.09] DISESTABLISHMENT.**

Subdivision 1. **Procedure for disestablishment.** An ordinance adopted under this chapter must provide a 30-day period each year in which business owners subject to the service charge may request disestablishment of the district. Beginning one year after establishment of the tourism improvement district, an annual 30-day period of disestablishment begins with the anniversary of the date of establishment. Upon submission of a petition from impacted business owners, the municipality may disestablish a tourism improvement district by adopting an ordinance after holding a public hearing on the disestablishment. Prior to the public hearing, the municipality must publish notice of the public hearing on disestablishment in at least two issues of the municipality's official newspaper. The two publications must be two weeks apart and the municipality must hold the hearing at least three days after the last publication. Not less than ten days before the hearing, the municipality must mail notice to the business owner of each business subject to the service charge. The notice must include:

(1) the time and place of the public hearing;

(2) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding disestablishment;

(3) the reason for disestablishment; and

(4) a proposal to dispose of any assets acquired with the revenues of the service charge imposed under the tourism improvement district.

Subd. 2. **Objection.** An ordinance disestablishing the tourism improvement district becomes effective following the notice and veto requirements in section 428B.08.

Subd. 3. **Refund to business owners.** (a) Upon the disestablishment of a tourism improvement district, any remaining revenues derived from the service charge, or any revenues derived from the sale of assets acquired with the service charge revenues, shall be refunded to business owners located and operating within the tourism improvement district in which service charges were imposed by applying the same method and basis that was used to calculate the service charges levied in the fiscal year in which the district is disestablished.

(b) If the disestablishment occurs before the service charge is imposed for the fiscal year, the method and basis that was used to calculate the service charge imposed in the immediate prior fiscal year shall be used to calculate the amount of a refund, if any.

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

Sec. 22. **[428B.10] COORDINATION OF DISTRICTS.**

If a county establishes a tourism improvement district in a city or town under this chapter, a city or town may not establish a tourism improvement district in the part of the city or town located in the county-established district. If a city or town establishes a tourism improvement district under this chapter, a county may not establish a tourism improvement district in the part of the city or town located in the city- or town-established district.

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

Sec. 23. Minnesota Statutes 2020, section 462A.38, is amended to read:

**462A.38 WORKFORCE AND AFFORDABLE HOMEOWNERSHIP DEVELOPMENT PROGRAM.**

Subdivision 1. **Establishment.** A workforce and affordable homeownership development program is established to award homeownership development grants and loans to cities, counties, Tribal governments, nonprofit organizations, cooperatives created under chapter 308A or 308B, and community land trusts created for the purposes outlined in section 462A.31, subdivision 1, for development of workforce and affordable homeownership projects. The purpose of the program is to increase the supply of workforce and affordable, owner-occupied multifamily or single-family housing throughout Minnesota.

Subd. 2. **Use of funds.** (a) Grant funds and loans awarded under this program may be used for:

- (1) development costs;
- (2) rehabilitation;
- (3) land development; and
- (4) residential housing, including storm shelters and related community facilities.

(b) A project funded through ~~the grant~~ this program shall serve households that meet the income limits as provided in section 462A.33, subdivision 5, unless a project is intended for the purpose outlined in section 462A.02, subdivision 6.

Subd. 3. **Application.** The commissioner shall develop forms and procedures for soliciting and reviewing applications for grants and loans under this section. The commissioner shall consult with interested stakeholders when developing the guidelines and procedures for the program. In making grants and loans, the commissioner shall establish semiannual application deadlines in which grants and loans will be authorized from all or part of the available appropriations.

Subd. 4. **Awarding grants and loans.** Among comparable proposals, preference must be given to proposals that include contributions from nonstate resources for the greatest portion of the total development cost.

Subd. 5. **Statewide program.** The agency shall attempt to make grants and loans in approximately equal amounts to applicants outside and within the metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 6. **Report.** Beginning January 15, ~~2018~~ 2022, the commissioner must annually submit a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over housing and workforce development specifying the projects that received grants and loans under this section and the specific purposes for which the grant or loan funds were used.

Subd. 7. **Workforce and affordable homeownership development account.** A workforce and affordable homeownership development account is established in the housing development fund. Money in the account, including interest, is appropriated to the commissioner of the Housing Finance Agency for the purposes of this section. The amount appropriated under this section must supplement traditional sources of funding for this purpose and must not be used as a substitute or to pay debt service on bonds.

Subd. 8. **Deposits; funding amount.** (a) In fiscal years 2022 to 2029, an amount equal to \$15,000,000 of the state's portion of the proceeds derived from the mortgage registry tax imposed under section 287.035 and the deed tax imposed under section 287.21 is appropriated from the general fund to the commissioner of the Housing Finance Agency to transfer to the housing development fund for deposit into the workforce and affordable homeownership development account. The appropriation must be made annually by September 15.

(b) All loan repayments received under this section are to be deposited into the workforce and affordable homeownership development account in the housing development fund.

(c) This subdivision expires September 16, 2028.

**EFFECTIVE DATE.** This section is effective July 1, 2021.

Sec. 24. **4D AFFORDABLE HOUSING PROGRAMS REPORT.**

(a) No later than January 15, 2022, the commissioner of revenue, in consultation with the Minnesota Housing Finance Agency, must produce a report on class 4d property, as defined in Minnesota Statutes, section 273.13, subdivision 25, and on local 4d affordable housing programs. The commissioner must provide a copy of the report to the chairs and ranking minority members of the legislative committees with jurisdiction over property taxation. The report must comply with the requirements of Minnesota Statutes, sections 3.195 and 3.197. The report must include the following to the extent available:

(1) for properties classified in part or in whole as 4d qualifying under Minnesota Statutes, section 273.128, subdivision 1, clauses (1) to (4), with separate amounts given for properties under each clause:

(i) the number of units classified as 4d in each property in the previous assessment year as reported by each county;

(ii) the number of units not classified as 4d in each property in the previous assessment year;

(iii) the property tax paid in 2021;

(iv) the property tax reduction in 2021 resulting from the property being classified as 4d rather than 4a; and

(v) the total number of 4d units in each of the last ten years; and

(2) for properties classified in part or in whole as 4d qualifying under Minnesota Statutes, section 273.128, subdivision 1, clauses (1) to (4):

(i) the percent change in each political subdivision's net tax capacity if the first-tier class rate of the 4d classification was reduced from 0.75 percent to 0.25 percent;

(ii) the number of 4d properties located within tax increment financing districts, and the impact on increment generation in those districts as a result of these properties being classified as 4d rather than 4a;

(iii) the impact that a 4d class rate reduction from 0.75 percent to 0.25 percent for the entire valuation would have on the property tax burden for homestead property;

(iv) the total number of 4d units whose value qualifies for the second tier in each year since 2019;

(v) the impact that a reduction of the 4d class rate from 0.75 percent to 0.25 percent for the entire valuation would have on property tax refunds received by renters and on property tax refunds received by homeowners in jurisdictions that contain 4d property; and

(vi) a profile of income limits and area median incomes used in Minnesota by the United States Department of Housing and Urban Development to determine the eligibility for assisted housing programs.

(b) Counties must report to the commissioner of revenue any data required by paragraph (a), clauses (1) and (2), by November 1, 2021.

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

Sec. 25. **BUDGET RESERVE REDUCTION.**

On July 1, 2021, the balance of the budget reserve account established in Minnesota Statutes, section 16A.152, subdivision 1a, is reduced by \$150,000,000. This reduction is in addition to the reduction authorized in Laws 2019, First Special Session chapter 6, article 11, section 17.

Sec. 26. **APPROPRIATIONS; FIRE REMEDIATION GRANTS.**

Subdivision 1. **City of Melrose.** \$643,729 in fiscal year 2022 is appropriated from the general fund to the commissioner of revenue for a grant to the city of Melrose to remediate the effects of fires in the city on September 8, 2016. This appropriation represents the amounts that lapsed by the terms of the appropriation in Laws 2017, First Special Session chapter 1, article 4, section 31. The commissioner of revenue must remit the funds to the city of Melrose by July 20, 2021. The city must use the funds to administer grants to public or private entities for use in accordance with subdivision 3.

Subd. 2. **City of Alexandria.** \$120,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of revenue for a grant to the city of Alexandria to remediate the effects of the fire in the city on February 25, 2020. The commissioner of revenue must remit the funds to the city of Alexandria by July 20, 2021. The city must use the funds to administer grants to public or private entities for use in accordance with subdivision 3.

Subd. 3. **Allowed use.** A grant recipient must use the money appropriated under this section for remediation costs, including disaster recovery, infrastructure, reimbursement for emergency personnel costs, reimbursement for equipment costs, and reimbursements for property tax abatements, incurred by public or private entities as a result of the fires. These appropriations are onetime and are available until June 30, 2023.

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

Sec. 27. **DEPARTMENT OF REVENUE FREE FILING REPORT.**

Subdivision 1. **Report required.** (a) By February 15, 2022, the commissioner of revenue must provide a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes. The report must comply with the requirements of Minnesota Statutes, sections 3.195 and 3.197, and must also provide information on free electronic filing options for preparing and filing Minnesota individual income tax returns.

(b) The commissioner must survey tax preparation software vendors for information on a free electronic preparation and filing option for taxpayers to file Minnesota individual income tax returns. The survey must request information from vendors that addresses the following concerns:

(1) system development, capability, security, and costs for consumer-based tax filing software;

(2) costs per return that would be charged to the state of Minnesota to provide an electronic individual income tax return preparation, submission, and payment remittance process;

(3) providing customer service and issue resolution to taxpayers using the software;

(4) providing and maintaining an appropriate link between the Department of Revenue and the Internal Revenue Service Modernized Electronic Filing Program;

(5) ensuring that taxpayer return information is maintained and protected as required by Minnesota Statutes, chapters 13 and 270B, Internal Revenue Service Publication 1075, and any other applicable requirements; and

(6) current availability of products for the free filing and submitting of both Minnesota and federal returns offered to customers and the income thresholds for using those products.

(c) The report by the commissioner must include at a minimum:

(1) a review of options that other states use for state electronic filing;

(2) an assessment of taxpayer needs for electronic filing, including current filing practices;

(3) an analysis of alternative options to provide free filing, such as tax credits, vendor incentives, or other benefits; and

(4) an analysis of the Internal Revenue Service Free File Program usage.

Subd. 2. **Appropriation.** \$175,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of revenue for the free filing report required under this section. This is a onetime appropriation.

Sec. 28. **APPROPRIATION; TAXPAYER RECEIPT.**

(a) \$100,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of management and budget to develop and publish the taxpayer receipt under Minnesota Statutes, section 16A.067. The base funding for this program is \$47,000 in fiscal year 2023 and thereafter.

(b) \$19,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of revenue to coordinate with the commissioner of management and budget to provide information that meets the requirements of the taxpayer receipt under Minnesota Statutes, section 16A.067. The base funding is \$8,000 in fiscal year 2023 and thereafter.

ARTICLE 14  
DEPARTMENT OF REVENUE POLICY AND TECHNICAL:  
INCOME AND CORPORATE FRANCHISE TAXES

Section 1. Minnesota Statutes 2020, section 289A.08, subdivision 7, is amended to read:

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

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

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

(d) The electing partner must not have any Minnesota source income other than the income from the partnership and other electing partnerships. If it is determined that the electing partner has other Minnesota source income, the inclusion of the income and tax liability for that partner under this provision will not constitute a return to satisfy the

requirements of subdivision 1. The tax paid for the individual as part of the composite return is allowed as a payment of the tax by the individual on the date on which the composite return payment was made. If the electing nonresident partner has no other Minnesota source income, filing of the composite return is a return for purposes of subdivision 1.

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

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

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

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

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

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

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2015.

Sec. 2. Minnesota Statutes 2020, section 289A.09, subdivision 2, is amended to read:

Subd. 2. **Withholding statement.** (a) A person required to deduct and withhold from an employee a tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, or who would have been required to deduct and withhold a tax under section 290.92, subdivision 2a or 3, or persons required to withhold tax under section 290.923, subdivision 2, determined without regard to section 290.92, subdivision 19, if the employee or payee had claimed no more than one withholding ~~exemption~~ allowance, or who paid wages or made payments not subject to withholding under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, to an employee or person receiving royalty payments in excess of \$600, or who has entered into a voluntary withholding agreement with a payee under section 290.92, subdivision 20, must give every employee or person receiving royalty payments in respect to the remuneration paid by the person to the employee or person receiving royalty payments during the calendar year, on or before January 31 of the succeeding year, or, if employment is terminated before the close of the calendar year, within 30 days after the date of receipt of a written request from the employee if the 30-day period ends before January 31, a written statement showing the following:

(1) name of the person;

(2) the name of the employee or payee and the employee's or payee's Social Security account number;

(3) the total amount of wages as that term is defined in section 290.92, subdivision 1, paragraph (1); the total amount of remuneration subject to withholding under section 290.92, subdivision 20; the amount of sick pay as required under section 6051(f) of the Internal Revenue Code; and the amount of royalties subject to withholding under section 290.923, subdivision 2; and

(4) the total amount deducted and withheld as tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2.

(b) The statement required to be furnished by paragraph (a) with respect to any remuneration must be furnished at those times, must contain the information required, and must be in the form the commissioner prescribes.

(c) The commissioner may prescribe rules providing for reasonable extensions of time, not in excess of 30 days, to employers or payers required to give the statements to their employees or payees under this subdivision.

(d) A duplicate of any statement made under this subdivision and in accordance with rules prescribed by the commissioner must be filed with the commissioner on or before January 31 of the year after the payments were made.

(e) If an employer cancels the employer's Minnesota withholding account number required by section 290.92, subdivision 24, the information required by paragraph (d), must be filed with the commissioner within 30 days of the end of the quarter in which the employer cancels its account number.

(f) The employer must submit the statements required to be sent to the commissioner. The commissioner shall prescribe the content, format, and manner of the statement pursuant to section 270C.30.

(g) A "third-party bulk filer" as defined in section 290.92, subdivision 30, paragraph (a), clause (2), must submit the returns required by this subdivision and subdivision 1, paragraph (a), with the commissioner by electronic means.

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

Sec. 3. Minnesota Statutes 2020, section 290.0121, subdivision 3, is amended to read:

Subd. 3. **Inflation adjustment.** For taxable years beginning after December 31, 2019, the commissioner must adjust for inflation the exemption amount in subdivision 1, paragraph (b), and the threshold amounts in subdivision 2, as provided in section 270C.22. The statutory year is taxable year 2019. The amounts as adjusted must be rounded down to the nearest \$50 amount. ~~If the amount ends in \$25, the amount is rounded down to the nearest \$50 amount.~~ The threshold amount for married individuals filing separate returns must be one-half of the adjusted amount for married individuals filing joint returns.

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

Sec. 4. Minnesota Statutes 2020, section 290.92, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (1) **Wages.** For purposes of this section, the term "wages" means the same as that term is defined in section 3401(a), (f), and (i) of the Internal Revenue Code.

(2) **Payroll period.** For purposes of this section the term "payroll period" means a period for which a payment of wages is ordinarily made to the employee by the employee's employer, and the term "miscellaneous payroll period" means a payroll period other than a daily, weekly, biweekly, semimonthly, monthly, quarterly, semiannual, or annual payroll period.

(3) **Employee.** For purposes of this section the term "employee" means any resident individual performing services for an employer, either within or without, or both within and without the state of Minnesota, and every nonresident individual performing services within the state of Minnesota, the performance of which services constitute, establish, and determine the relationship between the parties as that of employer and employee. As used in the preceding sentence, the term "employee" includes an officer of a corporation, and an officer, employee, or elected official of the United States, a state, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing.

(4) **Employer.** For purposes of this section the term "employer" means any person, including individuals, fiduciaries, estates, trusts, partnerships, limited liability companies, and corporations transacting business in or deriving any income from sources within the state of Minnesota for whom an individual performs or performed any service, of whatever nature, as the employee of such person, except that if the person for whom the individual performs or performed the services does not have control of the payment of the wages for such services, the term "employer," except for purposes of paragraph (1), means the person having control of the payment of such wages. As used in the preceding sentence, the term "employer" includes any corporation, individual, estate, trust, or organization which is exempt from taxation under section 290.05 and further includes, but is not limited to, officers of corporations who have control, either individually or jointly with another or others, of the payment of the wages.

(5) **Number of withholding ~~exemptions~~ allowances claimed.** For purposes of this section, the term "number of withholding ~~exemptions~~ allowances claimed" means the number of withholding ~~exemptions~~ allowances claimed in a withholding ~~exemption~~ allowances certificate in effect under subdivision 5, except that if no such certificate is in effect, the number of withholding ~~exemptions~~ allowances claimed shall be considered to be zero.

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

Sec. 5. Minnesota Statutes 2020, section 290.92, subdivision 2a, is amended to read:

Subd. 2a. **Collection at source.** (1) **Deductions.** Every employer making payment of wages shall deduct and withhold upon such wages a tax as provided in this section.

(2) **Withholding on payroll period.** The employer shall withhold the tax on the basis of each payroll period or as otherwise provided in this section.

(3) **Withholding tables.** Unless the amount of tax to be withheld is determined as provided in subdivision 3, the amount of tax to be withheld for each individual shall be based upon tables to be prepared and distributed by the commissioner. The tables shall be computed for the several permissible withholding periods and shall take account of ~~exemptions~~ allowances allowed under this section; and the amounts computed for withholding shall be such that the amount withheld for any individual during the individual's taxable year shall approximate in the aggregate as closely as possible the tax which is levied and imposed under this chapter for that taxable year, upon the individual's salary, wages, or compensation for personal services of any kind for the employer.

(4) **Miscellaneous payroll period.** If wages are paid with respect to a period which is not a payroll period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days, including Sundays and holidays, equal to the number of days in the period with respect to which such wages are paid.

(5) **Miscellaneous payroll period.** (a) In any case in which wages are paid by an employer without regard to any payroll period or other period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days equal to the number of days, including Sundays and holidays, which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

(b) In any case in which the period, or the time described in clause (a), in respect of any wages is less than one week, the commissioner, under rules prescribed by the commissioner, may authorize an employer to determine the amount to be deducted and withheld under the tables applicable in the case of a weekly payroll period, in which case the aggregate of the wages paid to the employee during the calendar week shall be considered the weekly wages.

(6) **Wages computed to nearest dollar.** If the wages exceed the highest bracket, in determining the amount to be deducted and withheld under this subdivision, the wages may, at the election of the employer, be computed to the nearest dollar.

(7) **Rules on withholding.** The commissioner may, by rule, authorize employers:

(a) to estimate the wages which will be paid to any employee in any quarter of the calendar year;

(b) to determine the amount to be deducted and withheld upon each payment of wages to such employee during such quarter as if the appropriate average of the wages so estimated constituted the actual wages paid; and

(c) to deduct and withhold upon any payment of wages to such employee during such quarter such amount as may be necessary to adjust the amount actually deducted and withheld upon wages of such employee during such quarter to the amount required to be deducted and withheld during such quarter without regard to this paragraph (7).

(8) **Additional withholding.** The commissioner is authorized to provide by rule for increases or decreases in the amount of withholding otherwise required under this section in cases where the employee requests the changes. Such additional withholding shall for all purposes be considered tax required to be deducted and withheld under this section.

(9) **Tips.** In the case of tips which constitute wages, this subdivision shall be applicable only to such tips as are included in a written statement furnished to the employer pursuant to section 6053 of the Internal Revenue Code and only to the extent that the tax can be deducted and withheld by the employer, at or after the time such statement is so furnished and before the close of the calendar year in which such statement is furnished, from such wages of the employee (excluding tips, but including funds turned over by the employee to the employer for the purpose of such deduction and withholding) as are under the control of the employer; and an employer who is furnished by an employee a written statement of tips (received in a calendar month) pursuant to section 6053 of the Internal Revenue Code to which subdivision 1 is applicable may deduct and withhold the tax with respect to such tips from any wages of the employee (excluding tips) under the employer's control, even though at the time such statement is furnished the total amount of the tips included in statements furnished to the employer as having been received by the employee in such calendar month in the course of employment by such employer is less than \$20. Such tax shall not at any time be deducted and withheld in an amount which exceeds the aggregate of such wages and funds as are under the control of the employer minus any tax required by other provisions of state or federal law to be collected from such wages and funds.

(10) **Vehicle fringe benefits.** An employer shall not deduct and withhold any tax under this section with respect to any vehicle fringe benefit provided to an employee if the employer has so elected for federal purposes and the requirement of and the definition contained in section 3402(s) of the Internal Revenue Code are complied with.

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

Sec. 6. Minnesota Statutes 2020, section 290.92, subdivision 3, is amended to read:

Subd. 3. **Withholding, irregular period.** If payment of wages is made to an employee by an employer

(a) With respect to a payroll period or other period, any part of which is included in a payroll period or other period with respect to which wages are also paid to such employees by such employer, or

(b) Without regard to any payroll period or other period, but on or prior to the expiration of a payroll period or other period with respect to which wages are also paid to such employee by such employer, or

(c) With respect to a period beginning in one and ending in another calendar year, or

(d) Through an agent, fiduciary, or other person who also has the control, receipt, custody, or disposal of or pays, the wages payable by another employer to such employee.

The manner of withholding and the amount to be deducted and withheld under subdivision 2a shall be determined in accordance with rules prescribed by the commissioner under which the withholding ~~exemption~~ allowance allowed to the employee in any calendar year shall approximate the withholding ~~exemption~~ allowance allowable with respect to an annual payroll period, except that if supplemental wages are not paid concurrent with a payroll period the employer shall withhold tax on the supplemental payment at the rate of 6.25 percent as if no ~~exemption~~ allowance had been claimed.

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

Sec. 7. Minnesota Statutes 2020, section 290.92, subdivision 4b, is amended to read:

Subd. 4b. **Withholding by partnerships.** (a) A partnership shall deduct and withhold a tax as provided in paragraph (b) for nonresident individual partners based on their distributive shares of partnership income for a taxable year of the partnership.

(b) The amount of tax withheld is determined by multiplying the partner's distributive share allocable to Minnesota under section 290.17, paid or credited during the taxable year by the highest rate used to determine the income tax liability for an individual under section 290.06, subdivision 2c, except that the amount of tax withheld may be determined by the commissioner if the partner submits a withholding ~~exemption~~ allowance certificate under subdivision 5.

(c) The commissioner may reduce or abate the tax withheld under this subdivision if the partnership had reasonable cause to believe that no tax was due under this section.

(d) Notwithstanding paragraph (a), a partnership is not required to deduct and withhold tax for a nonresident partner if:

(1) the partner elects to have the tax due paid as part of the partnership's composite return under section 289A.08, subdivision 7;

(2) the partner has Minnesota assignable federal adjusted gross income from the partnership of less than \$1,000; or

(3) the partnership is liquidated or terminated, the income was generated by a transaction related to the termination or liquidation, and no cash or other property was distributed in the current or prior taxable year;

(4) the distributive shares of partnership income are attributable to:

(i) income required to be recognized because of discharge of indebtedness;

(ii) income recognized because of a sale, exchange, or other disposition of real estate, depreciable property, or property described in section 179 of the Internal Revenue Code; or

(iii) income recognized on the sale, exchange, or other disposition of any property that has been the subject of a basis reduction pursuant to section 108, 734, 743, 754, or 1017 of the Internal Revenue Code

to the extent that the income does not include cash received or receivable or, if there is cash received or receivable, to the extent that the cash is required to be used to pay indebtedness by the partnership or a secured debt on partnership property; or

(5) the partnership is a publicly traded partnership, as defined in section 7704(b) of the Internal Revenue Code.

(e) For purposes of sections 270C.60, 289A.09, subdivision 2, 289A.20, subdivision 2, paragraph (c), 289A.50, 289A.56, 289A.60, and 289A.63, a partnership is considered an employer.

(f) To the extent that income is exempt from withholding under paragraph (d), clause (4), the commissioner has a lien in an amount up to the amount that would be required to be withheld with respect to the income of the partner attributable to the partnership interest, but for the application of paragraph (d), clause (4). The lien arises under section 270C.63 from the date of assessment of the tax against the partner, and attaches to that partner's share of the profits and any other money due or to become due to that partner in respect of the partnership. Notice of the lien may be sent by mail to the partnership, without the necessity for recording the lien. The notice has the force and effect of a levy under section 270C.67, and is enforceable against the partnership in the manner provided by that section. Upon payment in full of the liability subsequent to the notice of lien, the partnership must be notified that the lien has been satisfied.

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

Sec. 8. Minnesota Statutes 2020, section 290.92, subdivision 4c, is amended to read:

Subd. 4c. **Withholding by S corporations.** (a) A corporation having a valid election in effect under section 290.9725 shall deduct and withhold a tax as provided in paragraph (b) for nonresident individual shareholders their share of the corporation's income for the taxable year.

(b) The amount of tax withheld is determined by multiplying the amount of income allocable to Minnesota under section 290.17 by the highest rate used to determine the income tax liability of an individual under section 290.06, subdivision 2c, except that the amount of tax withheld may be determined by the commissioner if the shareholder submits a withholding ~~exemption~~ allowance certificate under subdivision 5.

(c) Notwithstanding paragraph (a), a corporation is not required to deduct and withhold tax for a nonresident shareholder, if:

(1) the shareholder elects to have the tax due paid as part of the corporation's composite return under section 289A.08, subdivision 7;

(2) the shareholder has Minnesota assignable federal adjusted gross income from the corporation of less than \$1,000; or

(3) the corporation is liquidated or terminated, the income was generated by a transaction related to the termination or liquidation, and no cash or other property was distributed in the current or prior taxable year.

(d) For purposes of sections 270C.60, 289A.09, subdivision 2, 289A.20, subdivision 2, paragraph (c), 289A.50, 289A.56, 289A.60, and 289A.63, a corporation is considered an employer.

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

Sec. 9. Minnesota Statutes 2020, section 290.92, subdivision 5, is amended to read:

Subd. 5. **Exemptions Allowances.** (1) ~~Entitlement.~~ An employee receiving wages shall on any day be entitled to claim withholding ~~exemptions~~ allowances in a number not to exceed the number of withholding ~~exemptions~~ allowances that the employee claims and that are allowable pursuant to section 3402(f)(1), ~~(m), and (n)~~ of the Internal Revenue Code for federal withholding purposes, except:

(i) the standard deduction amount for the purposes of section 3402(f)(1)(E) of the Internal Revenue Code shall be the amount calculated under section 290.0123, ~~subdivision 1; and~~

(ii) the ~~exemption~~ allowance amount for the purposes of section 3402(f)(1)(A) of the Internal Revenue Code shall be the amount calculated under section 290.0121, subdivision 1;

(iii) withholding allowances under sections 3402(f)(1)(C) and (D) of the Internal Revenue Code are not allowed;

(iv) estimated itemized deductions allowable under section 290.0122, but only if the employee's spouse does not have in effect a withholding certificate electing this allowance; and

(v) any additional allowances, at the discretion of the commissioner, that are in the best interests of determining the proper amount to withhold for the payment of taxes under this chapter.

(2) **Withholding exemption allowance certificate.** The provisions concerning ~~exemption~~ allowance certificates contained in section 3402(f)(2) and (3) of the Internal Revenue Code shall apply.

(3) **Form of certificate.** Withholding ~~exemption~~ allowance certificates shall be in such form and contain such information as the commissioner may by rule prescribe.

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

Sec. 10. Minnesota Statutes 2020, section 290.92, subdivision 5a, is amended to read:

Subd. 5a. **Verification of withholding exemptions allowances; appeal.** (a) An employer shall submit to the commissioner a copy of any withholding ~~exemption~~ allowance certificate or any affidavit of residency received from an employee on which the employee claims any of the following:

(1) a total number of withholding ~~exemptions~~ allowances in excess of ten or a number prescribed by the commissioner, or

(2) a status that would exempt the employee from Minnesota withholding, including where the employee is a nonresident exempt from withholding under subdivision 4a, clause (3), except where the employer reasonably expects, at the time that the certificate is received, that the employee's wages under subdivision 1 from the employer will not then usually exceed \$200 per week, or

(3) any number of withholding ~~exemptions~~ allowances which the employer has reason to believe is in excess of the number to which the employee is entitled.

(b) Copies of ~~exemption~~ allowance certificates and affidavits of residency required to be submitted by paragraph (a) shall be submitted to the commissioner within 30 days after receipt by the employer unless the employer is also required by federal law to submit copies to the Internal Revenue Service, in which case the employer may elect to submit the copies to the commissioner at the same time that the employer is required to submit them to the Internal Revenue Service.

(c) An employer who submits a copy of a withholding ~~exemption~~ allowance certificate in accordance with paragraph (a) shall honor the certificate until notified by the commissioner that the certificate is invalid. The commissioner shall mail a copy of any such notice to the employee. Upon notification that a particular certificate is invalid, the employer shall not honor that certificate or any subsequent certificate unless instructed to do so by the commissioner. The employer shall allow the employee the number of ~~exemptions~~ allowances and compute the withholding tax as instructed by the commissioner in accordance with paragraph (d).

(d) The commissioner may require an employee to verify entitlement to the number of ~~exemptions~~ allowances or to the exempt status claimed on the withholding ~~exemption~~ allowance certificate or, to verify nonresidency. The employee shall be allowed at least 30 days to submit the verification, after which time the commissioner shall, on the basis of the best information available to the commissioner, determine the employee's status and allow the employee the maximum number of withholding ~~exemptions~~ allowances allowable under this chapter. The commissioner shall mail a notice of this determination to the employee at the address listed on the ~~exemption~~ allowance certificate in question or to the last known address of the employee. Pursuant to section 270B.06, the commissioner may notify the employer of this determination and instruct the employer to withhold tax in accordance with the determination.

However, where the commissioner has reasonable grounds for believing that the employee is about to leave the state or that the collection of any tax due under this chapter will be jeopardized by delay, the commissioner may immediately notify the employee and the employer, pursuant to section 270B.06, that the certificate is invalid, and the employer must not honor that certificate or any subsequent certificate unless instructed to do so by the commissioner. The employer shall allow the employee the number of ~~exemptions~~ allowances and compute the withholding tax as instructed by the commissioner.

(e) The commissioner's determination under paragraph (d) shall be appealable to Tax Court in accordance with section 271.06, and shall remain in effect for withholding tax purposes pending disposition of any appeal.

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

Sec. 11. Minnesota Statutes 2020, section 290.92, subdivision 19, is amended to read:

Subd. 19. **Employees incurring no income tax liability.** Notwithstanding any other provision of this section, except the provisions of subdivision 5a, an employer is not required to deduct and withhold any tax under this chapter from wages paid to an employee if:

(1) the employee furnished the employer with a withholding ~~exemption~~ allowance certificate that:

(i) certifies the employee incurred no liability for income tax imposed under this chapter for the employee's preceding taxable year;

(ii) certifies the employee anticipates incurring no liability for income tax imposed under this chapter for the current taxable year; and

(iii) is in a form and contains any other information prescribed by the commissioner; or

(2)(i) the employee is not a resident of Minnesota when the wages were paid; and

(ii) the employer reasonably expects that the employer will not pay the employee enough wages assignable to Minnesota under section 290.17, subdivision 2, paragraph (a)(1), to meet the nonresident requirement to file a Minnesota individual income tax return for the taxable year under section 289A.08, subdivision 1, paragraph (a).

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

Sec. 12. Minnesota Statutes 2020, section 290.92, subdivision 20, is amended to read:

Subd. 20. ~~Voluntary withholding agreements~~ **Miscellaneous withholding arrangements.** (a) For purposes of this section, any payment of an annuity to an individual, if at the time the payment is made a request that such annuity be subject to withholding under this section is in effect, or distribution to an individual as defined under section 3405(e)(2) or (3) of the Internal Revenue Code shall be treated as if it were a payment of wages by an employer to an employee for a payroll period. Any payment to an individual of sick pay which does not constitute wages, determined without regard to this subdivision, shall be treated as if it were a payment of wages by an employer to an employee for a payroll period, if, at the time the payment is made a request that such sick pay be subject to withholding under this section is in effect. Sick pay means any amount which:

(1) is paid to an employee pursuant to a plan to which the employer is a party, and

(2) constitutes remuneration or a payment in lieu of remuneration for any period during which the employee is temporarily absent from work on account of sickness or personal injuries.

(b) A request for withholding, the amount withheld, and sick pay paid pursuant to certain collective bargaining agreements shall conform with the provisions of section 3402(o)(3), (4), and (5) of the Internal Revenue Code.

(c) The commissioner is authorized by rules to provide for withholding:

(1) from remuneration for services performed by an employee for the employer which, without regard to this subdivision, does not constitute wages, and

(2) from any other type of payment with respect to which the commissioner finds that withholding would be appropriate under the provisions of this section, if the employer and the employee, or in the case of any other type of payment the person making and the person receiving the payment, agree to such withholding. Such agreement shall be made in such form and manner as the commissioner may by rules provide. For purposes of this section remuneration or other payments with respect to which such agreement is made shall be treated as if they were wages paid by an employer to an employee to the extent that such remuneration is paid or other payments are made during the period for which the agreement is in effect.

(d) An individual receiving a payment or distribution under paragraph (a) may elect to have paragraph (a) not apply to the payment or distribution as follows.

(1) For payments defined under section 3405(e)(2) of the Internal Revenue Code, an election remains in effect until revoked by such individual.

(2) For distributions defined under section 3405(e)(3) of the Internal Revenue Code, the election is on a distribution-by-distribution basis.

**EFFECTIVE DATE.** This section is effective for payments and distributions made after December 31, 2021.

Sec. 13. Minnesota Statutes 2020, section 290.923, subdivision 9, is amended to read:

Subd. 9. **Payees incurring no income tax liability.** Notwithstanding any other provision of this section a payor shall not be required to deduct and withhold any tax under this chapter upon a payment of royalties to a payee if there is in effect with respect to the payment a withholding ~~exemption~~ allowance certificate, in the form and containing the information prescribed by the commissioner, furnished to the payor by the payee certifying that the payee:

- (1) incurred no liability for income tax imposed under this chapter for the payee's preceding taxable year; and
- (2) anticipates incurring no liability for income tax under this chapter for the current taxable year.

The commissioner shall provide by rule for the coordination of the provisions of this subdivision with the provisions of subdivision 4.

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

Sec. 14. Minnesota Statutes 2020, section 290.993, is amended to read:

**290.993 SPECIAL LIMITED ADJUSTMENT.**

(a) For an individual ~~income taxpayer subject to tax under section 290.06, subdivision 2e, estate, or trust, or a partnership that elects to file a composite return under section 289A.08, subdivision 7, for taxable years beginning after December 31, 2017, and before January 1, 2019, the following special rules apply:~~

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

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

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

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, and before January 1, 2019.

ARTICLE 15  
DEPARTMENT OF REVENUE POLICY AND TECHNICAL:  
PROPERTY TAXES AND LOCAL GOVERNMENT AIDS

Section 1. Minnesota Statutes 2020, section 270.41, subdivision 3a, is amended to read:

Subd. 3a. **Report on disciplinary actions.** ~~Each odd-numbered year, When issuing the report required under section 214.07, the board must publish a report detailing~~ include the number and types of disciplinary actions recommended by the commissioner of revenue under section 273.0645, subdivision 2, and the disposition of those recommendations by the board. The report must be presented to the house of representatives and senate committees with jurisdiction over property taxes ~~by February 1 of each odd-numbered year in addition to the recipients required under section 214.07.~~

**EFFECTIVE DATE.** This section is effective for reports issued in 2022 and thereafter.

Sec. 2. Minnesota Statutes 2020, section 270.44, is amended to read:

**270.44 CHARGES FOR COURSES, EXAMINATIONS OR MATERIALS.**

The board shall charge the following fees:

- (1) \$150 for a senior accredited Minnesota assessor license;
- (2) \$125 for an accredited Minnesota assessor license;
- (3) \$95 for a certified Minnesota assessor specialist license;
- (4) \$85 for a certified Minnesota assessor license;
- (5) \$85 for a temporary license;
- (6) \$50 for a trainee registration;
- (7) \$80 for grading a form appraisal;
- (8) \$140 for grading a narrative appraisal; and
- (9) \$50 for reinstatement; ~~and~~
- ~~(10) \$20 for record retention.~~

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

Sec. 3. Minnesota Statutes 2020, section 272.029, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section:

(1) "wind energy conversion system" has the meaning given in section 216C.06, subdivision 19, and also includes a substation that is used and owned by one or more wind energy conversion facilities;

(2) "large scale wind energy conversion system" means a wind energy conversion system of more than 12 megawatts, as measured by the nameplate capacity of the system or as combined with other systems as provided in paragraph (b);

(3) "medium scale wind energy conversion system" means a wind energy conversion system of over two and not more than 12 megawatts, as measured by the nameplate capacity of the system or as combined with other systems as provided in paragraph (b); and

(4) "small scale wind energy conversion system" means a wind energy conversion system of two megawatts and under, as measured by the nameplate capacity of the system or as combined with other systems as provided in paragraph (b).

(b) For systems installed and contracted for after January 1, 2002, the total size of a wind energy conversion system under this subdivision shall be determined according to this paragraph. Unless the systems are interconnected with different distribution systems, the nameplate capacity of one wind energy conversion system shall be combined with the nameplate capacity of any other wind energy conversion system that is:

- (1) located within five miles of the wind energy conversion system;
- (2) constructed within the same 12-month period as the wind energy conversion system; and
- (3) under common ownership.

In the case of a dispute, the commissioner of commerce shall determine the total size of the system, and shall draw all reasonable inferences in favor of combining the systems.

For the purposes of making a determination under this paragraph, the original construction date of an existing wind energy conversion system is not changed if the system is replaced, repaired, or otherwise maintained or altered.

(c) In making a determination under paragraph (b), the commissioner of commerce may determine that two wind energy conversion systems are under common ownership when the underlying ownership structure contains similar persons or entities, even if the ownership shares differ between the two systems. Wind energy conversion systems are not under common ownership solely because the same person or entity provided equity financing for the systems.

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

Sec. 4. Minnesota Statutes 2020, section 272.0295, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the term "solar energy generating system" means a set of devices whose primary purpose is to produce electricity by means of any combination of collecting, transferring, or converting solar generated energy.

(b) The total size of a solar energy generating system under this subdivision shall be determined according to this paragraph. Unless the systems are interconnected with different distribution systems, the nameplate capacity of a solar energy generating system shall be combined with the nameplate capacity of any other solar energy generating system that:

(1) is constructed within the same 12-month period as the solar energy generating system; and

(2) exhibits characteristics of being a single development, including but not limited to ownership structure, an umbrella sales arrangement, shared interconnection, revenue-sharing arrangements, and common debt or equity financing.

In the case of a dispute, the commissioner of commerce shall determine the total size of the system and shall draw all reasonable inferences in favor of combining the systems.

For the purposes of making a determination under this paragraph, the original construction date of an existing solar energy conversion system is not changed if the system is replaced, repaired, or otherwise maintained or altered.

(c) In making a determination under paragraph (b), the commissioner of commerce may determine that two solar energy generating systems are under common ownership when the underlying ownership structure contains similar persons or entities, even if the ownership shares differ between the two systems. Solar energy generating systems are not under common ownership solely because the same person or entity provided equity financing for the systems.

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

Sec. 5. Minnesota Statutes 2020, section 272.0295, subdivision 5, is amended to read:

Subd. 5. **Notification of tax.** (a) On or before February 28, the commissioner of revenue shall notify the owner of each solar energy generating system of the tax due to each county for the current year and shall certify to the county auditor of each county in which the system is located the tax due from each owner for the current year.

(b) If the commissioner of revenue determines that the amount of production tax has been erroneously calculated, the commissioner may correct the error. The commissioner must notify the owner of the solar energy generating system of the correction and the amount of tax due to each county and must certify the correction to the county auditor of each county in which the system is located on or before April 1 of the current year. The commissioner may correct errors that are clerical in nature until December 31.

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

Sec. 6. Minnesota Statutes 2020, section 273.063, is amended to read:

**273.063 APPLICATION; LIMITATIONS.**

The provisions of sections 272.161, 273.061, 273.062, 273.063, 273.072, 273.08, 273.10, 274.01, and 375.192 shall apply to all counties except Ramsey County. The following limitations shall apply as to the extent of the county assessors jurisdiction:

In counties having a city of the first class, the powers and duties of the county assessor within such city shall be performed by the duly appointed city assessor. In all other cities having a population of 30,000 persons or more, according to the last preceding federal census, except in counties having a county assessor on January 1, 1967, the powers and duties of the county assessor within such cities shall be performed by the duly appointed city assessor, provided that the county assessor shall retain the supervisory duties contained in section 273.061, subdivision 8. For purposes of this section, "powers and duties" means the powers and duties identified in section 273.061, subdivision 8, clauses (5) to (16).

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

Sec. 7. Minnesota Statutes 2020, section 273.0755, is amended to read:

**273.0755 TRAINING AND EDUCATION OF PROPERTY TAX PERSONNEL.**

(a) Beginning with the four-year period starting on July 1, ~~2000~~ 2020, every person licensed by the state Board of Assessors at the Accredited Minnesota Assessor level or higher, shall successfully complete ~~a weeklong Minnesota laws course~~ 30 hours of educational coursework on Minnesota laws, assessment administration, and administrative procedures sponsored by the Department of Revenue ~~at least once~~ in every four-year period. ~~An assessor need not attend the course if they successfully pass the test for the course.~~

(b) The commissioner of revenue may require that each county, and each city for which the city assessor performs the duties of county assessor, have (1) a person on the assessor's staff who is certified by the Department of Revenue in sales ratio calculations, (2) an officer or employee who is certified by the Department of Revenue in tax calculations, and (3) an officer or employee who is certified by the Department of Revenue in the proper preparation of information reported to the commissioner under section 270C.85, subdivision 2, clause (4). Certifications under this paragraph expire after four years.

(c) Beginning with the four-year educational licensing period starting on July 1, 2004, every Minnesota assessor licensed by the State Board of Assessors must attend and participate in a seminar that focuses on ethics, professional conduct and the need for standardized assessment practices developed and presented by the commissioner of revenue. This requirement must be met at least once in every subsequent four-year period. This requirement applies to all assessors licensed for one year or more in the four-year period.

(d) When the commissioner of revenue determines that an individual or board that performs functions related to property tax administration has performed those functions in a manner that is not uniform or equitable, the commissioner may require that the individual or members of the board complete supplemental training. The commissioner may not require that an individual complete more than 32 hours of supplemental training pursuant to this paragraph. If the individual is required to complete supplemental training due to that individual's membership on a local or county board of appeal and equalization, the commissioner may not require that the individual complete more than two hours of supplemental training.

**EFFECTIVE DATE.** This section is effective retroactively for the four-year licensing period starting on July 1, 2020, and thereafter.

Sec. 8. Minnesota Statutes 2020, section 273.124, subdivision 14, is amended to read:

Subd. 14. **Agricultural homesteads; special provisions.** (a) Real estate of less than ten acres that is the homestead of its owner must be classified as class 2a under section 273.13, subdivision 23, paragraph (a), if:

(1) the parcel on which the house is located is contiguous on at least two sides to (i) agricultural land, (ii) land owned or administered by the United States Fish and Wildlife Service, or (iii) land administered by the Department of Natural Resources on which in lieu taxes are paid under sections 477A.11 to 477A.14 or section 477A.17;

(2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20 acres;

(3) the noncontiguous land is located not farther than four townships or cities, or a combination of townships or cities from the homestead; and

(4) the agricultural use value of the noncontiguous land and farm buildings is equal to at least 50 percent of the market value of the house, garage, and one acre of land.

Homesteads initially classified as class 2a under the provisions of this paragraph shall remain classified as class 2a, irrespective of subsequent changes in the use of adjoining properties, as long as the homestead remains under the same ownership, the owner owns a noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use value qualifies under clause (4). Homestead classification under this paragraph is limited to property that qualified under this paragraph for the 1998 assessment.

(b)(i) Agricultural property shall be classified as the owner's homestead, to the same extent as other agricultural homestead property, if all of the following criteria are met:

(1) the agricultural property consists of at least 40 acres including undivided government lots and correctional 40's;

(2) the owner, the owner's spouse, or a grandchild, child, sibling, or parent of the owner or of the owner's spouse, is actively farming the agricultural property, either on the person's own behalf as an individual or on behalf of a partnership operating a family farm, family farm corporation, joint family farm venture, or limited liability company of which the person is a partner, shareholder, or member;

(3) both the owner of the agricultural property and the person who is actively farming the agricultural property under clause (2), are Minnesota residents;

(4) neither the owner nor the spouse of the owner claims another agricultural homestead in Minnesota; and

(5) neither the owner nor the person actively farming the agricultural property lives farther than four townships or cities, or a combination of four townships or cities, from the agricultural property, except that if the owner or the owner's spouse is required to live in employer-provided housing, the owner or owner's spouse, whichever is actively farming the agricultural property, may live more than four townships or cities, or combination of four townships or cities from the agricultural property.

The relationship under this paragraph may be either by blood or marriage.

(ii) Property containing the residence of an owner who owns qualified property under clause (i) shall be classified as part of the owner's agricultural homestead, if that property is also used for noncommercial storage or drying of agricultural crops.

(iii) As used in this paragraph, "agricultural property" means class 2a property and any class 2b property that is contiguous to and under the same ownership as the class 2a property.

(c) Noncontiguous land shall be included as part of a homestead under section 273.13, subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached land is located in the same township or city, or not farther than four townships or cities or combination thereof from the homestead. Any taxpayer of these noncontiguous lands must notify the county assessor that the noncontiguous land is part of the taxpayer's homestead, and, if the homestead is located in another county, the taxpayer must also notify the assessor of the other county.

(d) Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified as a homestead under section 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a.

(e) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of the April 1997 floods;

(2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or Wilkin;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 1997 assessment year and continue to be used for agricultural purposes;

(4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the 1997 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in dwelling. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(f) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of damage caused by a March 29, 1998, tornado;

(2) the property is located in the county of Blue Earth, Brown, Cottonwood, LeSueur, Nicollet, Nobles, or Rice;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 1998 assessment year;

(4) the dwelling occupied by the owner is located in this state and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to a March 29, 1998, tornado, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the owner must notify the assessor by December 1, 1998. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(g) Agricultural property of a family farm corporation, joint family farm venture, family farm limited liability company, or partnership operating a family farm as described under subdivision 8 shall be classified homestead, to the same extent as other agricultural homestead property, if all of the following criteria are met:

- (1) the property consists of at least 40 acres including undivided government lots and correctional 40's;
- (2) a shareholder, member, or partner of that entity is actively farming the agricultural property;
- (3) that shareholder, member, or partner who is actively farming the agricultural property is a Minnesota resident;
- (4) neither that shareholder, member, or partner, nor the spouse of that shareholder, member, or partner claims another agricultural homestead in Minnesota; and
- (5) that shareholder, member, or partner does not live farther than four townships or cities, or a combination of four townships or cities, from the agricultural property.

Homestead treatment applies under this paragraph even if:

(i) the shareholder, member, or partner of that entity is actively farming the agricultural property on the shareholder's, member's, or partner's own behalf; or

(ii) the family farm is operated by a family farm corporation, joint family farm venture, partnership, or limited liability company other than the family farm corporation, joint family farm venture, partnership, or limited liability company that owns the land, provided that:

(A) the shareholder, member, or partner of the family farm corporation, joint family farm venture, partnership, or limited liability company that owns the land who is actively farming the land is a shareholder, member, or partner of the family farm corporation, joint family farm venture, partnership, or limited liability company that is operating the farm; and

(B) more than half of the shareholders, members, or partners of each family farm corporation, joint family farm venture, partnership, or limited liability company are persons or spouses of persons who are a qualifying relative under section 273.124, subdivision 1, paragraphs (c) and (d).

Homestead treatment applies under this paragraph for property leased to a family farm corporation, joint farm venture, limited liability company, or partnership operating a family farm if legal title to the property is in the name of an individual who is a member, shareholder, or partner in the entity.

(h) To be eligible for the special agricultural homestead under this subdivision, an initial full application must be submitted to the county assessor where the property is located. Owners and the persons who are actively farming the property shall be required to complete only a one-page abbreviated version of the application in each subsequent year provided that none of the following items have changed since the initial application:

- (1) the day-to-day operation, administration, and financial risks remain the same;
- (2) the owners and the persons actively farming the property continue to live within the four townships or city criteria and are Minnesota residents;
- (3) the same operator of the agricultural property is listed with the Farm Service Agency;
- (4) a Schedule F or equivalent income tax form was filed for the most recent year;

(5) the property's acreage is unchanged; and

(6) none of the property's acres have been enrolled in a federal or state farm program since the initial application.

The owners and any persons who are actively farming the property must include the appropriate Social Security numbers, and sign and date the application. If any of the specified information has changed since the full application was filed, the owner must notify the assessor, and must complete a new application to determine if the property continues to qualify for the special agricultural homestead. The commissioner of revenue shall prepare a standard reapplication form for use by the assessors.

(i) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of damage caused by the August 2007 floods;

(2) the property is located in the county of Dodge, Fillmore, Houston, Olmsted, Steele, Wabasha, or Winona;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 2007 assessment year;

(4) the dwelling occupied by the owner is located in this state and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the August 2007 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in homestead dwelling. For taxes payable in 2009, the owner must notify the assessor by December 1, 2008. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(j) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of the March 2009 floods;

(2) the property is located in the county of Marshall;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 2008 assessment year and continue to be used for agricultural purposes;

(4) the dwelling occupied by the owner is located in Minnesota and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the 2009 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in dwelling. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

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

Sec. 9. Minnesota Statutes 2020, section 273.18, is amended to read:

**273.18 LISTING, VALUATION, AND ASSESSMENT OF EXEMPT PROPERTY BY COUNTY AUDITORS.**

(a) In every sixth year after the year 2010, the county auditor shall enter the description of each tract of real property exempt by law from taxation, with the name of the owner, and the assessor shall value and assess the same in the same manner that other real property is valued and assessed, and shall designate in each case the purpose for which the property is used.

(b) The county auditor shall include in the exempt property information that the commissioner may require under section 270C.85, subdivision 2, clause (4), the total number of acres of all natural resources lands for which in lieu payments are made under sections 477A.11 to 477A.14 and 477A.17. The assessor shall estimate its market value, provided that if the assessor is not able to estimate the market value of the land on a per parcel basis, the assessor shall furnish the commissioner of revenue with an estimate of the average value per acre of this land within the county.

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

Sec. 10. Minnesota Statutes 2020, section 287.04, is amended to read:

**287.04 EXEMPTIONS.**

The tax imposed by section 287.035 does not apply to:

- ~~(a)~~ (1) a decree of marriage dissolution or an instrument made pursuant to it;
- ~~(b)~~ (2) a mortgage given to correct a misdescription of the mortgaged property;
- ~~(c)~~ (3) a mortgage or other instrument that adds additional security for the same debt for which mortgage registry tax has been paid;
- ~~(d)~~ (4) a contract for the conveyance of any interest in real property, including a contract for deed;
- ~~(e)~~ (5) a mortgage secured by real property subject to the minerals production tax of sections 298.24 to 298.28;
- ~~(f)~~ The principal amount of (6) a mortgage loan made under a low and moderate income housing program, or other affordable housing program, if: (i) the mortgagee is a federal, state, or local government agency; or (ii) the assignee is a federal, state, or local government agency;
- ~~(g)~~ (7) mortgages granted by fraternal benefit societies subject to section 64B.24;
- ~~(h)~~ (8) a mortgage amendment or extension, as defined in section 287.01;
- ~~(i)~~ (9) an agricultural mortgage if the proceeds of the loan secured by the mortgage are used to acquire or improve real property classified under section 273.13, subdivision 23, paragraph (a) or (b); and
- ~~(j)~~ (10) a mortgage on an armory building as set forth in section 193.147.

**EFFECTIVE DATE.** This section is effective for mortgages recorded after June 30, 2021.

Sec. 11. Minnesota Statutes 2020, section 477A.10, is amended to read:

**477A.10 NATURAL RESOURCES LAND PAYMENTS IN LIEU; PURPOSE.**

The purposes of sections 477A.11 to 477A.14 and 477A.17 are:

(1) to compensate local units of government for the loss of tax base from state ownership of land and the need to provide services for state land;

(2) to address the disproportionate impact of state land ownership on local units of government with a large proportion of state land; and

(3) to address the need to manage state lands held in trust for the local taxing districts.

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

ARTICLE 16  
DEPARTMENT OF REVENUE POLICY AND TECHNICAL:  
SALES AND USE TAXES

Section 1. Minnesota Statutes 2020, section 289A.20, subdivision 4, is amended to read:

Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and payable to the commissioner monthly on or before the 20th day of the month following the month in which the taxable event occurred, or following another reporting period as the commissioner prescribes or as allowed under section 289A.18, subdivision 4, paragraph (f) or (g), except that use taxes due on an annual use tax return as provided under section 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

(b) A vendor having a liability of \$250,000 or more during a fiscal year ending June 30 must remit the June liability for the next year in the following manner:

(1) Two business days before June 30 of calendar year 2020 and 2021, the vendor must remit 87.5 percent of the estimated June liability to the commissioner. Two business days before June 30 of calendar year 2022 and thereafter, the vendor must remit 84.5 percent of the estimated June liability to the commissioner.

(2) On or before August 20 of the year, the vendor must pay any additional amount of tax not remitted in June.

(c) A vendor having a liability of:

(1) \$10,000 or more, but less than \$250,000 during a fiscal year ending June 30, 2013, and fiscal years thereafter, must remit by electronic means all liabilities on returns due for periods beginning in all subsequent calendar years on or before the 20th day of the month following the month in which the taxable event occurred, or on or before the 20th day of the month following the month in which the sale is reported under section 289A.18, subdivision 4; or

(2) \$250,000 or more, during a fiscal year ending June 30, 2013, and fiscal years thereafter, must remit by electronic means all liabilities in the manner provided in paragraph (a) on returns due for periods beginning in the subsequent calendar year, except for ~~90 percent~~ the percentage of the estimated June liability, as provided in paragraph (b), clause (1), which is due two business days before June 30. The remaining amount of the June liability is due on August 20.

(d) Notwithstanding paragraph (b) or (c), a person prohibited by the person's religious beliefs from paying electronically shall be allowed to remit the payment by mail. The filer must notify the commissioner of revenue of the intent to pay by mail before doing so on a form prescribed by the commissioner. No extra fee may be charged to a person making payment by mail under this paragraph. The payment must be postmarked at least two business days before the due date for making the payment in order to be considered paid on a timely basis.

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

Sec. 2. Minnesota Statutes 2020, section 295.75, subdivision 2, is amended to read:

Subd. 2. **Gross receipts tax imposed.** A tax is imposed on each liquor retailer equal to 2.5 percent of gross receipts from retail sales in Minnesota of liquor. The liquor retailer may, but is not required to, collect the tax from the purchaser. If separately stated on the invoice, bill of sale, or similar document given to the purchaser, the tax is excluded from the sales price for purposes of the tax imposed under chapter 297A.

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

Sec. 3. Minnesota Statutes 2020, section 297A.66, subdivision 3, is amended to read:

Subd. 3. **Marketplace provider liability.** (a) A marketplace provider is deemed the retailer or seller for all retail sales it facilitates, and is subject to audit on the retail sales it facilitates if it is required to collect sales and use taxes and remit them to the commissioner under subdivision 2, paragraphs (b) and (c).

(b) A marketplace provider is not liable for failing to file, collect, and remit sales and use taxes to the commissioner if the marketplace provider demonstrates that the error was due to incorrect or insufficient information given to the marketplace provider by the retailer. This paragraph does not apply if the marketplace provider and the marketplace retailer are related as defined in subdivision 4, paragraph (b).

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

Sec. 4. **REPEALER.**

Minnesota Statutes 2020, section 270C.17, subdivision 2, is repealed.

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

ARTICLE 17  
DEPARTMENT OF REVENUE POLICY AND TECHNICAL:  
SPECIAL TAXES

Section 1. Minnesota Statutes 2020, section 296A.06, subdivision 2, is amended to read:

Subd. 2. **Suspension of license.** (a) Notwithstanding subdivision 1, the license of a distributor, special fuel dealer, or bulk purchaser that has not filed a tax return or report or paid a delinquent tax or fee within five days after notice and demand by the commissioner is suspended. The suspension remains in effect until the demanded tax return or report has been filed and the tax and fees shown on that return or report have been paid. If the commissioner determines that the failure to file or failure to pay is due to reasonable cause, then a license must not be suspended, or if suspended, must be reinstated.

(b) A licensee whose license is suspended under this subdivision may request a contested case hearing under chapter 14. Any such hearing must be held within 20 days of the issuance of the notice and demand issued under paragraph (a), unless the parties agree to a later hearing date. The administrative law judge's report must be issued within 20 days after the close of the hearing record, unless the parties agree to a later report issuance date. The commissioner must issue a final decision within 30 days after receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61. The suspension imposed under paragraph (a) remains in effect during any contested case hearing process requested pursuant to this paragraph.

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

Sec. 2. Minnesota Statutes 2020, section 297F.04, subdivision 2, is amended to read:

Subd. 2. **Refusal to issue or renew; revocation.** The commissioner must not issue or renew a license under this chapter, and may revoke a license under this chapter, if the applicant or licensee:

- (1) owes \$500 or more in delinquent taxes as defined in section 270C.72, subdivision 2;
- (2) after demand, has not filed tax returns required by the commissioner;
- (3) had a cigarette or tobacco license revoked by the commissioner within the past two years;
- (4) had a sales and use tax permit revoked by the commissioner within the past two years; or
- (5) has been convicted of a crime involving cigarettes or tobacco products, including but not limited to: selling stolen cigarettes or tobacco products, receiving stolen cigarettes or tobacco products, or involvement in the smuggling of cigarettes or tobacco products.

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

Sec. 3. Minnesota Statutes 2020, section 297F.09, subdivision 10, is amended to read:

Subd. 10. **Accelerated tax payment; cigarette or tobacco products distributor.** A cigarette or tobacco products distributor having a liability of \$250,000 or more during a fiscal year ending June 30, shall remit the June liability for the next year in the following manner:

(a) Two business days before June 30 of calendar ~~years 2020 and year~~ year 2021, the distributor shall remit the actual May liability and 87.5 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner. Two business days before June 30 of calendar year 2022 and each calendar year thereafter, the distributor must remit the actual May liability and 84.5 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner.

(b) On or before August 18 of the year, the distributor shall submit a return showing the actual June liability and pay any additional amount of tax not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability required to be paid in June, less the amount remitted in June. However, the penalty is not imposed if the amount remitted in June equals ~~the lesser of:~~

(1) for calendar year 2021, the lesser of 87.5 percent of the actual June liability for ~~the that~~ calendar year 2020 and 2021 June liabilities and 84.5 of the actual June liability for June 2022 and thereafter or 87.5 percent of the May liability for that calendar year; or

(2) ~~87.5 for calendar year 2022 and each calendar year thereafter, the lesser of 84.5 percent of the preceding actual June liability for that calendar year or 84.5 percent of the May liability for the calendar year 2020 and 2021 June liabilities and 84.5 percent of the preceding May liability for June 2022 and thereafter for that calendar year.~~

(c) ~~For calendar year 2022 and thereafter, the percent of the estimated June liability the vendor must remit by two business days before June 30 is 84.5 percent.~~

**EFFECTIVE DATE.** This section is effective for estimated payments required to be made after the date following final enactment.

Sec. 4. Minnesota Statutes 2020, section 297F.13, subdivision 4, is amended to read:

Subd. 4. **Retailer and subjobber to preserve purchase invoices.** Every retailer and subjobber shall procure itemized invoices of all cigarettes or tobacco products purchased.

The retailer and subjobber shall preserve a legible copy of each invoice for one year from the date of the invoice or as long as the cigarette or tobacco product listed on the invoice is available for sale or in their possession, whichever period is longer. The retailer and subjobber shall preserve copies of the invoices at each retail location or at a central location provided that the invoice must be produced and made available at a retail location within one hour when requested by the commissioner or duly authorized agents and employees. Copies should be numbered and kept in chronological order.

To determine whether the business is in compliance with the provisions of this chapter, at any time during usual business hours, the commissioner, or duly authorized agents and employees, may enter any place of business of a retailer or subjobber without a search warrant and inspect the premises, the records required to be kept under this chapter, and the packages of cigarettes, tobacco products, and vending devices contained on the premises.

**EFFECTIVE DATE.** This section is effective for all cigarette and tobacco products available for sale or in a retailer or subjobber's possession after December 31, 2021.

Sec. 5. Minnesota Statutes 2020, section 297F.17, subdivision 1, is amended to read:

Subdivision 1. **General rule.** Except as otherwise provided in this chapter, the amount of any tax due must be assessed within 3-1/2 years after a return is filed. ~~The taxes are considered assessed within the meaning of this section when the commissioner has prepared a notice of tax assessment and mailed it to the person required to file a return to the post office address given in the return. The notice of tax assessment must be sent by mail to the post office address given in the return and the record of the mailing is presumptive evidence of the giving of such notice, and such records must be preserved by the commissioner.~~

**EFFECTIVE DATE.** This section is effective for notices of tax assessment issued after the date of final enactment.

Sec. 6. Minnesota Statutes 2020, section 297G.09, subdivision 9, is amended to read:

Subd. 9. **Accelerated tax payment; penalty.** A person liable for tax under this chapter having a liability of \$250,000 or more during a fiscal year ending June 30, shall remit the June liability for the next year in the following manner:

(a) ~~Two business days before June 30 of calendar years 2020 and year 2021, the taxpayer shall remit the actual May liability and 87.5 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner. Two business days before June 30 of calendar year 2022 and each calendar year thereafter, the distributor must remit the actual May liability and 84.5 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner.~~

(b) On or before August 18 of the year, the taxpayer shall submit a return showing the actual June liability and pay any additional amount of tax not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability required to be paid in June less the amount remitted in June. However, the penalty is not imposed if the amount remitted in June equals ~~the lesser of:~~

~~(1) for calendar year 2021, the lesser of 87.5 percent of the actual June liability for ~~the that~~ calendar year 2020 and 2021 June liabilities and 84.5 percent of the actual June liability for June 2022 and thereafter or 87.5 percent of the May liability for that calendar year; or~~

~~(2) 87.5 for calendar year 2022 and each calendar year thereafter, the lesser of 84.5 percent of the ~~preceding~~ actual June liability for that calendar year or 84.5 percent of the May liability for ~~the calendar year 2020 and 2021~~ June liabilities and 84.5 percent of the ~~preceding~~ May liability for June 2022 and thereafter for that calendar year.~~

~~(c) For calendar year 2022 and thereafter, the percent of the estimated June liability the vendor must remit by two business days before June 30 is 84.5 percent.~~

**EFFECTIVE DATE.** This section is effective for estimated payments required to be made after the date following final enactment.

Sec. 7. Minnesota Statutes 2020, section 609B.153, is amended to read:

**609B.153 CIGARETTE AND TOBACCO DISTRIBUTOR OR SUBJOBBER LICENSE; SUSPENSION OR REVOCATION.**

Under section 297F.04, the commissioner of revenue must not issue or renew a license issued under chapter 297F, and may revoke a license issued under chapter 297F, if the applicant has been convicted of a crime involving cigarettes or tobacco products.

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

ARTICLE 18  
DEPARTMENT OF REVENUE POLICY AND TECHNICAL:  
MISCELLANEOUS

Section 1. Minnesota Statutes 2020, section 270C.22, subdivision 1, is amended to read:

Subdivision 1. **Adjustment; definition; period; rounding.** (a) The commissioner shall annually make a cost of living adjustment to the dollar amounts noted in sections that reference this section. The commissioner shall adjust the amounts based on the index as provided in this section. For purposes of this section, "index" means the Chained Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics. The values of the index used to determine the adjustments under this section are the latest published values when the Bureau of Labor Statistics publishes the initial value of the index for August of the year preceding the year to which the adjustment applies.

(b) For the purposes of this section, "statutory year" means the year preceding the first year for which dollar amounts are to be adjusted for inflation under sections that reference this section. For adjustments under chapter 290A, the statutory year refers to the year in which a taxpayer's household income used to calculate refunds under chapter 290A was earned and not the year in which refunds are payable. For all other adjustments, the statutory year refers to the taxable year unless otherwise specified.

(c) To determine the dollar amounts for taxable year 2020, the commissioner shall determine the percentage change in the index for the 12-month period ending on August 31, 2019, and increase each of the unrounded dollar amounts in the sections referencing this section by that percentage change. For each subsequent taxable year, the commissioner shall increase the dollar amounts by the percentage change in the index from August 31 of the year preceding the statutory year to August 31 of the year preceding the taxable year.

(d) To determine the dollar amounts for refunds payable in 2020 under chapter 290A, the commissioner shall determine the percentage change in the index for the 12-month period ending on August 31, 2019, and increase each of the unrounded dollar amounts in the sections referencing this section by that percentage change. For each subsequent year, the commissioner shall increase the dollar amounts by the percentage change in the index from August 31 of the year preceding the statutory year to August 31 of the year preceding the year in which refunds are payable.

(e) Unless otherwise provided, the commissioner shall round the amounts as adjusted to the nearest \$10 amount. If an amount ends in \$5, the amount is rounded up to the nearest \$10 amount.

**EFFECTIVE DATE.** This section is effective retroactively for property tax refunds based on property taxes payable in 2020, and rent paid in 2019.

Sec. 2. Minnesota Statutes 2020, section 270C.445, subdivision 3, is amended to read:

Subd. 3. **Standards of conduct.** No tax preparer shall:

- (1) without good cause fail to promptly, diligently, and without unreasonable delay complete a client's return;
- (2) obtain the signature of a client to a return or authorizing document that contains blank spaces to be filled in after it has been signed;
- (3) fail to sign a client's return when compensation for services rendered has been made;
- (4) fail to provide on a client's return the preparer tax identification number when required under section 6109(a)(4) of the Internal Revenue Code or section 289A.60, subdivision 28;
- (5) fail or refuse to give a client a copy of any document requiring the client's signature within a reasonable time after the client signs the document;
- (6) fail to retain for at least four years a copy of a client's returns;
- (7) fail to maintain a confidential relationship with clients or former clients;
- (8) fail to take commercially reasonable measures to safeguard a client's nonpublic personal information;
- (9) make, authorize, publish, disseminate, circulate, or cause to make, either directly or indirectly, any false, deceptive, or misleading statement or representation relating to or in connection with the offering or provision of tax preparation services;
- (10) require a client to enter into a loan arrangement in order to complete a client's return;
- (11) claim credits or deductions on a client's return for which the tax preparer knows or reasonably should know the client does not qualify;
- (12) report a household income on a client's claim filed under chapter 290A that the tax preparer knows or reasonably should know is not accurate;

- (13) engage in any conduct that is subject to a penalty under section 289A.60, subdivision 13, 20, 20a, 26, or 28;
- (14) whether or not acting as a taxpayer representative, fail to conform to the standards of conduct required by Minnesota Rules, part 8052.0300, subpart 4;
- (15) whether or not acting as a taxpayer representative, engage in any conduct that is incompetent conduct under Minnesota Rules, part 8052.0300, subpart 5;
- (16) whether or not acting as a taxpayer representative, engage in any conduct that is disreputable conduct under Minnesota Rules, part 8052.0300, subpart 6;
- (17) charge, offer to accept, or accept a fee based upon a percentage of an anticipated refund for tax preparation services;
- (18) under any circumstances, withhold or fail to return to a client a document provided by the client for use in preparing the client's return;
- (19) ~~establish~~ take control or ownership of a client's refund by any means, including:
- (i) directly or indirectly endorsing or otherwise negotiating a check or other refund instrument, including an electronic version of a check;
- (ii) directing an electronic or direct deposit of the refund into an account unless the client's name is on the account; and
- (iii) establishing or using an account in the preparer's name to receive a client's refund through a direct deposit or any other instrument unless the client's name is also on the account, except that a taxpayer may assign the portion of a refund representing the Minnesota education credit available under section 290.0674 to a bank account without the client's name, as provided under section 290.0679;
- (20) fail to act in the best interests of the client;
- (21) fail to safeguard and account for any money handled for the client;
- (22) fail to disclose all material facts of which the preparer has knowledge which might reasonably affect the client's rights and interests;
- (23) violate any provision of section 332.37;
- (24) include any of the following in any document provided or signed in connection with the provision of tax preparation services:
- (i) a hold harmless clause;
- (ii) a confession of judgment or a power of attorney to confess judgment against the client or appear as the client in any judicial proceeding;
- (iii) a waiver of the right to a jury trial, if applicable, in any action brought by or against a debtor;
- (iv) an assignment of or an order for payment of wages or other compensation for services;
- (v) a provision in which the client agrees not to assert any claim or defense otherwise available;
- (vi) a waiver of any provision of this section or a release of any obligation required to be performed on the part of the tax preparer; or

(vii) a waiver of the right to injunctive, declaratory, or other equitable relief or relief on a class basis; or

(25) if making, providing, or facilitating a refund anticipation loan, fail to provide all disclosures required by the federal Truth in Lending Act, United States Code, title 15, in a form that may be retained by the client.

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

Amend the title accordingly

Marquart moved to amend the Davids amendment to H. F. No. 991, the second engrossment, as follows:

Pages 1 to 270, delete articles 1 to 17

Page 274, delete section 1

Renumber the sections in sequence and correct the internal references

A roll call was requested and properly seconded.

The question was taken on the Marquart amendment to the Davids amendment and the roll was called. There were 68 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Her	Lillie	Noor	Vang
Agbaje	Elkins	Hollins	Lippert	Olson, L.	Wazlawik
Bahner	Feist	Hornstein	Lislegard	Pelowski	Winkler
Becker-Finn	Fischer	Howard	Long	Pinto	Wolgamott
Berg	Frederick	Huot	Mariani	Pryor	Xiong, J.
Bernardy	Freiberg	Jordan	Marquart	Reyer	Xiong, T.
Bierman	Gomez	Keeler	Masin	Richardson	Youakim
Boldon	Greenman	Klevorn	Moller	Sandell	Spk. Hortman
Carlson	Hansen, R.	Koegel	Moran	Sandstede	
Christensen	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Davnie	Hassan	Lee	Murphy	Stephenson	
Ecklund	Hausman	Liebling	Nelson, M.	Sundin	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Davids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	West
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

The motion prevailed and the amendment to the amendment was adopted.

Dauids withdrew his amendment, as amended, to H. F. No. 991, the second engrossment.

Backer offered an amendment to H. F. No. 991, the second engrossment.

#### POINT OF ORDER

Marquart raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills, that the Backer amendment was not in order. Speaker pro tempore Wolgamott ruled the point of order well taken and the Backer amendment out of order.

Speaker pro tempore Wolgamott called Moller to the Chair.

H. F. No. 991, A bill for an act relating to financing and operation of state and local government; providing conformity and nonconformity to certain federal tax law changes; modifying individual income and corporate franchise taxes, sales and use taxes, partnership taxes, special and excise taxes, property taxes, local government aids, provisions related to local taxes, tax increment financing, public finance, and other miscellaneous taxes and tax provisions; providing for various individual and corporate additions and subtractions to income; modifying certain income tax credits and authorizing new credits; providing for a pass-through entity tax; modifying definitions for resident trusts; modifying existing and providing new sales tax exemptions; modifying vapor and tobacco tax provisions; modifying and providing certain property tax exemptions; modifying property classification provisions; allowing for certain special assessments; modifying local government aid appropriations; modifying existing local taxes and authorizing new local taxes; modifying property tax homeowners' and renters' refunds; authorizing and modifying certain tax increment financing provisions; providing for a tax expenditure review commission and the required expiration of tax expenditures; making appointments; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 3.192; 3.8853, subdivision 2; 16A.152, subdivision 2; 41B.0391, subdivisions 2, 4; 116J.8737, subdivisions 5, 12; 270.41, subdivision 3a; 270.44; 270A.03, subdivision 2; 270B.12, subdivisions 8, 9; 270B.14, by adding a subdivision; 270C.11, subdivisions 2, 4, 6; 270C.13, subdivision 1; 270C.22, subdivision 1; 270C.445, subdivisions 3, 6; 272.02, by adding a subdivision; 272.029, subdivision 2; 272.0295, subdivisions 2, 5; 272.115, subdivision 1; 273.063; 273.0755; 273.124, subdivisions 1, 3a, 6, 9, 13, 13a, 13c, 13d, 14; 273.1245, subdivision 1; 273.13, subdivisions 23, 25, 34; 273.1315, subdivision 2; 273.18; 275.025, subdivisions 1, 2; 275.065, subdivisions 1, 3, by adding subdivisions; 275.066; 287.04; 289A.02, subdivision 7; 289A.08, subdivisions 7, 11, by adding subdivisions; 289A.09, subdivision 2; 289A.20, subdivision 4; 289A.31, subdivision 1; 289A.37, subdivision 2; 289A.38, subdivisions 7, 8, 9, 10; 289A.42; 289A.60, subdivisions 15, 24; 290.01, subdivisions 19, 31, by adding a subdivision; 290.0121, subdivision 3; 290.0122, subdivisions 4, 8; 290.0131, by adding subdivisions; 290.0132, subdivision 27, by adding subdivisions; 290.0133, subdivision 6, by adding subdivisions; 290.0134, subdivision 18, by adding a subdivision; 290.06, subdivisions 2c, 2d, 22, by adding subdivisions; 290.0671, subdivisions 1, 1a, 7; 290.0674, subdivision 2a; 290.0681, subdivision 10; 290.0682; 290.0685, subdivision 1, by adding a subdivision; 290.091, subdivision 2; 290.17, by adding subdivisions; 290.21, subdivision 9, by adding a subdivision; 290.31, subdivision 1; 290.92, subdivisions 1, 2a, 3, 4b, 4c, 5, 5a, 19, 20; 290.923, subdivision 9; 290.993; 290A.03, subdivisions 3, 15; 290A.04, subdivisions 2, 2a; 290A.25; 291.005, subdivision 1; 295.75, subdivision 2; 296A.06, subdivision 2; 297A.66, subdivision 3; 297A.67, by adding a subdivision; 297A.70, subdivision 13, by adding a subdivision; 297A.71, subdivision 52, by adding a subdivision; 297A.75, subdivisions 1, 2, 3; 297A.993, subdivision 2; 297E.021, subdivision 4; 297F.01, subdivisions 19, 22b, 23, by adding subdivisions; 297F.031; 297F.04, subdivision 2; 297F.05, by adding a subdivision; 297F.09, subdivisions 3, 4a, 7, 10; 297F.10, subdivision 1; 297F.13, subdivision 4; 297F.17, subdivisions 1, 6; 297G.09, subdivision 9; 297G.16, subdivision 7; 297H.04, subdivision 2; 297H.05; 297I.05, subdivision 7; 297I.20, by adding a subdivision; 298.001, by adding a subdivision; 298.24, subdivision 1; 298.405, subdivision 1; 325F.781, subdivisions 1, 5, 6; 429.021, subdivision 1;

429.031, subdivision 3; 453A.04, subdivision 21, by adding a subdivision; 462A.38; 465.71; 469.176, by adding a subdivision; 469.1763, subdivisions 2, 3, 4; 469.319, subdivision 4; 475.56; 475.58, subdivision 3b; 475.60, subdivision 1; 475.67, subdivision 8; 477A.013, subdivision 13; 477A.03, subdivisions 2a, 2b; 477A.10; 609B.153; Laws 2009, chapter 88, article 2, section 46, subdivision 3, as amended; Laws 2017, First Special Session chapter 1, article 3, section 32, as amended; Laws 2019, First Special Session chapter 6, article 6, sections 25; 27; proposing coding for new law in Minnesota Statutes, chapters 3; 16A; 116U; 289A; 477A; proposing coding for new law as Minnesota Statutes, chapters 299O; 428B; repealing Minnesota Statutes 2020, sections 270C.17, subdivision 2; 290.01, subdivisions 7b, 19i; 290.0131, subdivision 18; 327C.01, subdivision 13; 327C.16; 469.055, subdivision 7.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Acomb	Elkins	Her	Lillie	Noor	Vang
Agbaje	Feist	Hollins	Lippert	Olson, L.	Wazlawik
Bahner	Fischer	Hornstein	Lislegard	Pinto	Winkler
Becker-Finn	Frazier	Howard	Long	Pryor	Wolgamott
Berg	Frederick	Huot	Mariani	Reyer	Xiong, J.
Bernardy	Freiberg	Jordan	Marquart	Richardson	Xiong, T.
Bierman	Gomez	Keeler	Masin	Sandell	Youakim
Boldon	Greenman	Klevorn	Moller	Sandstede	Spk. Hortman
Carlson	Hansen, R.	Koegel	Moran	Schultz	
Christensen	Hanson, J.	Kotyza-Witthuhn	Morrison	Stephenson	
Davnie	Hassan	Lee	Murphy	Sundin	
Ecklund	Hausman	Liebling	Nelson, M.	Thompson	

Those who voted in the negative were:

Akland	Daudt	Grossell	Koznick	Nelson, N.	Quam
Albright	Dauids	Gruenhagen	Kresha	Neu Brindley	Raleigh
Anderson	Demuth	Haley	Lucero	Novotny	Rasmusson
Backer	Dettmer	Hamilton	Lueck	O'Driscoll	Robbins
Bahr	Drazkowski	Heinrich	McDonald	Olson, B.	Schomacker
Baker	Edelson	Heintzeman	Mekeland	O'Neill	Scott
Bennett	Erickson	Hertaus	Miller	Pelowski	Swedzinski
Bliss	Franke	Igo	Mortensen	Petersburg	Theis
Boe	Franson	Johnson	Mueller	Pfarr	Torkelson
Burkel	Garofalo	Jurgens	Munson	Pierson	Urdahl
Daniels	Green	Kiel	Nash	Poston	West

The bill was passed and its title agreed to.

S. F. No. 959 was reported to the House.

Hansen, R., moved to amend S. F. No. 959, the third engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1076, the first engrossment:

"ARTICLE 1  
ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS

Section 1. **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023. Appropriations and cancellations for the fiscal year ending June 30, 2021, are effective the day following final enactment.

		<b><u>APPROPRIATIONS</u></b>	
		<b><u>Available for the Year</u></b>	
		<b><u>Ending June 30</u></b>	
		<b><u>2022</u></b>	<b><u>2023</u></b>
Sec. 2. <b><u>POLLUTION CONTROL AGENCY</u></b>			
Subdivision 1. <b><u>Total Appropriation</u></b>		<b><u>\$110,221,000</u></b>	<b><u>\$110,456,000</u></b>
<u>Appropriations by Fund</u>			
	<u>2022</u>	<u>2023</u>	
<u>General</u>	7,194,000	7,468,000	
<u>State Government Special</u>			
<u>Revenue</u>	75,000	75,000	
<u>Environmental</u>	88,406,000	88,367,000	
<u>Remediation</u>	14,546,000	14,546,000	

The amounts that may be spent for each purpose are specified in the following subdivisions.

The commissioner must present the agency's biennial budget for fiscal years 2024 and 2025 to the legislature in a transparent way by agency division, including the proposed budget bill and presentations of the budget to committees and divisions with jurisdiction over the agency's budget.

Subd. 2. <b><u>Environmental Analysis and Outcomes</u></b>		<b><u>15,514,000</u></b>	<b><u>15,156,000</u></b>
<u>Appropriations by Fund</u>			
	<u>2022</u>	<u>2023</u>	
<u>General</u>	214,000	224,000	
<u>Environmental</u>	15,099,000	14,731,000	
<u>Remediation</u>	201,000	201,000	

(a) \$99,000 the first year and \$109,000 the second year are from the general fund for:

(1) a municipal liaison to assist municipalities in implementing and participating in the rulemaking process for water quality standards and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the rulemaking process for water quality standards, including more-specific analysis and identification of cost-effective permitting;

(3) developing statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for municipalities to achieve permit requirements.

(b) \$205,000 the first year and \$205,000 the second year are from the environmental fund for a monitoring program under Minnesota Statutes, section 116.454.

(c) \$115,000 the first year and \$115,000 the second year are for monitoring water quality and operating assistance programs.

(d) \$347,000 the first year and \$347,000 the second year are from the environmental fund for monitoring ambient air for hazardous pollutants.

(e) \$90,000 the first year and \$90,000 the second year are from the environmental fund for duties related to harmful chemicals in children's products under Minnesota Statutes, sections 116.9401 to 116.9407. Of this amount, \$57,000 each year is transferred to the commissioner of health.

(f) \$109,000 the first year and \$109,000 the second year are from the environmental fund for registering wastewater laboratories.

(g) \$926,000 the first year and \$926,000 the second year are from the environmental fund to continue perfluorochemical biomonitoring in eastern metropolitan communities, as recommended by the Environmental Health Tracking and Biomonitoring Advisory Panel, and to address other environmental health risks, including air quality. The communities must include Hmong and other immigrant farming communities. Of this amount, up to \$689,000 the first year and \$689,000 the second year are for transfer to the Department of Health.

(h) \$51,000 the first year and \$51,000 the second year are from the environmental fund for the listing procedures for impaired waters required under this act.

(i) \$350,000 the first year is from the environmental fund for completing the St. Louis River mercury total maximum daily load study. This is a onetime appropriation.

(j) \$141,000 the second year is to implement and enforce Minnesota Statutes, section 325F.071. Of this amount, up to \$65,000 may be transferred to the commissioner of health.

(k) \$200,000 the first year and \$200,000 the second year are from the environmental fund for sampling fish and water for per- and polyfluoroalkyl substances at multiple surface waters.

(l) \$450,000 the first year and \$250,000 the second year are from the environmental fund for inventorying the types of facilities that are a potential source of per- and polyfluoroalkyl substances contamination.

(m) \$300,000 the first year and \$200,000 the second year are from the environmental fund to evaluate materials going to wastewater and solid waste facilities that result in high levels of per- and polyfluoroalkyl substances at these locations. This is a onetime appropriation.

(n) \$104,000 the first year and \$204,000 the second year are from the environmental fund for the purposes of the perfluoroalkyl and polyfluoroalkyl substances food packaging provisions under Minnesota Statutes, section 325F.075.

(o) \$226,000 the first year and \$266,000 the second year are from the environmental fund to adopt rules establishing water quality standards for perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS) as required under this act. This is a onetime appropriation and is available until June 30, 2024.

(p) \$250,000 the first year and \$250,000 the second year are from the environmental fund for the air permit community liaison required under this act.

Subd. 3. Industrial

17,233,000

17,617,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>682,000</u>	<u>682,000</u>
<u>Environmental</u>	<u>15,550,000</u>	<u>15,934,000</u>
<u>Remediation</u>	<u>1,001,000</u>	<u>1,001,000</u>

(a) \$1,001,000 the first year and \$1,001,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases

from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) \$393,000 the first year and \$393,000 the second year are from the environmental fund to further evaluate the use and reduction of trichloroethylene around Minnesota and identify its potential health effects on communities. Of this amount, up to \$121,000 each year may be transferred to the commissioner of health.

(c) \$184,000 the second year is from the environmental fund to purchase air emissions monitoring equipment to support compliance and enforcement activities. Of this amount, \$180,000 is a onetime appropriation.

(d) \$48,000 the first year and \$48,000 the second year are from the environmental fund for the purposes of the public informational meeting requirements under Minnesota Statutes, section 115.071, subdivision 3a.

(e) \$182,000 the first year and \$182,000 the second year are to adopt rules establishing procedures for issuing permits to facilities that affect environmental justice areas, as required under Minnesota Statutes, section 116.064, and for other air permitting requirements under this act. This is a onetime appropriation.

(f) \$250,000 the first year and \$250,000 the second year are from the environmental fund for the purposes of the nonexpiring state individual air quality permit requirements under Minnesota Statutes, section 116.07, subdivision 4n.

(g) \$500,000 the first year and \$500,000 the second year are for implementation of the environmental justice and cumulative impact analysis requirements under Minnesota Statutes, section 116.064. This is a onetime appropriation.

**Subd. 4. Municipal**

9,089,000

9,182,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>177,000</u>	<u>190,000</u>
<u>State Government Special</u>		
<u>Revenue</u>	<u>75,000</u>	<u>75,000</u>
<u>Environmental</u>	<u>8,837,000</u>	<u>8,917,000</u>

(a) \$177,000 the first year and \$190,000 the second year are for:

(1) a municipal liaison to assist municipalities in implementing and participating in the rulemaking process for water quality standards and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the rulemaking process for water quality standards, including more-specific analysis and identification of cost-effective permitting;

(3) developing statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for municipalities to achieve permit requirements.

(b) \$50,000 the first year and \$50,000 the second year are from the environmental fund for transfer to the Office of Administrative Hearings to establish sanitary districts.

(c) \$952,000 the first year and \$952,000 the second year are from the environmental fund for subsurface sewage treatment system (SSTS) program administration and community technical assistance and education, including grants and technical assistance to communities for water-quality protection. Of this amount, \$129,000 each year is for assistance to counties through grants for SSTS program administration. A county receiving a grant from this appropriation must submit the results achieved with the grant to the commissioner as part of its annual SSTS report. Any unexpended balance in the first year does not cancel but is available in the second year.

(d) \$784,000 the first year and \$784,000 the second year are from the environmental fund to address the need for continued increased activity in new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of Laws 2003, chapter 128, article 1, section 165.

(e) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2023, as grants or contracts for subsurface sewage treatment systems, surface water and groundwater assessments, storm water, and water-quality protection in this subdivision are available until June 30, 2026.

**Subd. 5. Operations**

10,523,000

10,404,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>2,531,000</u>	<u>2,532,000</u>
<u>Environmental</u>	<u>5,911,000</u>	<u>5,791,000</u>
<u>Remediation</u>	<u>2,081,000</u>	<u>2,081,000</u>

(a) \$1,003,000 the first year and \$1,003,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) \$2,531,000 the first year and \$2,532,000 the second year are to support agency information technology services provided at the enterprise and agency level.

(c) \$800,000 the first year and \$800,000 the second year are from the environmental fund to develop and maintain systems to support permitting and regulatory business processes and agency data.

(d) \$133,000 the first year is from the environmental fund for the seed disposal rulemaking required under this act. This is a onetime appropriation and is available until June 30, 2023.

(e) The base for the remediation fund in fiscal year 2025 is \$1,901,000.

**Subd. 6. Remediation**

11,537,000

11,537,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>Environmental</u>	<u>508,000</u>	<u>508,000</u>
<u>Remediation</u>	<u>11,029,000</u>	<u>11,029,000</u>

(a) All money for environmental response, compensation, and compliance in the remediation fund not otherwise appropriated is appropriated to the commissioners of the Pollution Control Agency and agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (6), and (7). At the beginning of each fiscal year, the two commissioners must jointly submit to the commissioner of management and budget an annual spending plan that maximizes resource use and appropriately allocates the money between the two departments. This appropriation is available until June 30, 2023.

(b) \$363,000 the first year and \$363,000 the second year are from the environmental fund to manage contaminated sediment projects at multiple sites identified in the St. Louis River remedial action plan to restore water quality in the St. Louis River Area of Concern.

(c) \$3,198,000 the first year and \$3,198,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(d) \$257,000 the first year and \$257,000 the second year are from the remediation fund for transfer to the commissioner of health for private water-supply monitoring and health assessment costs in areas contaminated by unpermitted mixed municipal solid waste disposal facilities and drinking water advisories and public information activities for areas contaminated by hazardous releases.

**Subd. 7. Resource Management and Assistance**

35,483,000

35,668,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>550,000</u>	<u>800,000</u>
<u>Environmental</u>	<u>34,933,000</u>	<u>34,868,000</u>

(a) Up to \$150,000 the first year and \$150,000 the second year may be transferred from the environmental fund to the small business environmental improvement loan account under Minnesota Statutes, section 116.993.

(b) \$1,000,000 the first year and \$1,000,000 the second year are for competitive recycling grants under Minnesota Statutes, section 115A.565. Of this amount, \$300,000 the first year and \$300,000 the second year are from the general fund, and \$700,000 the first year and \$700,000 the second year are from the environmental fund. This appropriation is available until June 30, 2025.

(c) \$694,000 the first year and \$694,000 the second year are from the environmental fund for emission-reduction activities and grants to small businesses and other nonpoint-emission-reduction efforts. Of this amount, \$100,000 the first year and \$100,000 the second year are to continue work with Clean Air Minnesota, and the commissioner may enter into an agreement with Environmental Initiative to support this effort.

(d) \$17,750,000 the first year and \$17,750,000 the second year are from the environmental fund for SCORE block grants to counties.

(e) \$119,000 the first year and \$119,000 the second year are from the environmental fund for environmental assistance grants or loans under Minnesota Statutes, section 115A.0716.

(f) \$400,000 the first year and \$400,000 the second year are from the environmental fund for grants to develop and expand recycling markets for Minnesota businesses.

(g) \$750,000 the first year and \$750,000 the second year are from the environmental fund for reducing and diverting food waste, redirecting edible food for consumption, and removing barriers to collecting and recovering organic waste. Of this amount, \$500,000 each year is for grants to increase food rescue and waste prevention. This appropriation is available until June 30, 2025.

(h) \$250,000 the first year and \$500,000 the second year are from the environmental fund for the establishment and implementation of a climate adaptation and resiliency program including technical assistance and grants to local governmental units and Tribal governments. The base for this appropriation is \$1,000,000 in fiscal year 2024 and beyond.

(i) \$100,000 the first year is from the environmental fund for the carpet stewardship report required under this act.

(j) All money deposited in the environmental fund for the metropolitan solid waste landfill fee in accordance with Minnesota Statutes, section 473.843, and not otherwise appropriated, is appropriated for the purposes of Minnesota Statutes, section 473.844.

(k) Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2023, as contracts or grants for environmental assistance awarded under Minnesota Statutes, section 115A.0716; technical and research assistance under Minnesota Statutes, section 115A.152; technical assistance under Minnesota Statutes, section 115A.52; and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2025.

Subd. 8. Watershed

9,568,000

9,618,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
General	<u>1,959,000</u>	<u>1,959,000</u>
Environmental	<u>7,375,000</u>	<u>7,425,000</u>
Remediation	<u>234,000</u>	<u>234,000</u>

(a) \$1,959,000 the first year and \$1,959,000 the second year are for grants to delegated counties to administer the county feedlot program under Minnesota Statutes, section 116.0711, subdivisions 2 and 3. Money remaining after the first year is available for the second year.

(b) \$208,000 the first year and \$208,000 the second year are from the environmental fund for the costs of implementing general operating permits for feedlots over 1,000 animal units.

(c) \$122,000 the first year and \$122,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

**Subd. 9. Environmental Quality Board**

1,274,000

1,274,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
General	<u>1,081,000</u>	<u>1,081,000</u>
Environmental	<u>193,000</u>	<u>193,000</u>

**Subd. 10. Transfers**

(a) The commissioner must transfer up to \$25,000,000 the first year and \$22,000,000 the second year from the environmental fund to the remediation fund for purposes of the remediation fund under Minnesota Statutes, section 116.155, subdivision 2.

(b) Beginning in fiscal year 2024, the commissioner of management and budget must transfer \$1,125,000 each year from the general fund to the metropolitan landfill contingency action trust account in the remediation fund to restore the money transferred from the account as intended under Laws 2003, chapter 128, article 1, section 10, paragraph (e), and Laws 2005, First Special Session chapter 1, article 3, section 17.

**Sec. 3. NATURAL RESOURCES**

**Subdivision 1. Total Appropriation**

**\$333,372,000**

**\$326,677,000**

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
General	<u>101,880,000</u>	<u>96,576,000</u>
Natural Resources	<u>115,448,000</u>	<u>114,308,000</u>
Game and Fish	<u>114,912,000</u>	<u>114,661,000</u>
Remediation	<u>114,000</u>	<u>114,000</u>
Permanent School	<u>1,018,000</u>	<u>1,018,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

**Subd. 2. Land and Mineral Resources Management**6,479,0006,506,000Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>1,874,000</u>	<u>1,901,000</u>
<u>Natural Resources</u>	<u>4,043,000</u>	<u>4,043,000</u>
<u>Game and Fish</u>	<u>344,000</u>	<u>344,000</u>
<u>Permanent School</u>	<u>218,000</u>	<u>218,000</u>

(a) \$319,000 the first year and \$319,000 the second year are for environmental research relating to mine permitting, of which \$200,000 each year is from the minerals management account and \$119,000 each year is from the general fund.

(b) \$3,083,000 the first year and \$3,083,000 the second year are from the minerals management account in the natural resources fund for use as provided under Minnesota Statutes, section 93.2236, paragraph (c), for mineral resource management, projects to enhance future mineral income, and projects to promote new mineral-resource opportunities.

(c) \$218,000 the first year and \$218,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund to secure maximum long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

(d) \$338,000 the first year and \$338,000 the second year are from the water management account in the natural resources fund for mining hydrology.

(e) \$42,000 of the fiscal year 2021 general fund appropriations under Laws 2019, First Special Session chapter 4, article 1, section 3, subdivision 2, is canceled.

**Subd. 3. Ecological and Water Resources**45,537,00042,263,000Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>23,547,000</u>	<u>20,773,000</u>
<u>Natural Resources</u>	<u>16,466,000</u>	<u>15,966,000</u>
<u>Game and Fish</u>	<u>5,524,000</u>	<u>5,524,000</u>

(a) \$6,722,000 the first year and \$6,722,000 the second year are from the invasive species account in the natural resources fund and \$2,831,000 the first year and \$2,831,000 the second year are from

the general fund for management, public awareness, assessment and monitoring research, and water access inspection to prevent the spread of invasive species; management of invasive plants in public waters; and management of terrestrial invasive species on state-administered lands. Of the amount from the invasive species account, at least \$500,000 each year is for grants to lake associations to manage aquatic invasive plant species.

(b) \$5,556,000 the first year and \$5,556,000 the second year are from the water management account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 103G.27, subdivision 2.

(c) \$124,000 the first year and \$124,000 the second year are for a grant to the Mississippi Headwaters Board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under the board's jurisdiction.

(d) \$10,000 the first year and \$10,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement the band's portion of the comprehensive plan for the upper Mississippi River.

(e) \$264,000 the first year and \$264,000 the second year are for grants for up to 50 percent of the cost of implementing the Red River mediation agreement.

(f) \$2,298,000 the first year and \$2,298,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(g) \$1,485,000 the first year and \$985,000 the second year are from the nongame wildlife management account in the natural resources fund for nongame wildlife management. Notwithstanding Minnesota Statutes, section 290.431, \$100,000 the first year and \$100,000 the second year may be used for nongame wildlife information, education, and promotion.

(h) Notwithstanding Minnesota Statutes, section 84.943, \$25,000 the first year and \$25,000 the second year from the critical habitat private sector matching account may be used to publicize the critical habitat license plate match program.

(i) \$6,000,000 the first year and \$6,000,000 the second year are for the following activities:

(1) financial reimbursement and technical support to soil and water conservation districts or other local units of government for groundwater-level monitoring;

(2) surface water monitoring and analysis, including installing monitoring gauges;

(3) groundwater analysis to assist with water-appropriation permitting decisions;

(4) permit application review incorporating surface water and groundwater technical analysis;

(5) precipitation data and analysis to improve irrigation use;

(6) information technology, including electronic permitting and integrated data systems; and

(7) compliance and monitoring.

(j) \$410,000 the first year and \$410,000 the second year are from the heritage enhancement account in the game and fish fund for grants to the Minnesota Aquatic Invasive Species Research Center at the University of Minnesota to prioritize, support, and develop research-based solutions that can reduce the effects of aquatic invasive species in Minnesota by preventing spread, controlling populations, and managing ecosystems and to advance knowledge to inspire action by others.

(k) \$1,000,000 the first year and \$1,000,000 the second year are from the invasive species research account in the natural resources fund for grants for the Minnesota Aquatic Invasive Species Research Center.

(l) \$3,000,000 the first year is for a grant to assist Red Lake Nation in addressing aquatic invasive species in and around Upper and Lower Red Lake. This is a onetime appropriation and is available until June 30, 2023.

(m) \$449,000 the first year and \$449,000 the second year are for water-use permit public meetings required under Minnesota Statutes, section 103G.271, subdivision 2a.

(n) \$1,308,000 the first year and \$1,308,000 the second year are for additional research, monitoring, and other activities to determine whether water use is sustainable under Minnesota Statutes, section 103G.287, subdivision 5.

(o) \$427,000 of the fiscal year 2021 general fund appropriations under Laws 2019, First Special Session chapter 4, article 1, section 3, subdivision 3, is canceled.

**Subd. 4. Forest Management**54,860,00054,615,000Appropriations by Fund

	<u>2022</u>	<u>2023</u>
General	<u>36,782,000</u>	<u>36,537,000</u>
Natural Resources	<u>16,661,000</u>	<u>16,661,000</u>
Game and Fish	<u>1,417,000</u>	<u>1,417,000</u>

(a) \$7,521,000 the first year and \$7,521,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. The amount necessary to pay for presuppression and suppression costs during the biennium is appropriated from the general fund. By January 15 of each year, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the house and senate committees and divisions having jurisdiction over environment and natural resources finance that identifies all firefighting costs incurred and reimbursements received in the prior fiscal year. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations must be deposited into the general fund.

(b) \$15,386,000 the first year and \$15,386,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2.

(c) \$1,417,000 the first year and \$1,417,000 the second year are from the heritage enhancement account in the game and fish fund to advance ecological classification systems (ECS) scientific management tools for forest and invasive species management.

(d) \$855,000 the first year and \$863,000 the second year are for the Forest Resources Council to implement the Sustainable Forest Resources Act.

(e) \$1,143,000 the first year and \$1,143,000 the second year are for the Next Generation Core Forestry data system. Of this appropriation, \$868,000 is from the general fund and \$275,000 from the forest management investment account in the natural resources fund.

(f) \$500,000 the first year and \$500,000 the second year are from the forest management investment account in the natural resources fund for forest road maintenance on state forest roads.

(g) \$500,000 the first year and \$500,000 the second year are for forest road maintenance on county forest roads.

(h) \$500,000 the first year and \$500,000 the second year are from the forest management investment account in the natural resources fund for collecting light detection and ranging data for forest inventory. This is a onetime appropriation and is available until June 30, 2024.

(i) \$1,300,000 the first year and \$1,300,000 the second year are for increasing carbon sequestration by increasing seed collection and conservation-grade tree seedling production at the state forest nursery and providing cost-share incentives to increase tree planting.

(j) \$750,000 the first year and \$1,000,000 the second year are for grants to local units of government to develop community ash management plans; to identify and convert ash stands to more diverse, climate-adapted species; and to replace removed ash trees. Grants awarded under this paragraph may cover up to 75 percent of eligible costs and may not exceed \$500,000. Matching grants provided through this appropriation are available to cities, counties, regional authorities, joint powers boards, towns, Tribal nations, and parks and recreation boards in cities of the first class. The commissioner, in consultation with the commissioner of agriculture, must establish appropriate criteria to determine funding priorities between submitted requests and to determine activities and expenses that qualify to meet local match requirements. Money appropriated for grants under this paragraph may be used to pay reasonable costs incurred by the commissioner of natural resources to administer the grants.

(k) \$1,075,000 the first year is to refund timber permit payments as provided under this act.

(l) \$751,000 of the fiscal year 2021 general fund appropriations under Laws 2019, First Special Session chapter 4, article 1, section 3, subdivision 4, is canceled.

**Subd. 5. Parks and Trails Management**

93,341,000

93,294,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>27,563,000</u>	<u>27,876,000</u>
<u>Natural Resources</u>	<u>63,478,000</u>	<u>63,118,000</u>
<u>Game and Fish</u>	<u>2,300,000</u>	<u>2,300,000</u>

(a) \$7,935,000 the first year and \$6,435,000 the second year are from the natural resources fund for state trail, park, and recreation area operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (2).

(b) \$19,198,000 the first year and \$19,533,000 the second year are from the state parks account in the natural resources fund to operate and maintain state parks and state recreation areas.

(c) \$1,190,000 the first year and \$1,190,000 the second year are from the natural resources fund for park and trail grants to local units of government on land to be maintained for at least 20 years for parks or trails. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (4). Any unencumbered balance does not cancel at the end of the first year and is available for the second year. The base for this appropriation for fiscal year 2024 and beyond is \$890,000.

(d) \$9,624,000 the first year and \$9,624,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for the snowmobile grants-in-aid program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) \$2,435,000 the first year and \$2,435,000 the second year are from the natural resources fund for the off-highway vehicle grants-in-aid program. Of this amount, \$1,960,000 each year is from the all-terrain vehicle account; \$150,000 each year is from the off-highway motorcycle account; and \$325,000 each year is from the off-road vehicle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) \$1,250,000 the first year and \$2,250,000 the second year are from the state land and water conservation account in the natural resources fund for priorities established by the commissioner for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 84.0264, and the federal Land and Water Conservation Fund Act. To the extent allowable under federal law, the commissioner must prioritize projects that are in environmental justice areas or otherwise increase environmental justice. Any unencumbered balance does not cancel at the end of the first year and is available for the second year. The base for this appropriation for fiscal year 2024 and beyond is \$2,500,000.

(g) \$250,000 the first year and \$250,000 the second year are for matching grants for local parks and outdoor recreation areas under Minnesota Statutes, section 85.019, subdivision 2.

(h) \$250,000 the first year and \$250,000 the second year are for matching grants for local trail connections under Minnesota Statutes, section 85.019, subdivision 4c.

(i) \$450,000 the first year and \$500,000 the second year are from the all-terrain vehicle account in the natural resources fund for a grant to St. Louis County to match other funding sources for design, right-of-way acquisition, permitting, and construction of Phase I of the Voyageur Country ATV Trail connections in the areas of Cook, Orr, Ash River, Kabetogama Township, and International Falls to the Voyageur Country ATV Trail system. This is a onetime appropriation and is available until June 30, 2025.

(j) \$455,000 the first year and \$500,000 the second year are from the all-terrain vehicle account in the natural resources fund for a grant to the city of Ely for new trail connections and a new bridge across the Beaver River connecting the Prospector trail system to the Taconite State Trail. This is a onetime appropriation and is available until June 30, 2025.

(k) \$250,000 the first year is from the all-terrain vehicle account in the natural resources fund for a statewide all-terrain vehicle (ATV) trails master plan broken out by the Department of Natural Resources' administrative regions and for an ATV trails and route inventory from all cooperating agencies with available data broken out by the Department of Natural Resources' administrative regions. The ATV master plan and inventory must be completed by February 1, 2023.

(l) \$2,390,000 the first year and \$2,350,000 the second year are from the water recreation account in the natural resources fund for maintaining and enhancing public water-access facilities.

(m) \$614,000 of the fiscal year 2021 general fund appropriations under Laws 2019, First Special Session chapter 4, article 1, section 3, subdivision 5, is canceled.

**Subd. 6. Fish and Wildlife Management**

79,456,000

78,459,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>1,179,000</u>	<u>432,000</u>
<u>Natural Resources</u>	<u>1,982,000</u>	<u>1,982,000</u>
<u>Game and Fish</u>	<u>76,295,000</u>	<u>76,045,000</u>

(a) \$8,658,000 the first year and \$8,658,000 the second year are from the heritage enhancement account in the game and fish fund only for activities specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1). Notwithstanding Minnesota Statutes, section 297A.94, five percent of this appropriation may be used for expanding hunter and angler recruitment and retention.

(b) \$1,029,000 the first year and \$279,000 the second year are from the general fund and \$1,675,000 the first year and \$1,675,000 the second year are from the game and fish fund for planning for and emergency response to disease outbreaks in wildlife. Of the general fund appropriation, \$250,000 is for the chronic wasting disease adopt-a-dumpster program. The commissioner and the Board of Animal Health must each submit quarterly reports on chronic wasting disease activities funded in this biennium to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and agriculture.

(c) \$250,000 the first year is from the emergency deer feeding and wild Cervidae health management account in the game and fish fund for the chronic wasting disease adopt-a-dumpster program. This is a onetime appropriation and is available until June 30, 2023.

(d) \$8,546,000 the first year and \$8,546,000 the second year are from the deer management account for the purposes identified in Minnesota Statutes, section 97A.075, subdivision 1.

(e) \$150,000 the first year and \$150,000 the second year are for grants for natural-resource-based education and recreation programs serving youth under Minnesota Statutes, section 84.976. The base for this appropriation in fiscal year 2024 and beyond is \$250,000.

(f) \$6,000 of the fiscal year 2021 general fund appropriations under Laws 2019, First Special Session chapter 4, article 1, section 3, subdivision 6, is canceled.

Subd. 7. Enforcement

49,302,000

49,173,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>7,998,000</u>	<u>7,870,000</u>
<u>Natural Resources</u>	<u>12,158,000</u>	<u>12,158,000</u>
<u>Game and Fish</u>	<u>29,032,000</u>	<u>29,031,000</u>
<u>Remediation</u>	<u>114,000</u>	<u>114,000</u>

(a) \$1,718,000 the first year and \$1,718,000 the second year are from the general fund for enforcement efforts to prevent the spread of aquatic invasive species.

(b) \$1,580,000 the first year and \$1,580,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(c) \$1,082,000 the first year and \$1,082,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) \$315,000 the first year and \$315,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for grants to local law enforcement agencies for snowmobile enforcement activities. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) \$250,000 the first year and \$250,000 the second year are from the all-terrain vehicle account in the natural resources fund for grants to qualifying organizations to assist in safety and environmental education and monitoring trails on public lands under Minnesota Statutes, section 84.9011. Grants issued under this paragraph must be issued through a formal agreement with the organization. By December 15 each year, an organization receiving a grant under this paragraph must report to the commissioner with details on expenditures and outcomes from the grant. Of this appropriation, \$25,000 each year is for administering these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) \$510,000 the first year and \$510,000 the second year are from the natural resources fund for grants to county law enforcement agencies for off-highway vehicle enforcement and public education activities based on off-highway vehicle use in the county. Of this amount, \$498,000 each year is from the all-terrain vehicle account, \$11,000 each year is from the off-highway motorcycle account, and \$1,000 each year is from the off-road vehicle account. The county enforcement agencies may use money received under this appropriation to make grants to other local enforcement agencies within the county that have a high concentration of off-highway vehicle use. Of this appropriation, \$25,000 each year is for administering these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(g) \$176,000 the first year and \$176,000 the second year are from the game and fish fund for an ice safety program.

(h) \$250,000 the first year is for implementing the transition of the farmed Cervidae program from the Board of Animal Health to the Department of Natural Resources as required under this act. This is a onetime appropriation and is available until June 30, 2023.

(i) \$1,453,000 the first year and \$1,453,000 the second year are for Enforcement Division salary increases. Of this amount, \$258,000 is from the general fund, \$303,000 is from the natural resources fund, \$889,000 is from the game and fish fund, and \$3,000 is from the remediation fund.

(j) \$168,000 of the fiscal year 2021 general fund appropriations under Laws 2019, First Special Session chapter 4, article 1, section 3, subdivision 7, is canceled.

**Subd. 8. Operations Support**

2,750,000

1,000,000

(a) \$2,000,000 the first year is for legal costs. Of this amount, up to \$1,000,000 the first year may be transferred to the Minnesota Pollution Control Agency. This is a onetime appropriation and is available until June 30, 2025.

(b) \$750,000 the first year and \$1,000,000 the second year are for information technology security and modernization.

**Subd. 9. Pass Through Funds**

1,647,000

1,367,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>187,000</u>	<u>187,000</u>
<u>Natural Resources</u>	<u>660,000</u>	<u>380,000</u>
<u>Permanent School</u>	<u>800,000</u>	<u>800,000</u>

(a) \$660,000 the first year and \$380,000 the second year are from the natural resources fund for grants to be divided equally between the city of St. Paul for the Como Park Zoo and Conservatory and the city of Duluth for the Lake Superior Zoo. This appropriation is from revenue deposited to the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (5).

(b) \$187,000 the first year and \$187,000 the second year are for the Office of School Trust Lands.

(c) \$500,000 the first year and \$500,000 the second year are from the forest suspense account in the permanent school fund for transaction and project management costs for sales and exchanges of school trust lands within Boundary Waters Canoe Area Wilderness. The base for this appropriation is \$250,000 in fiscal year 2024 and \$150,000 in fiscal year 2025.

(d) \$300,000 the first year and \$300,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund for the Office of School Trust Lands.

**Subd. 10. ATV Trail Extensions**

(a) The availability of the portion of the appropriation in Laws 2019, First Special Session chapter 4, article 1, section 3, subdivision 5, paragraph (l), that is for a grant to St. Louis County to design, plan, permit, acquire right-of-way for, and construct Voyageur Country ATV Trail from Buyck to Holm Logging Road and to Shuster Road toward Cook, is extended to June 30, 2023.

(b) The availability of the appropriation in Laws 2019, First Special Session chapter 4, article 1, section 3, subdivision 5, paragraph (n), for grants to St. Louis County for the Quad Cities ATV Club trail construction program, including planning, design, environmental permitting, right-of-way acquisition, and construction, is extended to June 30, 2023.

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

**Sec. 4. BOARD OF WATER AND SOIL RESOURCES****\$16,470,000****\$16,565,000**

(a) \$3,423,000 the first year and \$3,423,000 the second year are for natural resources block grants to local governments to implement the Wetland Conservation Act and shoreland management program under Minnesota Statutes, chapter 103F, and local water management responsibilities under Minnesota Statutes, chapter 103B. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate.

(b) \$3,116,000 the first year and \$3,116,000 the second year are for grants and payments to soil and water conservation districts for the purposes of Minnesota Statutes, sections 103C.321 and 103C.331, and for general purposes, nonpoint engineering, and implementation and stewardship of the reinvest in Minnesota reserve program. Expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts. Any district receiving a payment under this paragraph must maintain a web page that publishes, at a minimum, its annual report, annual audit, annual budget, and meeting notices.

(c) \$761,000 the first year and \$761,000 the second year are to implement, enforce, and provide oversight for the Wetland Conservation Act, including administering the wetland banking program and in-lieu fee mechanism.

(d) \$1,560,000 the first year and \$1,560,000 the second year are for the following programs:

(1) \$260,000 each year is for the feedlot water quality cost-sharing program for feedlots under 500 animal units and nutrient and manure management projects in watersheds where there are impaired waters;

(2) \$1,200,000 each year is for cost-sharing programs of soil and water conservation districts for accomplishing projects and practices consistent with Minnesota Statutes, section 103C.501, including perennially vegetated riparian buffers, erosion control, water retention and treatment, and other high-priority conservation practices; and

(3) \$100,000 each year is for county cooperative weed management programs and to restore native plants in selected invasive species management sites.

(e) \$166,000 the first year and \$166,000 the second year are to provide technical assistance to local drainage management officials and for the costs of the Drainage Work Group. The board must coordinate with the Drainage Work Group according to Minnesota Statutes, section 103B.101, subdivision 13.

(f) \$100,000 the first year and \$100,000 the second year are for a grant to the Red River Basin Commission for water quality and floodplain management, including administration of programs. This appropriation must be matched by nonstate funds.

(g) \$140,000 the first year and \$140,000 the second year are for grants to Area II Minnesota River Basin Projects for floodplain management.

(h) \$125,000 the first year and \$125,000 the second year are for conservation easement stewardship.

(i) \$240,000 the first year and \$240,000 the second year are for a grant to the Lower Minnesota River Watershed District to defray the annual cost of operating and maintaining sites for dredge spoil to sustain the state, national, and international commercial and recreational navigation on the lower Minnesota River.

(j) The Lower Minnesota River Watershed District may use up to \$111,000 from money appropriated in either fiscal year under Laws 2019, First Special Session chapter 4, article 1, section 4, paragraph (j), to cover costs associated with the Seminary Fen Stabilization Project to reduce sedimentation to Seminary Fen and the Minnesota River.

(k) \$500,000 the first year and \$500,000 the second year are for the soil health program under Minnesota Statutes, section 103F.06.

(l) \$500,000 the first year and \$500,000 the second year are for the water quality and storage program under Minnesota Statutes, section 103F.05.

(m) \$500,000 the first year and \$500,000 the second year are for the lawns to legumes program under Minnesota Statutes, section 103B.104.

(n) Notwithstanding Minnesota Statutes, section 103C.501, the board may shift money in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address accountability, oversight, local government performance, or high-priority needs identified in local water management plans or comprehensive watershed management plans.

(o) The appropriations for grants and payments in this section are available until June 30, 2025, except returned grants and payments are available for two years after they are returned or regranted, whichever is later. Funds must be regranted consistent with the purposes of this section. If an appropriation for grants in either year is insufficient, the appropriation in the other year is available for it.

(p) Notwithstanding Minnesota Statutes, section 16B.97, grants awarded from appropriations in this section are exempt from the Department of Administration, Office of Grants Management Policy 08-08 Grant Payments and 08-10 Grant Monitoring.

Sec. 5. **METROPOLITAN COUNCIL**

**\$10,640,000**

**\$10,640,000**

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>2,540,000</u>	<u>2,540,000</u>
<u>Natural Resources</u>	<u>8,100,000</u>	<u>8,100,000</u>

(a) \$2,540,000 the first year and \$2,540,000 the second year are for metropolitan-area regional parks operation and maintenance according to Minnesota Statutes, section 473.351.

(b) \$8,100,000 the first year and \$8,100,000 the second year are from the natural resources fund for metropolitan-area regional parks and trails maintenance and operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (3). The base for this appropriation is \$6,600,000 in fiscal year 2024 and beyond.

Sec. 6. **CONSERVATION CORPS MINNESOTA**

**\$945,000**

**\$945,000**

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>455,000</u>	<u>455,000</u>
<u>Natural Resources</u>	<u>490,000</u>	<u>490,000</u>

Conservation Corps Minnesota may receive money appropriated from the natural resources fund under this section only as provided in an agreement with the commissioner of natural resources.

Sec. 7. **ZOOLOGICAL BOARD**

**\$16,079,000**

**\$13,959,000**

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>15,749,000</u>	<u>13,769,000</u>
<u>Natural Resources</u>	<u>330,000</u>	<u>190,000</u>

(a) \$330,000 the first year and \$190,000 the second year are from the natural resources fund from revenue deposited under Minnesota Statutes, section 297A.94, paragraph (h), clause (5).

(b) The general fund current law base is \$10,267,000 per year in fiscal years 2024 and 2025.

Sec. 8. **SCIENCE MUSEUM**

**\$3,018,000**

**\$1,079,000**

Sec. 9. **EXPLORE MINNESOTA TOURISM**

**\$15,184,000**

**\$14,523,000**

(a) \$500,000 the first year and \$500,000 the second year must be matched from nonstate sources to develop maximum private sector involvement in tourism. Each \$1 of state incentive must be matched with \$6 of private sector money. "Matched" means revenue to the state or documented cash expenditures directly expended to support Explore Minnesota Tourism programs. Up to one-half of the private sector contribution may be in-kind or soft match. The incentive in fiscal year 2022 is based on fiscal year 2021 private sector contributions. The incentive in fiscal year 2023 is based on fiscal year 2022 private sector contributions. This incentive is ongoing.

(b) Money for marketing grants is available either year of the biennium. Unexpended grant money from the first year is available in the second year.

(c) \$100,000 each year is for a grant to the Northern Lights International Music Festival.

(d) \$750,000 the first year is for an events assistance grant program. Of this amount, \$250,000 is for a grant to the Grand Portage Band to focus tourism to Grand Portage.

Sec. 10. Laws 2019, First Special Session chapter 4, article 1, section 3, subdivision 4, is amended to read:

Subd. 4. **Forest Management** 50,668,000 50,603,000

Appropriations by Fund

	2020	2021
General	33,651,000	33,300,000
Natural Resources	15,619,000	15,886,000
Game and Fish	1,398,000	1,417,000

(a) \$7,521,000 the first year and \$7,521,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. The amount necessary to pay for presuppression and suppression costs during the biennium is appropriated from the general fund. By January 15 of each year, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the house and senate committees and divisions having jurisdiction over environment and natural resources finance that identifies all firefighting costs incurred and reimbursements received in the prior fiscal year. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations must be deposited into the general fund.

(b) \$13,869,000 the first year and \$14,136,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2.

(c) \$1,398,000 the first year and \$1,417,000 the second year are from the heritage enhancement account in the game and fish fund to advance ecological classification systems (ECS) scientific management tools for forest and invasive species management.

(d) \$836,000 the first year and \$847,000 the second year are for the Forest Resources Council to implement the Sustainable Forest Resources Act.

(e) \$1,131,000 the first year and \$1,131,000 the second year are for the Next Generation Core Forestry data system. For fiscal year 2022 and later, the distribution for this appropriation is \$868,000 from the general fund and \$275,000 from the forest management investment account in the natural resources fund.

(f) \$500,000 the first year and \$500,000 the second year are from the forest management investment account in the natural resources fund for forest road maintenance on state forest roads.

(g) \$500,000 the first year and \$500,000 the second year are for forest road maintenance on county forest roads.

(h) \$700,000 the first or second year is for grants to local units of government to develop community ash management plans; to identify and convert ash stands to more diverse, climate-adapted species; and to replace removed ash trees. This is a onetime appropriation.

(i) Grants awarded under paragraph (h) may cover up to 75 percent of eligible costs and may not exceed \$500,000. Matching grants provided through the appropriation are available to cities, counties, regional authorities, joint powers boards, towns, and parks and recreation boards in cities of the first class. The commissioner, in consultation with the commissioner of agriculture, must establish appropriate criteria for determining funding priorities between submitted requests and to determine activities and expenses that qualify to meet local match requirements. Money appropriated for grants under paragraph (h) may be used to pay reasonable costs incurred by the commissioner of natural resources to administer paragraph (h).

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

Sec. 11. Laws 2019, First Special Session chapter 4, article 1, section 3, subdivision 5, is amended to read:

Subd. 5. <b>Parks and Trails Management</b>	90,858,000	88,194,000
Appropriations by Fund		
	2020	2021
General	26,968,000	27,230,000
Natural Resources	61,598,000	58,664,000
Game and Fish	2,292,000	2,300,000

(a) \$1,075,000 the first year and \$1,075,000 the second year are from the water recreation account in the natural resources fund for maintaining and enhancing public water-access facilities.

(b) \$6,344,000 the first year and \$6,435,000 the second year are from the natural resources fund for state trail, park, and recreation area operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (2).

(c) \$18,552,000 the first year and \$18,828,000 the second year are from the state parks account in the natural resources fund to operate and maintain state parks and state recreation areas.

(d) \$890,000 the first year and \$890,000 the second year are from the natural resources fund for park and trail grants to local units of government on land to be maintained for at least 20 years for parks or trails. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (4). Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) \$9,624,000 the first year and \$9,624,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for the snowmobile grants-in-aid program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) \$1,835,000 the first year and \$2,135,000 the second year are from the natural resources fund for the off-highway vehicle grants-in-aid program. Of this amount, \$1,360,000 the first year and \$1,660,000 the second year are from the all-terrain vehicle account; \$150,000 each year is from the off-highway motorcycle account; and \$325,000 each year is from the off-road vehicle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

~~(g) \$116,000 the first year and \$117,000 the second year are from the cross country ski account in the natural resources fund for grooming and maintaining cross country ski trails in state parks, trails, and recreation areas.~~

~~(h)~~ (g) \$266,000 the first year and \$269,000 the second year are from the state land and water conservation account in the natural resources fund for priorities established by the commissioner for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 84.0264, and the federal Land and Water Conservation Fund Act. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

~~(i)~~ (h) \$250,000 the first year and \$250,000 the second year are for matching grants for local parks and outdoor recreation areas under Minnesota Statutes, section 85.019, subdivision 2.

~~(j)~~ (i) \$250,000 the first year and \$250,000 the second year are for matching grants for local trail connections under Minnesota Statutes, section 85.019, subdivision 4c.

~~(k)~~ (j) \$600,000 the first year is from the off-road vehicle account for off-road vehicle touring routes and trails. Of this amount:

(1) \$200,000 is for a contract with a project administrator to assist the commissioner in planning, designing, and providing a system of state touring routes and trails for off-road vehicles by

identifying sustainable, legal routes suitable for licensed four-wheel drive vehicles and a system of recreational trails for registered off-road vehicles. Any portion of this appropriation not used for the project administrator is available for signage or promotion and implementation of the system. This is a onetime appropriation.

(2) \$200,000 is for a contract and related work to prepare a comprehensive, statewide, strategic master plan for off-road vehicle touring routes and trails. This is a onetime appropriation and is available until June 30, 2022. Any portion of this appropriation not used for the master plan is returned to the off-road vehicle account. At a minimum, the plan must: identify opportunities to develop or enhance new, high-quality, comprehensive touring routes and trails for off-road vehicles in a system that serves regional and tourist destinations; enhance connectivity with touring routes and trails for off-road vehicles; provide opportunities for promoting economic development in greater Minnesota; help people connect with the outdoors in a safe and environmentally sustainable manner; create new and support existing opportunities for social, economic, and cultural benefits and meaningful and mutually beneficial relationships for users of off-road vehicles and the communities that host trails for off-road vehicles; and promote cooperation with local, state, Tribal, and federal governments; organizations; and other interested partners.

(3) \$200,000 is to share the cost by reimbursing federal, Tribal, state, county, and township entities for additional needs on roads under their jurisdiction when the needs are a result of increased use by off-road vehicles and are attributable to a border-to-border touring route established by the commissioner. This paragraph applies to roads that are operated by a public road authority as defined in Minnesota Statutes, section 160.02, subdivision 25. This is a onetime appropriation and is available until June 30, 2023. To be eligible for reimbursement under this paragraph, the claimant must demonstrate that: the needs result from additional traffic generated by the border-to-border touring route; and increased use attributable to a border-to-border touring route has caused at least a 50 percent increase in maintenance costs for roads under the claimant's jurisdiction, based on a ten-year maintenance average. The commissioner may accept an alternative to the ten-year maintenance average if a jurisdiction does not have sufficient maintenance records. The commissioner has discretion to accept an alternative based on a good-faith effort by the jurisdiction. Any alternative should include baseline maintenance costs for at least two years before the year the route begins operating. The ten-year maintenance average or any alternative must be calculated from the years immediately preceding the year the route begins operating. Before reimbursing a claim under this paragraph, the commissioner must consider whether the claim is consistent with claims made by other entities that administer roads on the touring route, in terms of the amount requested for reimbursement and the frequency of claims made.

~~(k)~~ (k) \$600,000 the first year is from the all-terrain vehicle account in the natural resources fund for grants to St. Louis County. Of this amount, \$100,000 is for a grant to St. Louis County for an environmental assessment worksheet for the overall construction of the Voyageur Country ATV Trail system and connections, and \$500,000 is for a grant to St. Louis County to design, plan, permit, acquire right-of-way for, and construct Voyageur Country ATV Trail from Buyck to Holmes Logging Road and to Shuster Road toward Cook. This is a onetime appropriation.

~~(l)~~ (l) \$2,400,000 the first year is from the all-terrain vehicle account in the natural resources fund. Of this amount, \$1,300,000 is for a grant to Lake County to match other funding sources to develop the Prospector Loop Trail system and \$1,100,000 is for acquisition, design, environmental review, permitting, and construction for all-terrain vehicle use on the Taconite State Trail between Ely and Purvis Forest Management Road.

~~(m)~~ (m) \$950,000 the first year and \$950,000 the second year are from the all-terrain vehicle account in the natural resources fund for grants to St. Louis County for the Quad Cities ATV Club trail construction program for planning, design, environmental permitting, right-of-way acquisition, and construction of up to 24 miles of trail connecting the cities of Mountain Iron, Virginia, Eveleth, Gilbert, Hibbing, and Chisholm to the Laurentian Divide, County Road 303, the Taconite State Trail, and Biwabik and from Pfeiffer Lake Forest Road to County Road 361. This is a onetime appropriation.

~~(n)~~ (n) \$75,000 the first year is from the general fund for signage and interpretative resources necessary for naming state park assets and a segment of the St. Croix River State Water Trail after Walter F. Mondale as provided in this act.

~~(o)~~ (o) \$150,000 the first year is from the all-terrain vehicle account in the natural resources fund for a grant to Crow Wing County to plan and design a multipurpose bridge on the Mississippi River Northwoods Trail across Sand Creek located five miles northeast of Brainerd along the Mississippi River.

~~(p)~~ (p) \$75,000 the first year is from the off-highway motorcycle account in the natural resources fund to complete a master plan for off-highway motorcycle trail planning and development. This is a onetime appropriation and is available until June 30, 2022.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2019.

Sec. 12. **FISCAL YEAR 2021 APPROPRIATIONS.**

Subdivision 1. **Minnesota Zoological Board.** \$1,595,000 in fiscal year 2021 is appropriated from the general fund to the Minnesota Zoological Board to supplement the appropriation in Laws 2019, First Special Session chapter 4, article 1, section 7. This is a onetime appropriation and is available until June 30, 2023.

Subd. 2. **Department of Natural Resources; civil unrest.** \$2,008,000 in fiscal year 2021 is appropriated from the general fund to the commissioner of natural resources for costs related to responding to civil unrest. This is a onetime appropriation.

Subd. 3. **Department of Natural Resources; conservation officer salary increases.** (a) Notwithstanding any law to the contrary, the commissioner of natural resources must increase the salary paid to conservation officers whose exclusive representative is the Minnesota Law Enforcement Association by 8.4 percent. The salary increases are effective retroactively from October 22, 2020.

(b) \$958,000 in fiscal year 2021 is appropriated to the commissioner of natural resources for Enforcement Division salary increases. Of this amount, \$170,000 is from the general fund, \$199,000 is from the natural resources fund, \$587,000 is from the game and fish fund, and \$2,000 is from the remediation fund. This is a onetime appropriation.

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

Sec. 13. **FEDERAL FUNDS REPLACEMENT; APPROPRIATION.**

Notwithstanding any law to the contrary, the commissioner of management and budget must determine whether the expenditures authorized under this article are eligible uses of federal funding received under the Coronavirus State Fiscal Recovery Fund or any other federal funds received by the state under the American Rescue Plan Act, Public Law 117-2. If the commissioner of management and budget determines an expenditure is eligible for funding under Public Law 117-2, the amount of the eligible expenditure is appropriated from the account where those amounts have been deposited and the corresponding general fund amounts appropriated under this act are canceled to the general fund.

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

Sec. 14. **PROCTOR-HERMANTOWN MUNGER TRAIL SPUR; EXTENSION.**

The portion of the appropriation in Laws 2017, chapter 91, article 3, section 3, paragraph (b), from the parks and trails fund granted to the city of Hermantown for the Proctor-Hermantown Munger Trail Spur project is available until June 30, 2022.

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

ARTICLE 2  
ENVIRONMENT AND NATURAL RESOURCES  
TRUST FUND FISCAL YEAR 2021

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the environment and natural resources trust fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2020" and "2021" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is fiscal years 2020 and 2021.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**

	<b><u>2020</u></b>	<b><u>2021</u></b>
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Sec. 2. **MINNESOTA RESOURCES**

Subdivision 1. **Total Appropriation**

	<b><u>\$-0-</u></b>	<b><u>\$61,387,000</u></b>
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The amounts that may be spent for each purpose are specified in the following subdivisions. Appropriations in the second year are available for four years beginning July 1, 2020, unless otherwise stated in the appropriation. Any unencumbered balance remaining in the first year does not cancel and is available for the second year or until the end of the appropriation.

Subd. 2. **Definition**

"Trust fund" means the Minnesota environment and natural resources trust fund established under the Minnesota Constitution, article XI, section 14.

Subd. 3. **Foundational Natural Resource Data and Information**

	<b><u>-0-</u></b>	<b><u>8,593,000</u></b>
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(a) **Geologic Atlases for Water Resource Management**

\$2,000,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota, Minnesota Geological Survey, to continue producing county geologic atlases to inform management of surface water and groundwater resources. This appropriation is to complete Part A, which focuses on the properties and distribution of earth materials to define aquifer boundaries and the connection of aquifers to the land surface and surface water resources.

(b) **Expanding Minnesota Ecological Monitoring Network**

\$800,000 the second year is from the trust fund to the commissioner of natural resources to improve conservation and management of Minnesota's native forests, wetlands, and grasslands by expanding the partially established long-term Ecological Monitoring Network that will provide critical knowledge of how ecosystem dynamics and conditions change through time.

(c) **County Groundwater Atlas**

\$1,125,000 the second year is from the trust fund to the commissioner of natural resources to continue producing county geologic atlases to inform management of surface water and

groundwater resources for drinking water and other purposes. This appropriation is for Part B, to characterize the potential water yields of aquifers and the aquifers' sensitivity to contamination.

**(d) Foundational Hydrology Data for Wetland Protection and Restoration**

\$400,000 the second year is from the trust fund to the commissioner of natural resources to improve wetland protection, management, and restoration in Minnesota by completing the partially established long-term Wetland Hydrology Monitoring Network that will provide critical knowledge of wetland hydrology dynamics. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(e) Voyageurs Wolf Project - Phase II**

\$575,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to study summertime wolf predation on deer, moose, and other species in the Voyageurs region to inform management of wildlife. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(f) Expanding Restoration and Promoting Awareness of Native Mussels**

\$489,000 the second year is from the trust fund to the Minnesota Zoological Garden to promote mussel conservation by rearing juvenile mussels for reintroduction, researching methods to improve growth and survival in captivity, and encouraging public action to benefit water quality. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(g) Improving Pollinator Conservation by Revealing Habitat Needs**

\$500,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to use citizen scientists and novel analyses to determine the nesting and overwintering needs of wild bees to allow more specific protection and enhancement of pollinator habitat across the state.

**(h) Bee Minnesota - Protect Our Native Bumblebees**

\$650,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to protect native bee health by investigating the potential to mitigate against pathogens that may be transmissible between honey and wild bees and by promoting best practices to beekeepers and the public. This appropriation is subject to Minnesota Statutes, section 116P.10.

**(i) Bobcat and Fisher Habitat Use and Interactions**

\$400,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to identify potential solutions to reverse the fisher population decline through better understanding of habitat, diet, and activity patterns of bobcats and fishers.

**(j) Healthy Prairies III: Restoring Minnesota Prairie Plant Diversity**

\$500,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to improve Minnesota prairie resiliency by increasing locally sourced seed availability and diversity, evaluating use of beneficial microbes in prairie restorations, and assessing adaptation and adaptive capacity of prairie plant populations.

**(k) Freshwater Sponges and AIS: Engaging Citizen Scientists**

\$400,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota, Crookston, to use citizen scientists to study the geographic distribution, taxonomic diversity, and antifouling potential of freshwater sponges against aquatic invasive species.

**(l) Do Beavers Buffer Against Droughts and Floods?**

\$168,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Voyageurs National Park to analyze existing data sets to determine the role of beaver populations and beaver ponds in buffering the region against droughts and floods.

**(m) Enhancing Bat Recovery by Optimizing Artificial Roost Structures**

\$190,000 the second year is from the trust fund to the commissioner of natural resources to improve the survival of bats by identifying characteristics of successful artificial bat roost structures and optimizing the structures for bat use and reproduction. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(n) Tools for Supporting Healthy Ecosystems and Pollinators**

\$198,000 the second year is from the trust fund to the commissioner of natural resources to create a pollination companion guide to the Department of Natural Resources' *Field Guides to the Native Plant Communities of Minnesota* for conservation practitioners to better integrate plant-pollinator interactions into natural resource planning and decision making.

**(o) Conserving Black Terns and Forster's Terns in Minnesota**

\$198,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to assess the distribution and breeding status of black tern and Forster's tern and to make conservation and restoration recommendations to improve the suitability of habitat for these two bird species in Minnesota.

**Subd. 4. Water Resources**-0-3,457,000**(a) Managing Highly Saline Waste from Municipal Water Treatment**

\$250,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to develop a cost- and energy-efficient method of managing the concentrated saline waste from a municipal water treatment plant to increase the feasibility of using reverse osmosis for centralized water softening and sulfate removal. This appropriation is subject to Minnesota Statutes, section 116P.10.

**(b) Technology for Energy-Generating On-site Industrial Wastewater Treatment**

\$450,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to improve water quality and generate cost savings by developing off the shelf technology that treats industrial wastewater on-site and turns pollutants into hydrogen and methane for energy. This appropriation is subject to Minnesota Statutes, section 116P.10.

**(c) Microplastics: Transporters of Contaminants in Minnesota Waters**

\$425,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to study how several types of common microplastics transport contaminants of concern in Minnesota waters.

**(d) Developing Strategies to Manage PFAS in Land-Applied Biosolids**

\$1,404,000 the second year is from the trust fund to the commissioner of the Pollution Control Agency to help municipal wastewater plants, landfills, and compost facilities protect human health and the environment by developing strategies to manage per- and polyfluoroalkyl substances (PFAS) in land-applied biosolids.

**(e) Quantifying New Urban Precipitation and Water Reality**

\$500,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to better guide storm water management by evaluating the groundwater and surface water interactions contributing to high water tables and damage to home basements and underground infrastructure in urban areas.

**(f) Innovative Solution for Protecting Minnesota from PFAS Contamination**

\$250,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Dem-Con Companies to demonstrate a new technology for protecting the state's drinking water and natural resources by eliminating per- and polyfluoroalkyl substances (PFAS) from point source discharges. This appropriation is subject to Minnesota Statutes, section 116P.10, related to royalties, copyrights, patents, and sale of products and assets.

**(g) Expanding Protection of Minnesota Water through Industrial Conservation**

\$178,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota technical assistance program in partnership with the Minnesota Rural Water Association to provide technical assistance to businesses to decrease industrial and commercial water use in communities at risk for inadequate groundwater supply or quality.

**Subd. 5. Technical Assistance, Outreach, and Environmental Education**

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2,989,000**(a) Statewide Environmental Education via Public Television Outdoor Series**

\$300,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Pioneer Public Television to produce approximately 25 new episodes of a statewide outdoor public television series designed to inspire Minnesotans to connect with the outdoors and restore and protect the environment.

**(b) Minnesota Freshwater Quest: Environmental Education on State Waterways**

\$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Wilderness Inquiry for approximately 10,000 underserved Minnesota youth to explore and improve local waterways using the place-based and hands-on "Minnesota Freshwater Quest" environmental education program.

**(c) Teach Science: Schools as STEM Living Laboratories**

\$368,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Climate Generation: A Will Steger Legacy to prepare students for the challenges and careers of the future by connecting new science standards, renewable energy, and STEM opportunities in teacher trainings, classroom demonstrations, and program support across the state.

**(d) Mentoring Next Generation of Conservation Professionals**

\$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Minnesota Valley National Wildlife Refuge Trust, Inc., to provide paid internships and apprenticeships for diverse young people to learn about careers in the conservation field from United States Fish and Wildlife Service professionals while working at the Minnesota Valley National Wildlife Refuge and Wetland Management District.

**(e) Jay C. Hormel Nature Center Supplemental Teaching Staff**

\$225,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Austin to expand the Jay C. Hormel Nature Center environmental education program beyond the city of Austin to students in southeastern Minnesota for three years.

**(f) 375 Underserved Youth Learn Minnesota Ecosystems by Canoe**

\$375,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the YMCA of the Greater Twin Cities to connect approximately 375 underserved and diverse teens from urban areas and first-ring suburbs to environmental sciences in the natural world through canoeing and learning expeditions with experienced outdoor education counselors. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(g) YES! Students Take on Water Quality Challenge - Phase II**

\$199,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Prairie Woods Environmental Learning Center to mobilize local watershed stewardship efforts in approximately 20 communities through student-driven action projects.

**(h) Engaging Minnesotans with Phenology: Radio, Podcasts, Citizen Science**

\$198,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Northern Community Radio, Inc., in partnership with the Board of Regents of the University of Minnesota to build the next generation of conservationists using phenology, radio broadcasts, podcasts, and an online, interactive map interface to inspire teachers, students, and the public to get outside and experience nature.

**(i) Driving Conservation Behavior for Native Mussels and Water Quality**

\$191,000 the second year is from the trust fund to the Minnesota Zoological Garden to develop research-supported strategies to engage the public in specific conservation behaviors to improve water quality and native mussel health across the state.

**(j) Workshops and Outreach to Protect Raptors from Lead Poisoning**

\$133,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota, Raptor Center, in cooperation with the Department of Natural Resources and other conservation partners, to provide hunters with outreach and workshops on alternatives to lead hunting ammunition, including copper ammunition as an alternative, and to promote voluntary selection of nontoxic ammunition to protect raptors and other wildlife in Minnesota from accidental lead poisoning caused by ingestion of ammunition fragments.

**Subd. 6. Aquatic and Terrestrial Invasive Species**

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10,425,000**(a) Minnesota Invasive Terrestrial Plants and Pests Center (MITPPC) - Phase V**

\$5,000,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to support the Minnesota Invasive Terrestrial Plants and Pests Center to fund approximately 15 new, high-priority research projects that will lead to better management of invasive plants, pathogens, and pests on Minnesota's natural and agricultural lands. This appropriation is subject to Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2026, by which time the project must be completed and final products delivered.

**(b) Protect Community Forests by Managing Ash for Emerald Ash Borer**

\$3,500,000 the second year is from the trust fund to the commissioner of natural resources to reduce emerald ash borer by providing surveys, assessments, trainings, assistance, and grants

for communities to manage emerald ash borer, plant a diversity of trees, and engage citizens in community forestry activities. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(c) Biological Control of White-Nose Syndrome in Bats - Phase III**

\$440,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to continue assessing and developing a biocontrol agent for white-nose syndrome in bats.

**(d) Applying New Tools and Techniques Against Invasive Carp**

\$478,000 the second year is from the trust fund to the commissioner of natural resources to apply new monitoring, outreach, and removal techniques and to continue work with commercial anglers to protect Minnesota waters from invasive carp.

**(e) Emerald Ash Borer and Black Ash: Maintaining Forests and Benefits**

\$700,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to use ongoing experiments to determine statewide long-term emerald ash borer impacts on water, vegetation, and wildlife; to determine optimal replacement species and practices for forest diversification; and to develop criteria for prioritizing mitigation activities. This appropriation is available until June 30, 2026, by which time the project must be completed and final products delivered.

**(f) Testing Effectiveness of Aquatic Invasive Species Removal Methods**

\$110,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to test how well boat-cleaning methods work, to provide the Department of Natural Resources with a risk assessment, and to provide recommendations for improving boat-launch cleaning stations to prevent the spread of aquatic invasive species.

**(g) Invasive *Didymosphenia* Threatens North Shore Streams**

\$197,000 the second year is from the trust fund to the Science Museum of Minnesota to evaluate the recent spread, origin, cause, and economic and ecological threat of didymo formation in North Shore streams and Lake Superior to inform management and outreach.

**Subd. 7. Air Quality and Renewable Energy**

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573,000**(a) Storing Renewable Energy in Flow Battery for Grid Use**

\$250,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota, on behalf of the Morris campus, to analyze the potential of adding a flow battery and solar energy generation to the University of Minnesota Morris's existing renewable-energy-intensive microgrid.

**(b) Eco-Friendly Plastics from Cloquet Pulp-Mill Lignin**

\$193,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to reduce environmental pollution from plastics by creating eco-friendly replacements using lignin from the pulp mill in Cloquet, Minnesota. This appropriation is subject to Minnesota Statutes, section 116P.10.

**(c) Diverting Unsold Food from Landfills and Reducing Greenhouse Gases**

\$130,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Second Harvest Heartland to prevent food from going to landfills and reduce greenhouse gas emissions by helping businesses donate unsold prepared food to food shelves.

**Subd. 8. Methods to Protect or Restore Land, Water, and Habitat**

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4,219,000**(a) Pollinator Central: Habitat Improvement with Citizen Monitoring**

\$750,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to restore and enhance approximately 400 acres of pollinator habitat on traditional and nontraditional sites such as roadsides and turf grass from Hastings to St. Cloud to benefit pollinators and build knowledge by engaging approximately 100 citizens in monitoring the impact of habitat improvements. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(b) Pollinator and Beneficial Insect Strategic Habitat Program**

\$750,000 the second year is from the trust fund to the Board of Water and Soil Resources for building a new initiative to strategically restore and enhance approximately 1,000 acres of diverse native habitat to benefit multiple insects through grants, cost-share, and outreach. Notwithstanding subdivision 14, paragraph (e), restorations and enhancements may take place on

land enrolled in Conservation Reserve Program and Reinvest in Minnesota easement programs. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(c) Lignin-Coated Fertilizers for Phosphate Control**

\$250,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to test a new, natural, slow-release fertilizer coating made from processed wood to decrease phosphorus runoff from farmland while also storing carbon in soils. This appropriation is subject to Minnesota Statutes, section 116P.10.

**(d) Implementing Hemp Crop Rotation to Improve Water Quality**

\$700,000 the second year is from the trust fund to the Minnesota State Colleges and Universities System for Central Lakes College to evaluate how hemp crops reduce nitrogen contamination of surface water and groundwater in conventional crop rotations and demonstrate the environmental and economic benefits of hemp production. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(e) Developing Cover-Crop Systems for Sugar Beet Production**

\$300,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to develop agronomic guidelines to support growers adopting cover-crop practices in sugar beet production in west-central and northwest Minnesota.

**(f) Native Eastern Larch Beetle Decimating Minnesota's Tamarack Forests**

\$398,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to understand conditions triggering eastern larch beetle outbreaks and develop management techniques to protect tamarack forests from this native insect. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(g) Habitat Associations of Mississippi Bottomland Forest Marsh Birds**

\$275,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the National Audubon Society, Minnesota office, to evaluate habitat associations of bottomland forest birds in response to restoration

actions to better target restoration efforts for wildlife. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(h) Peatland Restoration in the Lost River State Forest**

\$135,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Roseau River Watershed District to collect physical attribute data from drained peatlands, incorporate the data into a decision matrix, and generate a report detailing peatland restoration potential throughout the Lost River State Forest.

**(i) Prescribed Burning for Brushland-Dependent Species - Phase II**

\$147,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to compare the effects of spring, summer, and fall burns on birds and vegetation and to provide guidelines for maintaining healthy brushland habitat for a diversity of wildlife and plant species.

**(j) Pollinator Habitat Creation Along Urban Mississippi River**

\$129,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Friends of the Mississippi River to remove invasive plants and replace them with high-value native species at three urban sites along the Mississippi River to improve habitat for pollinators and other wildlife. This appropriation is available until June 30, 2026, by which time the project must be completed and final products delivered.

**(k) Increase Golden Shiner Production to Protect Aquatic Communities**

\$188,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Sea Grant in Duluth to identify and demonstrate best methods for in-state production of golden shiners to address angler demand while reducing the risk of introducing and spreading invasive species and to communicate findings through reports, manuals, and workshops. Production of shiners in this project must not take place in wetlands.

**(l) Restoring Turf to Native Pollinator Gardens Across Metro**

\$197,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Wilderness in the City to transition turf to native gardens for pollinator habitat, establish long-term volunteer stewardship

networks, and help connect diverse populations with nature throughout the metropolitan regional park system. A letter of commitment from the respective regional park implementing agency must be provided before money from this appropriation is spent at a regional park within the agency's jurisdiction.

**Subd. 9. Land Acquisition, Habitat, and Recreation**

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29,901,000

**(a) DNR Scientific and Natural Areas**

\$3,000,000 the second year is from the trust fund to the commissioner of natural resources for the scientific and natural area (SNA) program to restore, improve, and enhance wildlife habitat on SNAs; increase public involvement and outreach; and strategically acquire high-quality lands that meet criteria for SNAs under Minnesota Statutes, section 86A.05, from willing sellers.

**(b) Private Native Prairie Conservation through Native Prairie Bank**

\$2,000,000 the second year is from the trust fund to the commissioner of natural resources to provide technical stewardship assistance to private landowners, restore and enhance native prairie protected by easements in the native prairie bank, and acquire easements for the native prairie bank in accordance with Minnesota Statutes, section 84.96, including preparing initial baseline property assessments. Up to \$60,000 of this appropriation may be deposited in the natural resources conservation easement stewardship account, created in Minnesota Statutes, section 84.69, proportional to the number of easement acres acquired.

**(c) Minnesota State Parks and State Trails Inholdings**

\$3,500,000 the second year is from the trust fund to the commissioner of natural resources to acquire high-priority inholdings from willing sellers within the legislatively authorized boundaries of state parks, recreation areas, and trails to protect Minnesota's natural heritage, enhance outdoor recreation, and promote tourism.

**(d) Grants for Local Parks, Trails, and Natural Areas**

\$2,400,000 the second year is from the trust fund to the commissioner of natural resources to solicit, rank, and fund competitive matching grants for local parks, trail connections, and natural and scenic areas under Minnesota Statutes, section 85.019. This appropriation is for local nature-based recreation, connections to regional and state natural areas, and recreation facilities and may not be used for athletic facilities such as sport fields, courts, and playgrounds.

**(e) Mississippi River Aquatic Habitat Restoration and Mussel Reintroduction**

\$1,800,000 the second year is from the trust fund. Of this amount, \$1,549,000 is to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board and \$251,000 is to the commissioner of natural resources to restore lost habitat and reintroduce mussels in the Mississippi River above St. Anthony Falls. This work includes creating habitat and species restoration plans, implementing the restoration plans, and monitoring effectiveness of the restoration for multiple years after implementation. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

**(f) Minnesota Hunter Walking Trails: Public Land Recreational Access**

\$300,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Ruffed Grouse Society to improve Minnesota's hunter walking trail system by restoring or upgrading trailheads and trails, developing new walking trails, and compiling enhanced maps for use by managers and the public.

**(g) Turning Back to Rivers: Environmental and Recreational Protection**

\$1,000,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with The Trust for Public Land to help local communities acquire priority land along the Mississippi, St. Croix, and Minnesota Rivers and their tributaries to protect natural resources, provide buffers for flooding, and improve access for recreation.

**(h) Metropolitan Regional Parks System Land Acquisition - Phase VI**

\$1,000,000 the second year is from the trust fund to the Metropolitan Council for grants to acquire land within the approved park boundaries of the metropolitan regional park system. This appropriation must be matched by at least 40 percent of nonstate money.

**(i) Minnesota State Trails Development**

\$994,000 the second year is from the trust fund to the commissioner of natural resources to expand high-priority recreational opportunities on Minnesota's state trails by rehabilitating, improving, and enhancing existing state trails. The high-priority trail bridges to be rehabilitated or replaced under this appropriation include, but are not limited to, those on the Taconite, Great River Ridge, and C. J. Ramstad/Northshore State Trails.

**(j) Elm Creek Restoration - Phase IV**

\$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Champlin to conduct habitat and stream restoration of approximately 0.7 miles of Elm Creek shoreline above Mill Pond Lake and through the Elm Creek Protection Area.

**(k) Superior Hiking Trail as Environmental Showcase**

\$450,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Superior Hiking Trail Association to rebuild damaged and dangerous segments and create a new trail segment of the Superior Hiking Trail to minimize environmental impacts, make the trail safer for users, and make the trail more resilient for future use and conditions.

**(l) Upper St. Anthony Falls Enhancements**

\$2,800,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Friends of the Lock and Dam in partnership with the city of Minneapolis to design and install green infrastructure, public access, and habitat restorations on riverfront land at Upper St. Anthony Falls for water protection, recreation, and environmental education purposes. Of this amount, up to \$600,000 is for planning, design, and engagement. No funds from this appropriation may be spent until Congress directs the U.S. Army Corps of Engineers to convey an interest in the Upper St. Anthony Falls property to the city of Minneapolis for use as a visitor center. After this congressional act is signed into law, up to \$100,000 of the planning, design, and engagement funds may be spent. The remaining planning, design, and engagement funds may be spent after a binding agreement has been secured to acquire the land or access and use rights to the land for at least 25 years. Any remaining balance of the appropriation may be spent on installing enhancements after the Upper St. Anthony Falls land has been acquired by the city of Minneapolis.

**(m) Whiskey Creek and Mississippi River Water Quality, Habitat, and Recreation**

\$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Mississippi Headwaters Board to acquire and transfer approximately 13 acres of land to the city of Baxter for future construction of water quality, habitat, and recreational improvements to protect the Mississippi River.

**(n) Perham to Pelican Rapids Regional Trail (West Segment)**

\$2,600,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Otter Tail County to construct the west segment of the 32-mile Perham to Pelican Rapids Regional Trail that will connect the city of Pelican Rapids to Maplewood State Park.

**(o) Crow Wing County Community Natural Area Acquisition**

\$400,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Crow Wing County to acquire approximately 65 acres of land adjacent to the historic fire tower property to allow for diverse recreational opportunities while protecting wildlife habitat and preventing forest fragmentation. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

**(p) Rocori Trail - Phase III**

\$1,200,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Rocori Trail Construction Board to design and construct Phase III of the Rocori Trail along the old Burlington Northern Santa Fe rail corridor between the cities of Cold Spring and Rockville.

**(q) Mesabi Trail: New Trail and Additional Funding**

\$1,000,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority for constructing the Mesabi Trail beginning at the intersection of County Road 20 and Minnesota State Highway 135 and terminating at 1st Avenue North and 1st Street North in the city of Biwabik in St. Louis County. This appropriation may not be spent until all Mesabi Trail projects funded with trust fund appropriations before fiscal year 2020, with the exception of the project funded under Laws 2017, chapter 96, section 2, subdivision 9, paragraph (g), are completed.

**(r) Ranier Safe Harbor and Transient Dock on Rainy Lake**

\$762,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Ranier to construct a dock that accommodates boats 26 feet or longer with the goal of increasing public access for boat recreation on Rainy Lake. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid

to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

**(s) Crane Lake Voyageurs National Park Campground and Visitor Center**

\$3,100,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the town of Crane Lake to design and construct a new campground and to plan and preliminarily prepare a site for constructing a new Voyageurs National Park visitor center on land acquired for these purposes in Crane Lake. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

**(t) Chippewa County Acquisition, Recreation, and Education**

\$160,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Chippewa County to acquire wetland and floodplain forest and abandoned gravel pits along the Minnesota River to provide water filtration, education, and recreational opportunities.

**(u) Sportsmen's Training and Developmental Learning Center**

\$85,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Forest Zone Trappers Association to complete a site evaluation and master plan for the Sportsmen's Training and Developmental Learning Center near Hibbing. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

**(v) Birch Lake Recreation Area**

\$350,000 the second year is from the trust fund to the commissioner of natural resources for a grant to the city of Babbitt to expand the Birch Lake Recreation Area by adding a new campground to include new campsites, restrooms, and other facilities. This appropriation is available until June 30, 2025.

**Subd. 10. Emerging Issues Account; Wastewater Renewable Energy Demonstration Grants**

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1,095,000

\$1,095,000 the second year is from the trust fund to an emerging issues account authorized in Minnesota Statutes, section 116P.08, subdivision 4, paragraph (d). Money appropriated under this

subdivision must be used for grants in consultation with the Public Facilities Authority for renewable energy demonstration projects at wastewater treatment facilities.

**Subd. 11. Contract Agreement Reimbursement**

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135,000

\$135,000 the second year is from the trust fund to the commissioner of natural resources, at the direction of the Legislative-Citizen Commission on Minnesota Resources, for expenses incurred for preparing and administering contracts for the agreements specified in this section. The commissioner must provide documentation to the Legislative-Citizen Commission on Minnesota Resources on the expenditure of these funds.

**Subd. 12. Availability of Appropriations**

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the work plan approved by the Legislative-Citizen Commission on Minnesota Resources. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Costs that are directly related to and necessary for an appropriation, including financial services, human resources, information services, rent, and utilities, are eligible only if the costs can be clearly justified and individually documented specific to the appropriation's purpose and would not be generated by the recipient but for receipt of the appropriation. No broad allocations for costs in either dollars or percentages are allowed. Unless otherwise provided, the amounts in this section are available until June 30, 2024, when projects must be completed and final products delivered. For acquisition of real property, the appropriations in this section are available for an additional fiscal year if a binding contract for acquisition of the real property is entered into before the expiration date of the appropriation. If a project receives a federal grant, the time period of the appropriation is extended to equal the federal grant period.

**Subd. 13. Data Availability Requirements**

Data collected by the projects funded under this section must conform to guidelines and standards adopted by MN.IT Services. Spatial data must also conform to additional guidelines and standards designed to support data coordination and distribution that have been published by the Minnesota Geospatial Information Office. Descriptions of spatial data must be prepared as specified in the state's geographic metadata guideline and must be submitted to the Minnesota Geospatial Information Office. All data must be accessible and free to the public unless made private under the Data Practices Act, Minnesota Statutes, chapter 13. To the extent practicable, summary data and results of projects funded under this

section should be readily accessible on the Internet and identified as having received funding from the environment and natural resources trust fund.

**Subd. 14. Project Requirements**

(a) As a condition of accepting an appropriation under this section, an agency or entity receiving an appropriation or a party to an agreement from an appropriation must comply with paragraphs (b) to (l) and Minnesota Statutes, chapter 116P, and must submit a work plan and annual or semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources for any project funded in whole or in part with funds from the appropriation. Modifications to the approved work plan and budget expenditures must be made through the amendment process established by the Legislative-Citizen Commission on Minnesota Resources.

(b) A recipient of money appropriated in this section that conducts a restoration using funds appropriated in this section must use native plant species according to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines and include an appropriate diversity of native species selected to provide habitat for pollinators throughout the growing season as required under Minnesota Statutes, section 84.973.

(c) For all restorations conducted with money appropriated under this section, a recipient must prepare an ecological restoration and management plan that, to the degree practicable, is consistent with the highest-quality conservation and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success and durability of the restoration project. The plan must include the proposed timetable for implementing the restoration, including site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and take advantage of the best-available science and include innovative techniques to achieve the best restoration.

(d) An entity receiving an appropriation in this section for restoration activities must provide an initial restoration evaluation at the completion of the appropriation and an evaluation three years after the completion of the expenditure. Restorations must be evaluated relative to the stated goals and standards in the restoration plan, current science, and, when applicable, the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The evaluation must determine whether the restorations are meeting planned goals, identify any problems

with implementing the restorations, and, if necessary, give recommendations on improving restorations. The evaluation must be focused on improving future restorations.

(e) All restoration and enhancement projects funded with money appropriated in this section must be on land permanently protected by a conservation easement or public ownership.

(f) A recipient of money from an appropriation under this section must give consideration to contracting with Conservation Corps Minnesota for contract restoration and enhancement services.

(g) All conservation easements acquired with money appropriated under this section must:

(1) be permanent;

(2) specify the parties to an easement in the easement;

(3) specify all of the provisions of an agreement that are permanent;

(4) be sent to the Legislative-Citizen Commission on Minnesota Resources in an electronic format at least ten business days before closing;

(5) include a long-term monitoring and enforcement plan and funding for monitoring and enforcing the easement agreement; and

(6) include requirements in the easement document to protect the quantity and quality of groundwater and surface water through specific activities such as keeping water on the landscape, reducing nutrient and contaminant loading, and not permitting artificial hydrological modifications.

(h) For any acquisition of lands or interest in lands, a recipient of money appropriated under this section must not agree to pay more than 100 percent of the appraised value for a parcel of land using this money to complete the purchase, in part or in whole, except that up to ten percent above the appraised value may be allowed to complete the purchase, in part or in whole, using this money if permission is received in advance of the purchase from the Legislative-Citizen Commission on Minnesota Resources.

(i) For any acquisition of land or interest in land, a recipient of money appropriated under this section must give priority to high-quality natural resources or conservation lands that provide natural buffers to water resources.

(j) For new lands acquired with money appropriated under this section, a recipient must prepare an ecological restoration and management plan in compliance with paragraph (c), including

sufficient funding for implementation unless the work plan addresses why a portion of the money is not necessary to achieve a high-quality restoration.

(k) To ensure public accountability for using public funds, a recipient of money appropriated under this section must, within 60 days of the transaction, provide to the Legislative-Citizen Commission on Minnesota Resources documentation of the selection process used to identify parcels acquired and provide documentation of all related transaction costs, including but not limited to appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Legislative-Citizen Commission on Minnesota Resources any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted.

(l) A recipient of an appropriation from the trust fund under this section must acknowledge financial support from the environment and natural resources trust fund in project publications, signage, and other public communications and outreach related to work completed using the appropriation. Acknowledgment may occur, as appropriate, through use of the trust fund logo or inclusion of language attributing support from the trust fund. Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must satisfy all reporting and other requirements incumbent upon constitutionally dedicated funding recipients as provided in Minnesota Statutes, section 3.303, subdivision 10, and chapter 116P.

**Subd. 15. Payment Conditions and Capital-Equipment Expenditures**

(a) All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures made on or after July 1, 2020, or the date the work plan is approved, whichever is later, are eligible for reimbursement unless otherwise provided in this section. Periodic payments must be made upon receiving documentation that the deliverable items articulated in the approved work plan have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash-flow needs or match federal money. The advances must be approved as part of the work plan. No expenditures for capital equipment are allowed unless expressly authorized in the project work plan.

(b) Single-source contracts as specified in the approved work plan are allowed.

**Subd. 16. Purchasing Recycled and Recyclable Materials**

A political subdivision, public or private corporation, or other entity that receives an appropriation under this section must use the appropriation in compliance with Minnesota Statutes, section 16C.0725, regarding purchasing recycled, repairable, and durable materials and Minnesota Statutes, section 16C.073, regarding purchasing and using paper stock and printing.

**Subd. 17. Energy Conservation and Sustainable Building Guidelines**

A recipient to whom an appropriation is made under this section for a capital improvement project must ensure that the project complies with the applicable energy conservation and sustainable building guidelines and standards contained in law, including Minnesota Statutes, sections 16B.325, 216C.19, and 216C.20, and rules adopted under those sections. The recipient may use the energy planning, advocacy, and State Energy Office units of the Department of Commerce to obtain information and technical assistance on energy conservation and alternative-energy development relating to planning and constructing the capital improvement project.

**Subd. 18. Accessibility**

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

**Subd. 19. Carryforward; Extension**

(a) The availability of the appropriations for the following projects is extended to June 30, 2022:

(1) Laws 2017, chapter 96, section 2, subdivision 8, paragraph (k), Conservation Reserve Enhancement Program (CREP) Outreach and Implementation; and

(2) Laws 2018, chapter 214, article 4, section 2, subdivision 6, paragraph (b), Palmer Amaranth Detection and Eradication Continuation.

(b) The availability of the appropriations for the following projects is extended to June 30, 2023:

(1) Laws 2018, chapter 214, article 4, section 2, subdivision 10, Emerging Issues Account; and

(2) Laws 2019, First Special Session chapter 4, article 2, section 2, subdivision 8, paragraph (f), Lawns to Legumes.

(c) The availability of the appropriation under Laws 2018, chapter 214, article 4, section 2, subdivision 4, paragraph (1), Lake Agnes Treatment, is extended to June 30, 2024.

Subd. 20. **Transfers**

The appropriation in Laws 2019, First Special Session chapter 4, article 2, section 2, subdivision 8, paragraph (c), Sauk River Dam Removal and Rock Rapids Replacement, in the amount of \$2,768,000, no longer needed for its original purpose is available until June 30, 2023, and transferred as follows:

(1) \$849,000 is transferred to the Science Museum of Minnesota to determine how, when, and why lakes in pristine areas of the state without obvious nutrient loading are experiencing algal blooms;

(2) \$699,000 is transferred to the Board of Regents of the University of Minnesota to evaluate the ability of the virus that causes COVID-19 and other potentially infectious organisms to travel through wastewater systems, including septic systems, to drinking water sources;

(3) \$320,000 is transferred to the commissioner of natural resources to reduce emerald ash borer by providing surveys, assessments, trainings, assistance, and grants for communities to manage emerald ash borer, plant a diversity of trees, and engage citizens in community forestry activities; and

(4) \$900,000 is transferred to the Board of Water and Soil Resources for demonstration projects that provide grants or payments to plant residential lawns with native vegetation and pollinator-friendly forbs and legumes to protect a diversity of pollinators. The board must establish criteria for grants or payments awarded under this clause. Grants or payments awarded under this clause may be made for up to 75 percent of the costs of the project, except that in areas identified by the United States Fish and Wildlife Service as areas where there is a high potential for rusty patched bumble bees to be present, grants may be awarded for up to 90 percent of the costs of the project.

Sec. 3. Laws 2017, chapter 96, section 2, subdivision 9, as amended by Laws 2019, First Special Session chapter 4, article 2, section 4, is amended to read:

**Subd. 9. Land Acquisition, Habitat,  
and Recreation**

999,000

13,533,000

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**(a) Metropolitan Regional Parks System Land Acquisition**

\$1,500,000 the first year is from the trust fund to the Metropolitan Council for grants to acquire approximately 70 acres of land within the approved park boundaries of the metropolitan

regional park system. This appropriation may not be used to purchase habitable residential structures. A list of proposed fee title acquisitions must be provided as part of the required work plan. This appropriation must be matched by at least 40 percent of nonstate money that must be committed by December 31, 2017. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

**(b) Scientific and Natural Areas Acquisition and Restoration, Citizen Science, and Engagement**

\$2,500,000 the first year is from the trust fund to the commissioner of natural resources to acquire land with high-quality native plant communities and rare features to be established as scientific and natural areas as provided in Minnesota Statutes, section 86A.05, subdivision 5, restore and improve scientific and natural areas, and provide technical assistance and outreach, including site steward events. At least one-third of the appropriation must be spent on restoration activities. A list of proposed acquisitions and restorations must be provided as part of the required work plan. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. When feasible, consideration must be given to accommodate trails on lands acquired. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

**(c) Minnesota State Parks and State Trails Land Acquisition**

\$1,500,000 the first year is from the trust fund to the commissioner of natural resources to acquire approximately 373 acres from willing sellers for authorized state trails and critical parcels within the statutory boundaries of state parks. State park land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. A list of proposed acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

**(d) Minnesota State Trails Acquisition, Development, and Enhancement**

\$999,000 in fiscal year 2017 and \$39,000 the first year are from the trust fund to the commissioner of natural resources for state trail acquisition, development, and enhancement in southern Minnesota. A proposed list of trail projects on authorized state trails must be provided as part of the required work plan. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

**(e) Native Prairie Stewardship and Prairie Bank Easement Acquisition**

\$2,675,000 the first year is from the trust fund to the commissioner of natural resources to acquire native prairie bank easements in accordance with Minnesota Statutes, section 84.96, on approximately 250 acres, prepare baseline property assessments, restore and enhance native prairie sites, and provide technical assistance to landowners. Of this amount, up to \$132,000 may be deposited in a conservation easement stewardship account. Deposits into the conservation easement stewardship account must be made upon closing on conservation easements or at a time otherwise approved in the work plan. A list of proposed easement acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

**(f) Leech Lake Acquisition**

\$1,500,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Leech Lake Band of Ojibwe to acquire approximately 45 acres, including 0.67 miles of shoreline of high-quality aquatic and wildlife habitat at the historic meeting place between Henry Schoolcraft and the Anishinabe people. The land must be open to public use including hunting and fishing. The band must provide a commitment that land will not be put in a federal trust through the Bureau of Indian Affairs.

**(g) Mesabi Trail Development**

\$2,269,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority for engineering and constructing segments of the Mesabi Trail. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

**(h) Tower Trailhead Boat Landing and Habitat Improvement - Phase II**

\$600,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Tower to construct a trailhead, trail connection to the Mesabi Trail, and boat landing and to restore vegetative habitat on city-owned property. Plant and seed materials must follow the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. This appropriation is available until June 30, ~~2020~~ 2023, by which time the project must be completed and final products delivered.

**(i) Land Acquisition for Voyageurs National Park Crane Lake Visitors Center**

\$950,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the town of Crane Lake, in partnership with Voyageurs National Park and the Department of Natural Resources, to acquire approximately 30 acres to be used for a visitor center and campground. Income generated by the campground may be used to support the facility.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2017.

Sec. 4. Laws 2018, chapter 214, article 4, section 2, subdivision 6, is amended to read:

Subd. 6. **Aquatic and Terrestrial Invasive Species** -0- 5,760,000

**(a) Minnesota Invasive Terrestrial Plants and Pests Center - Phase 4**

\$3,500,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for high-priority research at the Invasive Terrestrial Plants and Pests Center to protect Minnesota's natural and agricultural resources from terrestrial invasive plants, pathogens, and pests as identified through the center's strategic prioritization process. This appropriation is available until June 30, 2023, by which time the project must be completed and final products delivered.

**(b) Palmer Amaranth Detection and Eradication Continuation**

\$431,000 the second year is from the trust fund to the commissioner of agriculture to continue to monitor, ground survey, and control Palmer amaranth and other prohibited eradicate species of noxious weeds primarily in conservation plantings natural areas and to develop and implement aerial-survey methods to prevent infestation and protect prairies, other natural areas, and agricultural crops.

**(c) Evaluate Control Methods for Invasive Hybrid Cattails**

\$131,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Voyageurs National Park to evaluate the effectiveness of mechanical harvesting and managing muskrat populations to remove exotic hybrid cattails and restore fish and wildlife habitat in Minnesota wetlands. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

**(d) Developing RNA Interference to Control Zebra Mussels**

\$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the United States Geological Survey to develop a genetic control tool that exploits the natural process of RNA silencing to specifically target and effectively control zebra mussels without affecting other species or causing other nontarget effects. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

**(e) Install and Evaluate an Invasive Carp Deterrent for Mississippi River Locks and Dams**

\$998,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota in cooperation with the United States Army Corps of Engineers and the United States Fish and Wildlife Service to install, evaluate, and optimize a system in Mississippi River locks and dams to deter passage of invasive carp without negatively impacting native fish and to evaluate the ability of predator fish in the pools above the locks and dams to consume young carp. The project must conduct a cost comparison of equipment purchase versus lease options and choose the most effective option. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

**(f) Determining Risk of Toxic Alga in Minnesota Lakes**

\$200,000 the second year is from the trust fund to the Science Museum of Minnesota for the St. Croix Watershed Research Station to determine the historical distribution, abundance, and toxicity of the invasive blue-green alga, *Cylindrospermopsis raciborskii*, in about 20 lakes across Minnesota and inform managers and the public about the alga's spread and health risks. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

**Sec. 5. EFFECTIVE DATE.**

Sections 1, 2, and 4 are effective the day following final enactment.

ARTICLE 3  
ENVIRONMENT AND NATURAL RESOURCES TRUST FUND FISCAL YEAR 2022

**Section 1. APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the environment and natural resources trust fund and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
2022                      2023

Sec. 2. **MINNESOTA RESOURCES**

Subdivision 1. **Total Appropriation**

**\$70,881,000**

**\$-0-**

The amounts that may be spent for each purpose are specified in the following subdivisions. Appropriations in the first year are available for three years beginning July 1, 2021, unless otherwise stated in the appropriation. Any unencumbered balance remaining in the first year does not cancel and is available for the second year or until the end of the appropriation.

Subd. 2. **Definition**

"Trust fund" means the Minnesota environment and natural resources trust fund established under the Minnesota Constitution, article XI, section 14.

Subd. 3. **Foundational Natural Resource Data and Information**

10,459,000

-0-

**(a) What's Bugging Minnesota's Insect-Eating Birds?**

\$199,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute to examine the relationship between insect abundance, timing of insect availability, and breeding success for multiple bird species across land-use intensities to develop comprehensive guidelines to conserve bird and insect diversity.

**(b) Protecting Minnesota's Beneficial Macroalgae: All Stoneworts Aren't Starry**

\$811,000 the first year is from the trust fund to the commissioner of natural resources to conduct a statewide inventory to provide baseline data and build in-state knowledge of Minnesota's native stoneworts, a diverse group of aquatic plants that support clear lakes and healthy fish habitat.

**(c) County Groundwater Atlas**

\$1,875,000 the first year is from the trust fund to the commissioner of natural resources to continue producing county groundwater atlases to inform management of surface water and groundwater resources for drinking and other purposes. This appropriation is for Part B, to characterize the potential water yields of aquifers and aquifers' sensitivity to contamination.

**(d) Improving Resiliency and Conservation Outcomes for Minnesota Turtles**

\$391,000 the first year is from the trust fund to the Minnesota Zoological Garden to improve the conservation of Minnesota's imperiled turtles through animal husbandry, field conservation, and educational programming. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(e) Minnesota Biological Survey**

\$1,500,000 the first year is from the trust fund to the commissioner of natural resources to complete the statewide baseline biological survey by finalizing data, analyses, and publications and by conducting targeted field surveys to fill missing gaps of information needed to support conservation of Minnesota's biodiversity. Any revenues generated through the publication of books or other resources created through this appropriation may be reinvested as described in the work plan approved by the Legislative-Citizen Commission on Minnesota Resources according to Minnesota Statutes, section 116P.10.

**(f) Groundwater Contamination Mapping Project - Phase II**

\$800,000 the first year is from the trust fund to the commissioner of the Pollution Control Agency to improve protection of groundwater resources for drinking water by expanding the web-based interactive groundwater contamination mapping system to include all other state hazardous and solid waste cleanup programs and by upgrading the system to collect monitoring data.

**(g) Geologic Atlases for Water Resource Management**

\$3,092,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Minnesota Geological Survey, to continue producing county geologic atlases to inform management of surface water and groundwater resources. This appropriation is to complete Part A, which focuses on the properties and distribution of earth materials to define aquifer boundaries and the connection of aquifers to the land surface and surface water resources.

**(h) Redwood County Reinvest in Minnesota Easement Evaluation and Public Outreach**

\$197,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Redwood County for the Redwood Soil and Water Conservation District to inventory vegetation, evaluate wetland conditions, and create a countywide stewardship plan for lands protected with permanent conservation

easements. This appropriation may also be spent to conduct outreach to volunteers and landowners on effective prairie and wetland habitat management.

**(i) Collaborative State and Tribal Wild Rice Monitoring Program**

\$644,000 the first year is from the trust fund to the commissioner of natural resources to work with Tribal partners to create a collaborative and comprehensive monitoring program to conserve wild-rice waters, develop remote sensing tools for statewide estimates of wild rice coverage, and collect consistent field data on wild rice health and abundance.

**(j) Morrison County Performance Drainage and Hydrology Management II**

\$197,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Morrison Soil and Water Conservation District to complete the Morrison County culvert inventory started in 2016 to help solve landowner conflicts, protect wetlands, improve water quality, and design additional water storage throughout the county.

**(k) Exploring Minnesota's Wetlands: Our Resource for Future Medicine**

\$210,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Crookston, to work with White Earth Tribal and Community College to catalog bog microbe diversity in Minnesota's ecoregions, test for potential antibiotic-producing microorganisms, and establish methods to enhance any antibiotic cultures discovered.

**(l) A Biodiversity Checkup for Minnesota's Big Woods**

\$109,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to inform conservation strategies by comparing the historic and contemporary flora of Minnesota's Big Woods to determine if all species have survived in the small remaining remnants of that ecosystem.

**(m) Microbiome in Raptors: A New Tool for Conservation**

\$129,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Raptor Center to improve wildlife care and environmental stewardship by evaluating the impact of antibiotics administered during captivity on raptor gut microbiome, rehabilitation success, and the potential spread of antimicrobial resistance in the natural environment.

**(n) Bioacoustics for Broad-Scale Species Monitoring and Conservation**

\$305,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to improve wildlife conservation efforts by using passive acoustic monitoring devices to determine statewide distribution and reproduction of red-headed woodpeckers and developing a protocol for future use of this technology to monitor population trends and responses to habitat management. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

Subd. 4. **Water Resources**

4,771,000

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**(a) Trout Stream Habitat Restoration Success**

\$319,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute to evaluate the effectiveness and durability of previous trout stream habitat restoration projects to improve the success and cost effectiveness of future projects. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(b) Novel Nutrient Recovery Process from Wastewater Treatment Plants**

\$200,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to conduct lab- and pilot-scale tests of a new process to promote nutrient removal and recovery at rural municipal and industrial wastewater treatment plants for water protection and renewable energy production.

**(c) Monitoring Emerging Viruses in Minnesota's Urban Water Cycles**

\$416,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop rapid testing, quantification, and human exposure risk assessment models for enveloped viruses such as coronaviruses in urban wastewater and drinking water treatment processes.

**(d) Microgeographic Impact of Antibiotics Released from Identified Hotspots**

\$508,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to inform protection of environmental, animal, and human health from proliferation of antibiotic resistance by quantifying and mapping the extent of antibiotic spread in waters and soils from locations identified as release hot spots.

**(e) Sustainable Irrigation Management: Expanding a Web Application**

\$1,139,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to promote responsible use of Minnesota's groundwater resources by expanding an existing irrigation management assistance tool into a mobile-compatible web application for the top agricultural-producing counties in the state. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(f) Assessing Membrane Bioreactor Wastewater Treatment Efficacy**

\$419,000 the first year is from the trust fund to the Board of Trustees of the Minnesota State Colleges and Universities system for St. Cloud State University to conduct a comprehensive assessment of membrane bioreactor treatment of wastewater to inform managers of options for updating or replacing aging wastewater infrastructure.

**(g) Evaluating Coronavirus and Other Microbiological Contamination of Drinking Water Sources from Wastewater**

\$594,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to survey public and private wells to identify sources of and evaluate solutions to microbiological contamination of drinking water sources by wastewater, including from the virus that causes COVID-19.

**(h) St. James Pit Water-Level Control Study**

\$259,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Aurora to install sampling wells and conduct a study to determine appropriate mitigation of the abandoned St. James pit mine to protect surface and drinking water and prevent harm to homes and residents.

**(i) Long-Term Nitrate Mitigation by Maintaining Profitable Kernza Production**

\$485,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Stearns County Soil and Water Conservation District to evaluate the effectiveness of aging Kernza stands on water quality and to continue to develop a sustainable supply chain with a focus on post-harvest processing of Kernza for water protection and local economies.

**(j) Antibiotic Resistance and Wastewater Treatment: Problems and Solutions**

\$432,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the University of St. Thomas to quantify the ability of full-scale wastewater treatment plants to eliminate antibiotic resistance genes entering or created in the water treatment process before these genes are released into the natural environment.

**Subd. 5. Environmental Education**

2,687,000

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**(a) Increasing Outdoor Learning for Young Minnesotans**

\$383,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Wolf Ridge Environmental Learning Center to provide scholarships for equitable access to hands-on learning experiences in the outdoors related to outdoor recreation, air and energy, water, habitat, and fish and wildlife. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(b) Pollinator Education in the Science Classroom**

\$366,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to educate approximately 5,000 students about pollinator conservation by providing professional development for science teachers to integrate pollinator education curriculum and materials into their classrooms and by evaluating the program to improve its effectiveness.

**(c) Minnesota Freshwater Quest: Environmental Education for Youth**

\$699,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Wilderness Inquiry to provide place-based STEM environmental education to approximately 15,000 diverse and underserved Minnesota youth through exploration of local ecosystems and waterways in the Minnesota Freshwater Quest program.

**(d) Minnesota Master Naturalist: Nature for New Minnesotans**

\$293,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota in partnership with English-language-learning organizations to adapt and incorporate materials developed for Minnesota Master Naturalists into English-language-learning programs to introduce immigrants and English-language learners to Minnesota's great outdoors.

**(e) The Voyageurs Classroom Initiative**

\$348,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Voyageurs Conservancy to launch a new initiative to connect Minnesota youth, young adults, and their families to Voyageurs National Park by learning about the park's waters, wildlife, and forests and by engaging in the park's preservation.

**(f) Restoring Land and Reviving Heritage: Conservation Through Indigenous Culture**

\$420,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Belwin Conservancy in partnership with Anishinabe Academy to conduct environmental education programming that incorporates ecology and indigenous land traditions and to restore an ecologically significant area of land using modern scientific standards and traditional ecological knowledge.

**(g) Expanding Access to Environmental Education for Underserved Communities**

\$178,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Raptor Center to build environmental literacy and engagement by delivering an environmental education program featuring live raptors and standards-based curriculum to approximately 300 classrooms in underserved communities throughout Minnesota.

**Subd. 6. Aquatic and Terrestrial Invasive Species**

6,148,000

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**(a) Starch Allocation Patterns of Invasive Starry Stonewort Harvested from Lake Koronis**

\$101,000 the first year is from the trust fund to the Board of Trustees of the Minnesota State Colleges and Universities System for Minnesota State University, Mankato, to evaluate the starch allocation patterns of the invasive starry stonewort to identify weaknesses in the plant's growth that could be targeted for management.

**(b) Long-Term Efficacy of Invasive Removal in Floodplain Forests**

\$25,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Macalester College to begin a long-term scientific study at the Ordway Field Station to provide information to land managers on protecting Minnesota's floodplain forests from combined threats of overabundant deer, invasive shrubs, and earthworms. This appropriation is available

until June 30, 2025, by which time the project must be completed and final products delivered. A report on the results of the long-term study must be submitted at the end of the appropriation and an update must be submitted five years after the appropriation ends or at the study's conclusion, whichever is first.

**(c) Oak Wilt Suppression at the Northern Edge - Phase II**

\$423,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Morrison Soil and Water Conservation District to continue to eradicate the northernmost occurrences of oak wilt in the state through mechanical means on select private properties to prevent oak wilt's spread to healthy state forests.

**(d) Biocontrol of Invasive Species in Bee Lawns and Parklands**

\$425,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to establish a biocontrol program to manage the invasive Japanese beetle in a way that reduces insecticide use in bee lawns and pollinator restorations and the associated economic and environmental costs to wildlife and humans.

**(e) Building Knowledge and Capacity for AIS Solutions**

\$3,750,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Aquatic Invasive Species Research Center to conduct high-priority projects aimed at solving Minnesota's aquatic invasive species problems using rigorous science and a collaborative process. Additionally, the appropriation may be spent to deliver research findings to end users through strategic communication and outreach. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(f) Evaluating Minnesota's Last Best Chance to Stop Carp**

\$424,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, in cooperation with the United States Army Corps of Engineers and the Department of Natural Resources, to evaluate invasive carp passage and the costs, processes, and potential for a state-of-the-art deterrent system installed at Mississippi River Lock and Dam Number 5 to impede passage of invasive carp at this location to protect the upper river.

**(g) Stop Starry Invasion with Community Invasive Species Containment**

\$1,000,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Minnesota Lakes and Rivers Advocates to work with civic leaders to purchase, install,

and operate waterless cleaning stations for watercraft; conduct aquatic invasive species education; and implement education upgrades at public accesses to prevent invasive starry stonewort spread beyond the 16 lakes already infested. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**Subd. 7. Air Quality, Climate Change, and Renewable Energy**

6,205,000

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**(a) Enhanced Thermo-Active Foundations for Space Heating in Minnesota**

\$312,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Duluth, to design and optimize cost-competitive thermally enhanced heat exchanger systems for use in building foundations to improve energy efficiency and conservation of natural resources in Minnesota's cold climate.

**(b) Storing Renewable Energy in Flow Battery for Grid Use**

\$2,408,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Morris, to implement a rural, community-scale project that demonstrates how a large flow battery connected to solar and wind generation improves grid stability and enhances use of renewable energy.

**(c) Agrivoltaics to Improve the Environment and Farm Resiliency**

\$646,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, West Central Research and Outreach Center, Morris, to model and evaluate alternative solar energy system designs to maximize energy production while providing other benefits to cattle and farmers.

**(d) Behavioral Response of Bald Eagles to Acoustic Stimuli**

\$261,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, St. Anthony Falls Laboratory, to protect wildlife by designing and implementing an acoustic deterrence protocol to discourage bald eagles from entering hazardous air space near wind energy installations.

**(e) Create Jobs Statewide by Diverting Materials from Landfills**

\$2,244,000 the first year is from the trust fund to the commissioner of natural resources for agreements with Better Futures Minnesota and the Natural Resources Research Institute to partner with cities, counties, and businesses to create and implement a collection,

restoration, reuse, and repurpose program that diverts used household goods and building materials from entering the waste stream and thereby reduces greenhouse gas emissions. Net income generated by Better Futures Minnesota as part of this appropriation may be reinvested in the project if a plan for reinvestment is approved in the work plan.

**(f) Strengthening Minnesota's Reuse Economy to Conserve Natural Resources**

\$334,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with ReUSE Minnesota to provide outreach and technical assistance to communities and small businesses to increase reuse, rental, and repair of consumer goods as an alternative to using new materials; to reduce solid-waste disposal impacts; and to create more local reuse jobs. A fiscal management and staffing plan must be approved in the work plan before any trust fund dollars are spent.

**Subd. 8. Methods to Protect, Restore, and Enhance Land, Water, and Habitat**

6,429,000

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**(a) Camp Ripley Sentinel Landscape Forest Restoration and Enhancements**

\$731,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Crow Wing Soil and Water Conservation District to partner with the Nature Conservancy and Great River Greening to develop forest stewardship plans, restore habitat, and conduct prescribed burns to advance forest restoration and enhancement on public and private lands within an approximate ten-mile radius around Camp Ripley. Notwithstanding subdivision 13, paragraph (e), this appropriation may be spent on forest management plans, fires, and restoration on lands with a long-term contract commitment for forest conservation. The restoration must follow the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines.

**(b) Restoring Mussels in Streams and Lakes - Continuation**

\$619,000 the first year is from the trust fund to the commissioner of natural resources to restore native freshwater mussel assemblages and the ecosystem services they provide in the Mississippi, Cedar, and Cannon Rivers and to inform the public on mussels and mussel conservation.

**(c) Pollinator Central II: Habitat Improvement With Community Monitoring**

\$631,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to restore and enhance pollinator habitat in the metropolitan area to benefit pollinators and people and to build knowledge of the impact through community-based monitoring.

**(d) Preserving Minnesota's Only Ball Cactus Population**

\$103,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Landscape Arboretum to move the only known remaining ball cactus population in the state from private to protected land and to propagate and bank ball cactus seeds for education and preservation.

**(e) Prescribed-Fire Management for Roadside Prairies - Phase II**

\$217,000 the first year is from the trust fund to the commissioner of transportation to continue to protect biodiversity and enhance pollinator habitat on roadsides by helping to create a self-sufficient prescribed-fire program at the Department of Transportation.

**(f) Restoring Upland Forests for Birds**

\$193,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the American Bird Conservancy to restore deciduous forest in partnership with Aitkin, Beltrami, and Cass Counties using science-based best management practices to rejuvenate noncommercial stands for focal wildlife species.

**(g) Minnesota Green Schoolyards**

\$250,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with The Trust for Public Land to assess, promote, and demonstrate how schoolyards can be adapted to improve water, air, and habitat quality and to foster next-generation environmental stewards while improving health, education, and community outcomes.

**(h) Plumbing the Muddy Depths of Superior Hiking Trail**

\$187,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Superior Hiking Trail Association to install and implement water management practices to prevent erosion and improve access to the Superior Hiking Trail.

**(i) Reducing Plastic Pollution with Biodegradable Erosion Control Products**

\$200,000 the first year is from the trust fund to the Agricultural Utilization Research Institute in partnership with the Departments of Transportation, Agriculture, and Natural Resources to demonstrate use of regionally grown industrial hemp to create biodegradable alternatives to plastic-based erosion and sediment control products used in transportation construction projects.

**(j) Remote Sensing and Super-Resolution Imaging of Microplastics**

\$309,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, St. Anthony Falls Laboratory, to develop and test remote sensing techniques for cost-effective monitoring of microplastics in lakes, rivers, and streams as well as in wastewater treatment plants. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(k) Woodcrest Trail Expansion**

\$16,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Foundation for Health Care Continuum, doing business as Country Manor Campus, LLC, to construct a trail for public recreational use on land owned by the senior living facility in central Minnesota.

**(l) Urban Pollinator and Native American Cultural Site Restoration**

\$213,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Friends of the Mississippi River to restore three urban natural areas, including an iconic Native American cultural site, to native prairie and forest with a focus on important pollinator and culturally significant native plants.

**(m) Demonstrating Real-World Economic and Soil Benefits of Cover Crops and Alternative Tillage**

\$288,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Redwood County for the Redwood Soil and Water Conservation District to increase farmer adoption of conservation practices by demonstrating soil improvements and cost savings of cover crops and alternative tillage compared to conventional practices on working farms. This appropriation is available until June 30, 2025, by which time the project must be completed and final products delivered.

**(n) Creating Cost-Effective Forage and Management Actions for Pollinators**

\$198,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to evaluate pollinator forage across time and in response to burning and mowing and to design an open-access web-based tool to share these data for land managers across Minnesota to inform restoration seed mix selection.

**(o) Shoreline Stabilization, Fishing, and ADA Improvements at Silverwood Park**

\$200,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Three Rivers Park District to provide water quality improvements through shoreline stabilization, shoreline fishing improvements, and shoreline ADA access on the island in Silver Lake within Silverwood Park.

**(p) Lawns to Legumes Program - Phase II**

\$993,000 the first year is from the trust fund to the Board of Water and Soil Resources to provide grants, cost-sharing, and technical assistance to plant residential lawns, community parks, and school landscapes with native vegetation and pollinator-friendly forbs and legumes to protect a diversity of pollinators. Notwithstanding subdivision 13, paragraph (e), this appropriation may be spent on pollinator plantings on lands with a long-term commitment from the landowner.

**(q) Reintroducing Bison to Spring Lake Park Reserve**

\$560,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Dakota County, in partnership with the Minnesota Bison Conservation Herd, to establish the holding facilities and infrastructure needed to reintroduce American plains bison (*Bison bison*) to improve the resiliency and biodiversity of the prairie at Spring Lake Park Reserve.

**(r) Elm Creek Habitat Restoration Final Phase**

\$521,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Champlin to conduct habitat and stream restoration in Elm Creek upstream of Mill Ponds.

Subd. 9. **Land Acquisition, Habitat, and Recreation**

32,062,000

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**(a) Perham to Pelican Rapids Regional Trail (McDonald Segment)**

\$2,245,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Otter Tail County to construct the McDonald Segment of the Perham to Pelican Rapids Regional Trail to connect the cities of Perham and Pelican Rapids to Maplewood State Park.

**(b) Mesabi Trail CSAH 88 to Ely**

\$1,650,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority to acquire, engineer, and construct a segment of the Mesabi Trail beginning at the intersection of County State-Aid Highway 88 toward Ely.

**(c) Southwest Minnesota Single-Track Trail**

\$190,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Jackson County to create a single-track mountain bike trail and expand an associated parking lot in Belmont County Park to address a lack of opportunity for this kind of outdoor recreation in southwest Minnesota.

**(d) Local Parks, Trails, and Natural Areas Grant Programs**

\$2,250,000 the first year is from the trust fund to the commissioner of natural resources to solicit and rank applications for and fund competitive matching grants for local parks, trail connections, and natural and scenic areas under Minnesota Statutes, section 85.019. Priority must be given to funding projects in the metropolitan area or in other areas of southern Minnesota. For purposes of this paragraph, southern Minnesota is defined as the area of the state south of and including St. Cloud. This appropriation is for local nature-based recreation, connections to regional and state natural areas, and recreation facilities and may not be used for athletic facilities such as sport fields, courts, and playgrounds.

**(e) Metropolitan Regional Parks System Land Acquisition - Phase VII**

\$2,250,000 the first year is from the trust fund to the Metropolitan Council for grants to acquire land within the approved park boundaries of the metropolitan regional park system. This appropriation must be matched by an equal amount from a combination of Metropolitan Council and local agency funds.

**(f) Sauk Rapids Lions Park Riverfront Improvements**

\$463,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Sauk Rapids to design and construct a second phase of upgrades to Lions and Southside Parks including trails, lighting, riverbank restoration, and a canoe and kayak launch to enhance access to the Mississippi River.

**(g) City of Brainerd - Mississippi Landing Trailhead**

\$2,850,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Brainerd to design and construct Mississippi Landing Trailhead Park to help connect residents and visitors to the Mississippi River through recreation, education, and restoration.

**(h) Native Prairie Stewardship and Prairie Bank Easement Acquisition**

\$1,341,000 the first year is from the trust fund to the commissioner of natural resources to provide technical stewardship assistance to private landowners, restore and enhance native prairie protected by easements in the native prairie bank, and acquire easements for the native prairie bank in accordance with Minnesota Statutes, section 84.96, including preparing initial baseline property assessments. Up to \$60,000 of this appropriation may be deposited in the natural resources conservation easement stewardship account created in Minnesota Statutes, section 84.69, proportional to the number of easement acres acquired.

**(i) Moose Lake - Trunk Highway 73 Trail**

\$330,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Moose Lake to design and construct a nonmotorized recreational trail in an off-street pedestrian corridor along Highway 73 to connect to several existing regional trails in the Moose Lake area.

**(j) SNA Acquisition, Restoration, Citizen-Science, and Outreach**

\$3,336,000 the first year is from the trust fund to the commissioner of natural resources for the scientific and natural areas (SNA) program to restore, improve, and enhance wildlife habitat on SNAs; increase public involvement and outreach; and strategically acquire lands that meet criteria for SNAs under Minnesota Statutes, section 86A.05, from willing sellers.

**(k) Precision Acquisition for Restoration, Groundwater Recharge, and Habitat**

\$467,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to acquire and restore to wetland a key parcel of land to reduce downstream flooding while providing water storage, groundwater recharge, nutrient reduction, and pollinator and wildlife habitat.

**(l) Lake Brophy Single-Track Trail Expansion**

\$100,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Douglas County in partnership with the Big Ole Bike Club to design and build new expert single-track segments and an asphalt pump track for the existing trail system at Lake Brophy Park to improve outdoor recreation experiences in west-central Minnesota.

**(m) Veterans on the Lake**

\$553,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Lake County for Veterans on the Lake to conduct accessibility upgrades to Veterans on the Lake's existing trails, roadway, and buildings to improve access to the wilderness and outdoor recreation for disabled American veterans.

**(n) Crane Lake Voyageurs National Park Visitor Center - Continuation**

\$2,700,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Crane Lake to design and construct an approximate 4,500 to 7,000 square-foot visitor center building to serve as an access point to Voyageurs National Park. A fiscal agent or fiscal management plan must be approved in the work plan before any trust fund money is spent. A copy of a resolution or other documentation of the city's commitment to fund operations of the visitor center must be included in the work plan submitted to the Legislative-Citizen Commission on Minnesota Resources.

**(o) Brookston Campground, Boat Launch, and Outdoor Recreational Facility Planning**

\$425,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Brookston to design a campground, boat launch, and outdoor recreation area on the banks of the St. Louis River in northeastern Minnesota. A fiscal agent must be approved in the work plan before any trust fund dollars are spent.

**(p) Moose and Seven Beaver Multiuse Trails Upgrade**

\$900,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Hoyt Lakes, in partnership with the Ranger Snowmobile and ATV Club, to design and construct upgrades and extensions to the Moose and Seven Beaver multiuse trails to enhance access for recreation use and connect to regional trails.

**(q) Above the Falls Regional Park Acquisition**

\$950,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minneapolis Parks and Recreation Board to develop a restoration plan and acquire approximately 3.25 acres of industrial land for public access and habitat connectivity along the Mississippi River as part of Above the Falls Regional Park.

**(r) Silver Lake Trail Improvement Project**

\$1,071,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Virginia to reconstruct and renovate the walking trail around Silver Lake to allow safe multimodal transportation between schools, parks, community recreation facilities, and other community activity centers in downtown Virginia.

**(s) Minnesota State Trails Development**

\$4,266,000 the first year is from the trust fund to the commissioner of natural resources to expand recreational opportunities on Minnesota state trails by rehabilitating and enhancing existing state trails and replacing or repairing existing state trail bridges. Priority must be given to funding projects in the metropolitan area or in other areas of southern Minnesota. For purposes of this paragraph, southern Minnesota is defined as the area of the state south of and including St. Cloud.

**(t) Highbanks Ravine Bat Hibernaculum Project**

\$825,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of St. Cloud to reroute and upgrade an existing stormwater system in the Highbanks Ravine area to improve an existing bat hibernaculum, reduce erosion, and create additional green space for wildlife habitat.

**(u) State Parks and State Trails Inholdings**

\$2,560,000 the first year is from the trust fund to the commissioner of natural resources to acquire high-priority inholdings from willing sellers within the legislatively authorized boundaries of state parks, recreation areas, and trails to protect Minnesota's natural heritage, enhance outdoor recreation, and improve the efficiency of public land management.

**(v) Accessible Fishing Piers and Shore Fishing Areas**

\$340,000 the first year is from the trust fund to the commissioner of natural resources to provide accessible fishing piers and develop shore fishing sites to serve new angling communities, underserved populations, and anglers with disabilities.

**Subd. 10. Administrative and Emerging Issues**2,120,000-0-**(a) Contract Agreement Reimbursement**

\$135,000 the first year is from the trust fund to the commissioner of natural resources, at the direction of the Legislative-Citizen Commission on Minnesota Resources, for expenses incurred in preparing and administering contracts for the agreements specified in this section. The commissioner must provide documentation to the Legislative-Citizen Commission on Minnesota Resources on the expenditure of these funds.

**(b) Legislative-Citizen Commission on Minnesota Resources (LCCMR) Administration**

\$1,750,000 the first year is from the trust fund to the Legislative-Citizen Commission on Minnesota Resources for administration in fiscal years 2022 and 2023 as provided in Minnesota Statutes, section 116P.09, subdivision 5. This appropriation is available until June 30, 2023. Notwithstanding Minnesota Statutes, section 116P.11, paragraph (b), Minnesota Statutes, section 16A.281, applies to this appropriation.

**(c) Emerging Issues Account**

\$233,000 the first year is from the trust fund to an emerging issues account authorized in Minnesota Statutes, section 116P.08, subdivision 4, paragraph (d).

**(d) Legislative Coordinating Commission (LCC) Administration**

\$2,000 the first year is from the trust fund to the Legislative Coordinating Commission for the website required in Minnesota Statutes, section 3.303, subdivision 10.

**Subd. 11. Availability of Appropriations**

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the work plan approved by the Legislative-Citizen Commission on Minnesota Resources. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Costs that are directly related to and necessary for an appropriation, including financial services, human resources, information services, rent, and utilities, are eligible only if the costs can be clearly justified and individually documented specific to the appropriation's purpose and would not be generated by the recipient but for receipt of the appropriation. No broad allocations for costs in either dollars or percentages are allowed. Unless otherwise provided, the amounts

in this section are available until June 30, 2024, when projects must be completed and final products delivered. For acquisition of real property, the appropriations in this section are available for an additional fiscal year if a binding contract for acquisition of the real property is entered into before the expiration date of the appropriation. If a project receives a federal grant, the period of the appropriation is extended to equal the federal grant period.

**Subd. 12. Data Availability Requirements**

Data collected by the projects funded under this section must conform to guidelines and standards adopted by Minnesota IT Services. Spatial data must also conform to additional guidelines and standards designed to support data coordination and distribution that have been published by the Minnesota Geospatial Information Office. Descriptions of spatial data must be prepared as specified in the state's geographic metadata guideline and must be submitted to the Minnesota Geospatial Information Office. All data must be accessible and free to the public unless made private under the Data Practices Act, Minnesota Statutes, chapter 13. To the extent practicable, summary data and results of projects funded under this section should be readily accessible on the Internet and identified as having received funding from the environment and natural resources trust fund.

**Subd. 13. Project Requirements**

(a) As a condition of accepting an appropriation under this section, an agency or entity receiving an appropriation or a party to an agreement from an appropriation must comply with paragraphs (b) to (l) and Minnesota Statutes, chapter 116P, and must submit a work plan and annual or semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources for any project funded in whole or in part with funds from the appropriation. Modifications to the approved work plan and budget expenditures must be made through the amendment process established by the Legislative-Citizen Commission on Minnesota Resources.

(b) A recipient of money appropriated in this section that conducts a restoration using funds appropriated in this section must use native plant species according to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines and include an appropriate diversity of native species selected to provide habitat for pollinators throughout the growing season as required under Minnesota Statutes, section 84.973.

(c) For all restorations conducted with money appropriated under this section, a recipient must prepare an ecological restoration and management plan that, to the degree practicable, is consistent with the highest-quality conservation and ecological goals for the

restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success and durability of the restoration project. The plan must include the proposed timetable for implementing the restoration, including site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and take advantage of the best-available science and include innovative techniques to achieve the best restoration.

(d) An entity receiving an appropriation in this section for restoration activities must provide an initial restoration evaluation at the completion of the appropriation and an evaluation three years after the completion of the expenditure. Restorations must be evaluated relative to the stated goals and standards in the restoration plan, current science, and, when applicable, the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The evaluation must determine whether the restorations are meeting planned goals, identify any problems with implementing the restorations, and, if necessary, give recommendations on improving restorations. The evaluation must be focused on improving future restorations.

(e) All restoration and enhancement projects funded with money appropriated in this section must be on land permanently protected by a conservation easement or public ownership.

(f) A recipient of money from an appropriation under this section must give consideration to contracting with Conservation Corps Minnesota for contract restoration and enhancement services.

(g) All conservation easements acquired with money appropriated under this section must:

(1) be permanent;

(2) specify the parties to an easement in the easement;

(3) specify all provisions of an agreement that are permanent;

(4) be sent to the Legislative-Citizen Commission on Minnesota Resources in an electronic format at least ten business days before closing;

(5) include a long-term monitoring and enforcement plan and funding for monitoring and enforcing the easement agreement; and

(6) include requirements in the easement document to protect the quantity and quality of groundwater and surface water through specific activities such as keeping water on the landscape, reducing nutrient and contaminant loading, and not permitting artificial hydrological modifications.

(h) For any acquisition of lands or interest in lands, a recipient of money appropriated under this section must not agree to pay more than 100 percent of the appraised value for a parcel of land using this money to complete the purchase, in part or in whole, except that up to ten percent above the appraised value may be allowed to complete the purchase, in part or in whole, using this money if permission is received in advance of the purchase from the Legislative-Citizen Commission on Minnesota Resources.

(i) For any acquisition of land or interest in land, a recipient of money appropriated under this section must give priority to high-quality natural resources or conservation lands that provide natural buffers to water resources.

(j) For new lands acquired with money appropriated under this section, a recipient must prepare an ecological restoration and management plan in compliance with paragraph (c), including sufficient funding for implementation unless the work plan addresses why a portion of the money is not necessary to achieve a high-quality restoration.

(k) To ensure public accountability for using public funds, a recipient of money appropriated under this section must, within 60 days of the transaction, provide to the Legislative-Citizen Commission on Minnesota Resources documentation of the selection process used to identify parcels acquired and provide documentation of all related transaction costs, including but not limited to appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Legislative-Citizen Commission on Minnesota Resources any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted.

(l) A recipient of an appropriation from the trust fund under this section must acknowledge financial support from the environment and natural resources trust fund in project publications, signage, and other public communications and outreach related to work completed using the appropriation. Acknowledgment may occur, as appropriate, through use of the trust fund logo or inclusion of language attributing support from the trust fund. Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must satisfy all reporting and other requirements incumbent upon

constitutionally dedicated funding recipients as provided in Minnesota Statutes, section 3.303, subdivision 10, and chapter 116P.

**Subd. 14. Payment Conditions and Capital-Equipment Expenditures**

(a) All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures made on or after July 1, 2021, or the date the work plan is approved, whichever is later, are eligible for reimbursement unless otherwise provided in this section. Periodic payments must be made upon receiving documentation that the deliverable items articulated in the approved work plan have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash-flow needs or match federal money. The advances must be approved as part of the work plan. No expenditures for capital equipment are allowed unless expressly authorized in the project work plan.

(b) Single-source contracts as specified in the approved work plan are allowed.

**Subd. 15. Purchasing Recycled and Recyclable Materials**

A political subdivision, public or private corporation, or other entity that receives an appropriation under this section must use the appropriation in compliance with Minnesota Statutes, section 16C.0725, regarding purchasing recycled, repairable, and durable materials and Minnesota Statutes, section 16C.073, regarding purchasing and using paper stock and printing.

**Subd. 16. Energy Conservation and Sustainable Building Guidelines**

A recipient to whom an appropriation is made under this section for a capital improvement project must ensure that the project complies with the applicable energy conservation and sustainable building guidelines and standards contained in law, including Minnesota Statutes, sections 16B.325, 216C.19, and 216C.20, and rules adopted under those sections. The recipient may use the energy planning, advocacy, and State Energy Office units of the Department of Commerce to obtain information and technical assistance on energy conservation and alternative-energy development relating to planning and constructing the capital improvement project.

**Subd. 17. Accessibility**

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

**Subd. 18. Carryforward; Extension**

(a) Notwithstanding Minnesota Statutes, section 16A.28, or any other law to the contrary, the availability of any appropriation or grant of money from the environment and natural resources trust fund that would otherwise cancel, lapse, or expire on June 30, 2021, is extended to June 30, 2022, if the recipient or grantee does both of the following:

(1) by April 30, 2021, notifies the Legislative-Citizen Commission on Minnesota Resources in the manner specified by the commission that the recipient or grantee intends to avail itself of the extension available under this section; and

(2) modifies the applicable work plan where required by Minnesota Statutes, section 116P.05, subdivision 2, in accordance with the work plan amendment procedures adopted under that section.

(b) The commission must notify the commissioner of management and budget and the commissioner of natural resources of any extension granted under this section.

**Subd. 19. Repurpose of Prior Appropriations; Natural Resources Research Institute**

(a) The following amounts, totaling \$840,000, are transferred to the Board of Regents of the University of Minnesota for academic and applied research through the MnDRIVE program at the Natural Resources Research Institute to develop and demonstrate technologies that enhance the long-term health and management of Minnesota's forest resources, extend the viability of incumbent forest-based industries, and accelerate emerging industry opportunities. Of this amount, \$500,000 is for extending the demonstrated forest management assessment tool to statewide application:

(1) the unencumbered amount, estimated to be \$250,000, in Laws 2017, chapter 96, section 2, subdivision 7, paragraph (e), Geotargeted Distributed Clean Energy Initiative;

(2) the unencumbered amount, estimated to be \$20,000, in Laws 2017, chapter 96, section 2, subdivision 8, paragraph (g), Minnesota Bee and Beneficial Species Habitat Restoration;

(3) the unencumbered amount, estimated to be \$350,000, in Laws 2018, chapter 214, article 4, section 2, subdivision 9, paragraph (e), Swedish Immigrant Regional Trail Segment within Interstate State Park; and

(4) the unencumbered amount, estimated to be \$220,000, in Laws 2019, First Special Session chapter 4, article 2, section 2, subdivision 5, paragraph (a), Expanding Camp Sunrise Environmental Program.

(b) The amounts transferred under this subdivision are available until June 30, 2023.

**EFFECTIVE DATE.** Subdivisions 18 and 19 are effective the day following final enactment.

#### ARTICLE 4 POLLUTION CONTROL

Section 1. Minnesota Statutes 2020, section 16A.151, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) If a state official litigates or settles a matter on behalf of specific injured persons or entities, this section does not prohibit distribution of money to the specific injured persons or entities on whose behalf the litigation or settlement efforts were initiated. If money recovered on behalf of injured persons or entities cannot reasonably be distributed to those persons or entities because they cannot readily be located or identified or because the cost of distributing the money would outweigh the benefit to the persons or entities, the money must be paid into the general fund.

(b) Money recovered on behalf of a fund in the state treasury other than the general fund may be deposited in that fund.

(c) This section does not prohibit a state official from distributing money to a person or entity other than the state in litigation or potential litigation in which the state is a defendant or potential defendant.

(d) State agencies may accept funds as directed by a federal court for any restitution or monetary penalty under United States Code, title 18, section 3663(a)(3), or United States Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue account and are appropriated to the commissioner of the agency for the purpose as directed by the federal court.

(e) Tobacco settlement revenues as defined in section 16A.98, subdivision 1, paragraph (t), may be deposited as provided in section 16A.98, subdivision 12.

(f) Any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state, on behalf of the state or a state agency, against one or more opioid manufacturers or opioid wholesale drug distributors related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids, must be deposited in a separate account in the state treasury and the commissioner shall notify the chairs and ranking minority members of the Finance Committee in the senate and the Ways and Means Committee in the house of representatives that an account has been created. This paragraph does not apply to attorney fees and costs awarded to the state or the Attorney General's Office, to contract attorneys hired by the state or Attorney General's Office, or to other state agency attorneys. If the licensing fees under section 151.065, subdivision 1, clause (16), and subdivision 3, clause (14), are reduced and the registration fee under section 151.066, subdivision 3, is repealed in accordance with section 256.043, subdivision 4, then the commissioner shall transfer from the separate account created in this paragraph to the opiate epidemic response fund under section 256.043 an amount that ensures that \$20,940,000 each fiscal year is available for distribution in accordance with section 256.043, subdivisions 2 and 3.

(g) If the Minnesota Pollution Control Agency recovers \$250,000 or more in litigation or in settlement of a matter that could have resulted in litigation for a civil penalty from violations of a permit issued by the Minnesota Pollution Control Agency, then 40 percent of the money recovered must be distributed to the community health board, as defined in section 145A.02, where the permitted facility is located. The commissioner of the Minnesota Pollution Control Agency must notify the applicable community health board within 30 days of a final court order in the litigation or the effective date of the settlement agreement that the litigation has concluded or a settlement has been reached. The commissioner of the Minnesota Pollution Control Agency must collect the money and transfer it to the applicable community health board. The community health board must meet directly with the residents potentially affected by the pollution that was the subject of the litigation or settlement to understand the residents' concerns and incorporate those concerns into a project that addresses residents' health concerns resulting from their exposure to pollution. The project must be implemented by the community health board and funded as directed in this paragraph. The Department of Health shall assist the community health board with project development and implementation, if requested by the community health board. The community health board may use up to five percent of the funds transferred to it under this paragraph for the reasonable direct costs it incurs to administer the provisions of this paragraph and for assistance from the Department of Health under this paragraph. This paragraph directs the transfer and use of money only and does not create a right of intervention in the litigation or settlement of the enforcement action for any person or entity.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all litigation actions or settlements from which the Minnesota Pollution Control Agency recovered \$250,000 or more on or after that date.

Sec. 2. Minnesota Statutes 2020, section 115.03, subdivision 1, is amended to read:

Subdivision 1. **Generally.** The agency is hereby given and charged with the following powers and duties:

- (a) to administer and enforce all laws relating to the pollution of any of the waters of the state;
- (b) to investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as it may deem advisable;
- (c) to establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as it shall deem necessary for the purposes of this chapter and, with respect to the pollution of waters of the state, chapter 116;
- (d) to encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;
- (e) to adopt, issue, reissue, modify, deny, ~~or~~ reopen, enter into, or enforce reasonable orders, permits, variances, standards, rules, schedules of compliance, and stipulation agreements, under such conditions as it may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities:
  - (1) requiring the discontinuance of the discharge of sewage, industrial waste or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;
  - (2) prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

(3) prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

(4) requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

(5) establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any nonwater quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the agency determines to be achievable through application of the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is or may be the discharge of pollutants, the construction of which is commenced after the publication by the agency of proposed rules prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the construction of which is commenced after May 20, 1973, and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obligations to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

(6) establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

(7) requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the agency shall prescribe, and providing such other information as the agency may reasonably require;

(8) notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section 115.01, subdivision 13, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected

by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

(9) modifying, in its discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977, upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability of the owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants; ~~and~~

(10) requiring that applicants for wastewater discharge permits evaluate in their applications the potential reuses of the discharged wastewater; and

(11) requiring parties who enter into a negotiated agreement to settle an enforcement matter with the agency to reimburse the agency according to this clause for oversight costs that are incurred by the agency and associated with implementing the negotiated agreement. The agency may recover oversight costs exceeding \$25,000. Oversight costs include personnel and direct costs associated with inspections, sampling, monitoring, modeling, risk assessment, permit writing, engineering review, economic analysis and review, and other record or document review. Only oversight costs incurred after executing the negotiated agreement are covered by this clause. The agency's legal and litigation costs are not covered by this clause. The commissioner has discretion as to whether to apply this clause in cases when the agency is using schedules of compliance to bring a class of regulated parties into compliance. Reimbursement amounts are appropriated to the commissioner;

(f) to require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

(g) to prescribe and alter rules, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon it by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

(h) to conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which it may deem advisable for the discharge of its duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance of permits, and to authorize any member, employee, or agent appointed by it to conduct such investigations or, issue such notices and hold such hearings;

(i) for the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

(j) to train water pollution control personnel, and charge such fees therefor as are necessary to cover the agency's costs. All such fees received shall be paid into the state treasury and credited to the Pollution Control Agency training account;

(k) to impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder;

(l) to set a period not to exceed five years for the duration of any national pollutant discharge elimination system permit or not to exceed ten years for any permit issued as a state disposal system permit only;

(m) to require each governmental subdivision identified as a permittee for a wastewater treatment works to evaluate in every odd-numbered year the condition of its existing system and identify future capital improvements that will be needed to attain or maintain compliance with a national pollutant discharge elimination system or state disposal system permit; and

(n) to train subsurface sewage treatment system personnel, including persons who design, construct, install, inspect, service, and operate subsurface sewage treatment systems, and charge fees as necessary to pay the agency's costs. All fees received must be paid into the state treasury and credited to the agency's training account. Money in the account is appropriated to the agency to pay expenses related to training.

The information required in clause (m) must be submitted in every odd-numbered year to the commissioner on a form provided by the commissioner. The commissioner shall provide technical assistance if requested by the governmental subdivision.

The powers and duties given the agency in this subdivision also apply to permits issued under chapter 114C.

Sec. 3. Minnesota Statutes 2020, section 115.061, is amended to read:

**115.061 DUTY TO NOTIFY; AVOIDING WATER POLLUTION.**

(a) Except as provided in paragraph (b), it is the duty of every person to notify the agency immediately of the discharge, accidental or otherwise, of any substance or material under its control which, if not recovered, may cause pollution of waters of the state, and the responsible person shall recover as rapidly and as thoroughly as possible such substance or material and take immediately such other action as may be reasonably possible to minimize or abate pollution of waters of the state caused thereby.

(b) Notification is not required under paragraph (a) for a discharge of five gallons or less of petroleum, as defined in section 115C.02, subdivision 10. This paragraph does not affect the other requirements of paragraph (a).

(c) Promptly after notifying the agency of a discharge event under paragraph (a), a publicly owned treatment works or a publicly or privately owned domestic sewer system owner must provide notice to the potentially impacted public and to any downstream drinking water facility that may be impacted by the discharge event. Notice to the public and to any drinking water facility must be made using the most efficient communications system available to the facility owner, such as in person, phone call, radio, social media, webpage or another expedited form. In addition, signage must be posted at all impacted public use areas within the same jurisdiction or notification must be provided to the entity that has jurisdiction over any impacted public use areas. A notice under this paragraph must include the date and time of the release, a description of the material released, a warning of the potential public health risk, and the permittee's contact information.

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

Sec. 4. Minnesota Statutes 2020, section 115.071, subdivision 1, is amended to read:

Subdivision 1. **Remedies available.** The provisions of sections 103F.701 to 103F.755, this chapter and chapters 114C, 115A, and 116, and sections 325E.10 to 325E.1251 and 325E.32 and all rules, standards, orders, stipulation agreements, schedules of compliance, and permits adopted or issued by the agency thereunder or under any other law now in force or hereafter enacted for the prevention, control, or abatement of pollution may be enforced by any one or any combination of the following: criminal prosecution; action to recover civil penalties; injunction; action to compel or cease performance; or other appropriate action, in accordance with the provisions of said chapters and this section.

Sec. 5. Minnesota Statutes 2020, section 115.071, is amended by adding a subdivision to read:

**Subd. 3a. Public informational meeting.** (a) The commissioner, before finalizing a stipulation agreement or consent decree with a facility in which the agency is seeking a settlement amount greater than \$25,000, must hold a public informational meeting at a convenient time at a location near the facility to:

(1) notwithstanding section 13.39, subdivision 2, describe the amount, frequency, duration, and chemical nature of the pollution released or emitted by the facility and the risks to public health and the environment from that exposure; and

(2) allow members of the public, including those persons potentially exposed to pollution released or emitted from the facility, to make the agency aware of:

(i) interactions between the facility and the public regarding the facility's operations;

(ii) operational problems or incidents that have occurred at the facility; and

(iii) suggestions regarding supplemental environmental projects that the public may prefer as part of a stipulation agreement or consent decree between the facility and the agency.

(b) For the purposes of this section, "supplemental environmental project" means a project that benefits the environment or public health and that a regulated facility agrees to undertake as part of a settlement with respect to an enforcement action taken by the agency to resolve noncompliance.

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

Sec. 6. Minnesota Statutes 2020, section 115.071, subdivision 4, is amended to read:

**Subd. 4. Injunctions.** Any violation of the provisions, rules, standards, orders, stipulation agreements, variances, schedules of compliance, or permits specified in this chapter and chapters 114C and 116 ~~shall constitute~~ constitutes a public nuisance and may be enjoined as provided by law in an action, in the name of the state, brought by the attorney general. Injunctive relief under this subdivision may include but is not limited to a requirement that a facility or person immediately cease operation or activities until such time as the commissioner has reasonable assurance that renewed operation or activities will not violate state pollution requirements, cause harm to human health, or result in a serious violation of an applicable permit.

Sec. 7. Minnesota Statutes 2020, section 115.071, is amended by adding a subdivision to read:

**Subd. 8. Stipulation agreements.** In exercising enforcement powers over a term of a stipulation agreement when a party asserts a good cause or force majeure claim for an extension of time to comply with a stipulated term, the commissioner must not grant the extension if the assertion is based solely on increased costs.

Sec. 8. Minnesota Statutes 2020, section 115.071, is amended by adding a subdivision to read:

**Subd. 9. Compliance when required permit not obtained.** The commissioner may require a person or facility that fails to obtain a required permit to comply with any terms of a permit that would have been issued had the person or facility obtained a permit, including but not limited to reporting, monitoring, controlling pollutant discharge, and creating and implementing operations and maintenance plans. The person or facility is subject to liability and penalties, including criminal liability, for failing to operate in compliance with a permit not obtained beginning at the time a permit should have been obtained.

Sec. 9. Minnesota Statutes 2020, section 115A.03, is amended by adding a subdivision to read:

**Subd. 10b. Environmental justice.** "Environmental justice" means that:

(1) communities of color, Indigenous communities, and low-income communities have a healthy environment and are treated fairly when environmental statutes, rules, and policies are developed, adopted, implemented, and enforced; and

(2) in all decisions that have the potential to affect the environment of an environmental justice area or the public health of its residents, due consideration is given to the history of those residents' cumulative exposure to pollutants and to any current socioeconomic conditions that increase the physical sensitivity of those residents to additional exposure to pollutants.

Sec. 10. Minnesota Statutes 2020, section 115A.03, is amended by adding a subdivision to read:

**Subd. 10c. Environmental justice area.** "Environmental justice area" means one or more census blocks in Minnesota:

(1) in which, based on the most recent data published by the United States Census Bureau:

(i) 40 percent or more of the population is nonwhite;

(ii) 35 percent or more of the households have an income at or below 200 percent of the federal poverty level; or

(iii) 40 percent or more of the population over the age of five have limited English proficiency; or

(2) within Indian country, as defined in United State Code, title 18, section 1151.

Sec. 11. Minnesota Statutes 2020, section 115A.1310, subdivision 12b, is amended to read:

**Subd. 12b. Phase II recycling credits.** "Phase II recycling credits" means ~~the number of pounds of covered electronic devices recycled by a manufacturer during a program year beginning July 1, 2019, and thereafter, from households located outside the 11-county metropolitan area, as defined in section 115A.1314, subdivision 2, less the manufacturer's recycling obligation calculated for the same program year in section 115A.1320, subdivision 1, paragraph (g)~~ an amount calculated in a program year beginning July 1, 2019, and in each program year thereafter, according to the formula  $(1.5 \times A) - (B - C)$ , where:

A = the number of pounds of covered electronic devices a manufacturer recycled or arranged to have collected and recycled during a program year from households located outside the 11-county metropolitan area, as defined in section 115A.1314, subdivision 2;

B = the manufacturer's recycling obligation calculated for the same program year in section 115A.1320, subdivision 1, paragraph (g); and

C = the number of pounds of covered electronic devices a manufacturer recycled or arranged to have collected and recycled, up to but not exceeding B, during the same program year from households in the 11-county metropolitan area.

Sec. 12. Minnesota Statutes 2020, section 115A.1312, subdivision 1, is amended to read:

**Subdivision 1. Requirements for sale.** (a) On or after September 1, 2007, a manufacturer must not sell or offer for sale or deliver to retailers for subsequent sale a new video display device unless:

(1) the video display device is labeled with the manufacturer's brand, which label is permanently affixed and readily visible; and

(2) the manufacturer has filed a registration with the agency, as specified in subdivision 2.

~~(b) On or after February 1, 2008, a retailer who sells or offers for sale a new video display device to a household must, before the initial offer for sale, review the agency website specified in subdivision 2, paragraph (g), to determine that all new video display devices that the retailer is offering for sale are labeled with the manufacturer's brands that are registered with the agency.~~

(b) A retailer must not sell, offer for sale, rent, or lease a video display device unless the video display device is labeled according to this subdivision and listed as registered on the agency website according to subdivision 2.

(c) A retailer is not responsible for an unlawful sale under this subdivision if the manufacturer's registration expired or was revoked and the retailer took possession of the video display device prior to the expiration or revocation of the manufacturer's registration and the unlawful sale occurred within six months after the expiration or revocation.

Sec. 13. Minnesota Statutes 2020, section 115A.1314, subdivision 1, is amended to read:

Subdivision 1. **Registration fee.** (a) Each manufacturer who registers under section 115A.1312 must, by August 15 each year, pay to the commissioner of revenue an annual registration fee, on a form and in a manner prescribed by the commissioner of revenue. The commissioner of revenue must deposit the fee in the state treasury and credit the fee to the environmental fund.

(b) The registration fee for manufacturers that sell 100 or more video display devices to households in the state during the previous calendar year is \$2,500, plus a variable recycling fee. The registration fee for manufacturers that sell fewer than 100 video display devices in the state during the previous calendar year is a variable recycling fee. The variable recycling fee is calculated according to the formula:

$[A - (B + C)] \times D$ , where:

A = the manufacturer's recycling obligation as determined under section 115A.1320;

B = the number of pounds of covered electronic devices ~~recycled by that~~ a manufacturer recycled or arranged to have collected and recycled from households during the immediately preceding program year, as reported under section 115A.1316, subdivision 1;

C = the number of phase I or phase II recycling credits a manufacturer elects to use to calculate the variable recycling fee; and

D = the estimated per-pound cost of recycling, initially set at \$0.50 per pound for manufacturers who recycle less than 50 percent of the manufacturer's recycling obligation; \$0.40 per pound for manufacturers who recycle at least 50 percent but less than 90 percent of the manufacturer's recycling obligation; \$0.30 per pound for manufacturers who recycle at least 90 percent but less than 100 percent of the manufacturer's recycling obligation; and \$0.00 per pound for manufacturers who recycle 100 percent or more of the manufacturer's recycling obligation.

(c) A manufacturer may petition the agency to waive the per-pound cost of recycling fee, element D in the formula in paragraph (b), required under this section. The agency shall direct the commissioner of revenue to waive the per-pound cost of recycling fee if the manufacturer demonstrates to the agency's satisfaction a good faith effort to meet its recycling obligation as determined under section 115A.1320. The petition must include:

(1) documentation that the manufacturer has met at least 75 percent of its recycling obligation as determined under section 115A.1320;

(2) a list of political subdivisions and public and private collectors with whom the manufacturer had a formal contract or agreement in effect during the previous program year to recycle or collect covered electronic devices;

(3) the total amounts of covered electronic devices collected from both within and outside of the 11-county metropolitan area, as defined in subdivision 2;

(4) a description of the manufacturer's best efforts to meet its recycling obligation as determined under section 115A.1320; and

(5) any other information requested by the agency.

(d) A manufacturer may retain phase I and phase II recycling credits to be added, in whole or in part, to the actual value of C, as reported under section 115A.1316, subdivision 2, during any succeeding program year, provided that no more than 25 percent of a manufacturer's recycling obligation ( $A \times B$ ) for any program year may be met with phase I and phase II recycling credits, separately or in combination, generated in a prior program year. A manufacturer may sell any portion or all of its phase I and phase II recycling credits to another manufacturer, at a price negotiated by the parties, who may use the credits in the same manner.

(e) For the purpose of determining B in calculating a manufacturer's variable recycling fee using the formula under paragraph (b), starting with the program year beginning July 1, 2019, and continuing each year thereafter, the weight of covered electronic devices collected from that a manufacturer recycled or arranged to have collected and recycled from households located outside the 11-county metropolitan area, as defined in subdivision 2, paragraph (b), is calculated at 1.5 times their actual weight.

Sec. 14. Minnesota Statutes 2020, section 115A.1316, subdivision 1, is amended to read:

Subdivision 1. **Manufacturer reporting requirements.** ~~(a) By August 1, 2016, each manufacturer must report to the agency using the form prescribed:~~

~~(1) the total weight of each specific model of its video display devices sold to households during the previous program year; and~~

~~(2) either:~~

~~(i) the total weight of its video display devices sold to households during the previous program year; or~~

~~(ii) an estimate of the total weight of its video display devices sold to households during the previous program year, calculated by multiplying the weight of its video display devices sold nationally times the quotient of Minnesota's population divided by the national population. All manufacturers with sales of 99 or fewer video display devices to households in the state during the previous calendar year must report using the method under this item for calculating sales.~~

~~(b) (a) By March 1, 2017, and each March 1 thereafter each year, each manufacturer must report to the agency using the form prescribed:~~

~~(1) the total weight of each specific model of its video display devices sold to households during the previous calendar year; and~~

~~(2) either:~~

~~(i) the total weight of its video display devices sold to households during the previous calendar year; or~~

(ii) an estimate of the total weight of its video display devices sold to households during the previous calendar year, calculated by multiplying the weight of its video display devices sold nationally times the quotient of Minnesota's population divided by the national population. All manufacturers with sales of 99 or fewer video display devices to households in the state during the previous calendar year must report using the method under this item for calculating sales.

A manufacturer must submit with the report required under this paragraph a description of how the information or estimate was calculated.

~~(e)~~ (b) By August 15 each year, each manufacturer must report to ~~the department until June 30, 2017, and to the agency thereafter;~~

(1) the total weight of covered electronic devices the manufacturer collected from households and recycled or arranged to have collected and recycled during the preceding program year;

~~(d)~~ (b) By August 15 each year, each manufacturer must report separately to ~~the department until June 30, 2017, and to the agency thereafter;~~

~~(4)~~ (2) the number of phase I and phase II recycling credits the manufacturer has purchased and sold during the preceding program year;

~~(2)~~ (3) the number of phase I and phase II recycling credits possessed by the manufacturer that the manufacturer elects to use in the calculation of its variable recycling fee under section 115A.1314, subdivision 1; and

~~(3)~~ (4) the number of phase I and phase II recycling credits the manufacturer retains at the beginning of the current program year.

~~(e)~~ (c) Upon request of the commissioner of revenue, the agency shall provide a copy of each report to the commissioner of revenue.

Sec. 15. Minnesota Statutes 2020, section 115A.1318, subdivision 2, is amended to read:

Subd. 2. **Recycler responsibilities.** (a) As part of the report submitted under section 115A.1316, subdivision 2, a recycler must certify, except as provided in paragraph (b), that facilities that recycle covered electronic devices, including all downstream recycling operations:

(1) use only registered collectors;

(2) comply with all applicable health, environmental, safety, and financial responsibility regulations;

(3) are licensed by all applicable governmental authorities;

(4) use no prison labor to recycle video display devices;

(5) possess liability insurance of not less than \$1,000,000 for environmental releases, accidents, and other emergencies;

(6) provide a report annually to each registered collector regarding the video display devices received from that entity; and

(7) do not charge collectors for ~~the transportation and transporting,~~ recycling of, or any necessary supplies related to transporting or recycling covered electronic devices that meet a manufacturer's recycling obligation as determined under section 115A.1320, unless otherwise mutually agreed upon.

(b) A nonprofit corporation that contracts with a correctional institution to refurbish and reuse donated computers in schools is exempt from paragraph (a), clauses (4) and (5).

(c) Except to the extent otherwise required by law and unless agreed upon otherwise by the recycler or manufacturer, a recycler has no responsibility for any data that may be contained in a covered electronic device if an information storage device is included in the covered electronic device.

Sec. 16. Minnesota Statutes 2020, section 115A.1320, subdivision 1, is amended to read:

Subdivision 1. **Duties of agency.** (a) The agency shall administer sections 115A.1310 to 115A.1330.

(b) The agency shall establish procedures for:

(1) receipt and maintenance of the registration statements and certifications filed with the agency under section 115A.1312; and

(2) making the statements and certifications easily available to manufacturers, retailers, and members of the public.

(c) The agency shall annually review the following variables that are used to calculate a manufacturer's annual registration fee under section 115A.1314, subdivision 1:

(1) the obligation-setting mechanism for manufacturers as specified under paragraph (g);

(2) the estimated per-pound price of recycling covered electronic devices sold to households; and

(3) the base registration fee.

(d) If the agency determines that any of these values must be changed in order to improve the efficiency or effectiveness of the activities regulated under sections 115A.1312 to 115A.1330, or if the revenues exceed the amount that the agency determines is necessary, the agency shall submit recommended changes and the reasons for them to the chairs of the senate and house of representatives committees with jurisdiction over solid waste policy.

(e) By ~~September 1, 2016, and by May 1, 2017, and each May 1 thereafter~~ each year, the agency shall publish a statewide recycling goal for all video display device waste that is the weight of all video display devices collected for recycling during each of the three most recently completed program years, excluding the most recently concluded program year, divided by two. ~~For the program years beginning July 1, 2016, July 1, 2017, and July 1, 2018, the agency shall establish and publish separate statewide recycling goals for video display devices as follows:~~

~~(1) the agency shall set the statewide recycling goal for video display devices at 25,000,000 pounds, 23,000,000 pounds, and 21,000,000 pounds, respectively, during these successive program years;~~

~~(2) the agency shall set the recycling goal for televisions at 80 percent of the applicable amount in clause (1); and~~

~~(3) the agency shall set the recycling goal for computer monitors at 20 percent of the applicable amount in clause (1).~~

(f) By ~~September 1, 2016, and by May 1, 2017, and each May 1 thereafter~~ each year, the agency shall determine each registered manufacturer's market share of video display devices to be collected and recycled based on the manufacturer's percentage share of the total weight of video display devices sold as reported to the agency under section 115A.1316, subdivision 1.

(g) By ~~September 1, 2016, and by May 1, 2017, and each May 1 thereafter~~ each year, the agency shall provide each manufacturer with a determination of the manufacturer's share of video display devices to be collected and recycled. A manufacturer's market share of video display devices as specified in paragraph (f) is applied proportionally to the statewide recycling goal as specified in paragraph (e) to determine an individual manufacturer's recycling obligation. Upon request by the commissioner of revenue, the agency must provide the information submitted to manufacturers under this paragraph to the commissioner of revenue.

(h) The agency shall provide a report to the governor and the legislature on the implementation of sections 115A.1310 to 115A.1330. For each program year, the report must discuss the total weight of covered electronic devices recycled and a summary of information in the reports submitted by manufacturers and recyclers under section 115A.1316. The report must also discuss the various collection programs used by manufacturers to collect covered electronic devices; information regarding covered electronic devices that are being collected by persons other than registered manufacturers, collectors, and recyclers; and information about covered electronic devices, if any, being disposed of in landfills in this state. The report must examine which covered electronic devices, based on economic and environmental considerations, should be subject to the obligation-setting mechanism under paragraph (g). The report must include a description of enforcement actions under sections 115A.1310 to 115A.1330. The agency may include in its report other information received by the agency regarding the implementation of sections 115A.1312 to 115A.1330. The report must be done in conjunction with the report required under section 115A.121.

(i) The agency shall promote public participation in the activities regulated under sections 115A.1312 to 115A.1330 through public education and outreach efforts.

(j) The agency shall enforce sections 115A.1310 to 115A.1330 in the manner provided by sections 115.071, subdivisions 1, 3, 4, 5, and 6; and 116.072, except for those provisions enforced by the department, as provided in subdivision 2. The agency may revoke a registration of a collector or recycler found to have violated sections 115A.1310 to 115A.1330.

(k) The agency shall facilitate communication between counties, collection and recycling centers, and manufacturers to ensure that manufacturers are aware of video display devices available for recycling.

(l) The agency shall post on its website the contact information provided by each manufacturer under section 115A.1318, subdivision 1, paragraph (e).

Sec. 17. **[115A.40] CITATION.**

Sections 115A.40 to 115A.405 may be cited as the "Landfill Responsibility Act."

Sec. 18. **[115A.401] LEGISLATIVE GOALS AND INTENT.**

(a) It is the goal of the Landfill Responsibility Act to reduce the environmental impacts from all aspects of solid waste, from acquiring product material through disposing of product, and to prioritize the expansion of waste reduction or source reduction activities across the state. In accordance with the goals and policies of this chapter and the waste management preferences in section 115A.02, the Landfill Responsibility Act supports waste reduction and reuse.

(b) The legislature intends for the projects developed under the Landfill Responsibility Act to encourage a greater awareness of the need for and benefits of waste reduction and reuse and to develop a greater degree of cooperation and coordination among all elements of government, industry, and the public in advancing more sustainable actions.

Sec. 19. **[115A.402] DEFINITIONS.**

Subdivision 1. **Applicability.** For the purposes of sections 115A.40 to 115A.405, the terms defined in this section have the meanings given.

Subd. 2. **Applicable area.** "Applicable area" means an area described in a permit for a disposal facility that accepted mixed municipal solid waste during the immediately preceding year.

Subd. 3. **Covered entity.** "Covered entity" means the owner or operator of a disposal facility at which an applicable area is located.

Subd. 4. **Rate charged.** "Rate charged" means the total amount charged by a covered entity, per ton, to accept solid waste at a disposal facility for treatment, storage, processing, transfer, disposal, or any other purpose and includes tipping fees and service charges.

Sec. 20. **[115A.403] LANDFILL RESPONSIBILITY PROJECTS.**

Subdivision 1. **Project application and eligibility.** (a) Every three years, or more frequently at the commissioner's discretion, the commissioner must provide public notice and solicit proposals for eligible landfill responsibility projects.

(b) At any time after the notice is provided under paragraph (a), a person may propose a landfill responsibility project. Proposals must be submitted in the form and manner prescribed by the commissioner. At a minimum, a proposal must include:

(1) a description of the proposer's qualifications with waste reduction or source reduction;

(2) a description of the scope of the project, including how the project will result in waste reduction or source reduction;

(3) the expected amount of waste reduction or source reduction attributable to the project;

(4) a description of the timeline of the project;

(5) a detailed annual budget for the project;

(6) identification and a description of environmental justice areas served by the project;

(7) a description of how the project meets the following minimum requirements:

(i) is administered in the state;

(ii) does not supplant existing work;

(iii) provides a high return in environmental benefits, including but not limited to reducing greenhouse gas emissions;

(iv) demonstrates cost-effectiveness;

(v) has measurable outcomes for waste reduction or source reduction; and

(vi) includes only waste reduction or source reduction activities; and

(8) any other information required by the commissioner to evaluate the project.

(c) Only waste reduction and reuse as a waste management practice under section 115A.02, paragraph (b), clause (1), are eligible for project funding under this section. Waste management practices under section 115A.02, paragraph (b), clauses (2) to (6), are not eligible.

(d) The commissioner must establish and maintain a list of eligible landfill responsibility projects and make the list available to covered entities. The commissioner must evaluate proposals submitted under paragraph (b) and determine whether to include each proposal on the list of eligible landfill responsibility projects. The commissioner may remove a project from the list at any time if the project no longer meets the minimum criteria under paragraph (b), clause (7), or if the commissioner determines the project will not be completed as proposed.

(e) The waste reduction or source reduction activities of an eligible project as described in a proposal under paragraph (b) may not begin until:

(1) the project is included in a plan approved by the commissioner under subdivision 4; or

(2) the proposal is rescinded or the project is removed from the eligible projects list.

Subd. 2. **Obligation.** (a) Each year, a covered entity must fund eligible landfill responsibility projects according to this subdivision in an amount at least equal to the covered entity's obligation determined under paragraph (b).

(b) A covered entity's obligation is three percent of the covered entity's revenue and is calculated according to the formula:

$$X=(A*B) * 0.03$$

Where:

X is the total obligation that the covered entity must meet in the three-year approved plan

A is the annual average rate charged at an applicable area during the three-year period immediately preceding the date a plan must be submitted under subdivision 3

B is the total tons of solid waste accepted in the applicable area during the three-year period immediately preceding the date a plan must be submitted under subdivision 3

Subd. 3. **Covered entity plans.** (a) By January 1, 2023, and every third year thereafter, or more frequently as determined by the commissioner, a covered entity must submit a plan to the commissioner in the form and manner prescribed by the commissioner. The plan must include:

(1) the covered entity's obligation for the plan period as calculated in subdivision 2;

(2) a selection of projects from the list of eligible projects under subdivision 1, paragraph (d), according to the following:

(i) selection must be made so that 40 percent of the obligation will directly serve environmental justice areas; and

(ii) the total selection must include projects with budgets that annually meet or exceed the covered entity's obligation for the period of the plan;

(3) estimated amounts of waste reduction or source reduction for each selected project, categorized by material type;

(4) a description of how the covered entity will annually meet its obligation for each of the three years in the plan period; and

(5) any other criteria required by the commissioner to determine the sufficiency of the plan.

(b) The commissioner may modify dates for plan submission under paragraph (a) if the commissioner determines it is necessary to implement the Landfill Responsibility Act.

**Subd. 4. Commissioner review.** (a) Upon receiving a plan under subdivision 3, the commissioner must:

(1) notify a covered entity if a plan is incomplete, specifying the specific items that need to be submitted to make the plan complete;

(2) giving first-come first-served preference based on when a plan is submitted, require a covered entity to revise and resubmit a plan if the commissioner determines it necessary to;

(i) ensure that no more than 25 percent of the total obligation of all covered entities is allocated to a single recipient;

(ii) prevent duplicative selection of eligible projects;

(iii) prioritize fully funding individual eligible projects before selecting additional projects for funding; or

(iv) implement the Landfill Responsibility Act and remain consistent with other state law; and

(3) provide covered entities with plan approval, including any modifications required under this paragraph, within 45 days after the plan is submitted under subdivision 3.

(b) After receiving initial approval of a plan, a covered entity must revise and resubmit a plan for approval or disapproval if the eligible projects change during the plan period. If a project can no longer be completed as described, a covered entity must choose another project to meet its obligation. The covered entity must resubmit its plan to the commissioner if there is a substantial change in obligation or if an eligible project is unable to be performed as described.

**Subd. 5. Project implementation.** (a) After a plan is approved under subdivision 4, a covered entity must implement the plan.

(b) After a person receives funding from a covered entity, the covered entity and the person receiving funding must implement the plan according to the proposal submitted under subdivision 1. If a person implementing the project is no longer able to perform the project according to the proposal, the person must immediately notify the covered entity and the commissioner.

**Subd. 6. Reporting requirements.** (a) No later than February 1 each year, a covered entity must submit a report to the commissioner for the preceding calendar year. The annual report must be submitted in a form and manner prescribed by the commissioner and must include:

(1) a description of the covered entity's progress made toward objectives detailed in the plan developed under subdivision 3, including a summary of the projects completed for the reporting year;

(2) evidence, such as receipts, of meeting the covered entity's obligation for the previous year;

(3) the rate charged during the preceding calendar year;

(4) proof of how at least 40 percent of the covered entity's obligation is met through projects directly serving environmental justice; and

(5) any other information requested by the commissioner to determine compliance.

(b) No later than February 1 each year, a person receiving funding for a landfill responsibility project must submit a report to the commissioner for the preceding calendar year. The annual report must be submitted in a form and manner prescribed by the commissioner and must include:

(1) proof of the amount of funding received and the time frame for each eligible project;

(2) the time frame for the project;

(3) a description of the amount of waste reduction or source reduction achieved by the project during the reporting year by weight, categorized by material type;

(4) a description of how the project served environmental justice areas, if applicable;

(5) a description of how the data was measured and the activities used to achieve the specified waste reduction or source reduction amounts; and

(6) any other information requested by the commissioner to determine compliance.

**Subd. 7. Operating record.** A covered entity must record and maintain in an operating record all information used to determine the rate charged, including gate receipts and financial records, for a minimum of five years.

**Subd. 8. Duty to provide information.** If the commissioner requests information to determine compliance with this section, a person must furnish to the commissioner any information that the person may have or may reasonably obtain.

Sec. 21. **[115A.404] LANDFILL RESPONSIBILITY ASSESSMENT.**

(a) By January 1 each year, a covered entity must pay to the commissioner an assessment fee according to this section. The commissioner must deposit the fee in the state treasury and credit the fee to the environmental fund.

(b) The annual assessment fee is calculated for each covered entity according to the formula:

$$X = A * (B/C)$$

Where:

X is the assessment fee owed by each covered entity

A is the anticipated total annual cost to the agency to administer and implement the Landfill Responsibility Act for the following year, as determined by the commissioner

B is the total amount of solid waste, measured in tons, disposed of in a covered entity's applicable area or applicable areas according to the covered entity's most recent annual report

C is the total amount of solid waste, measured in tons, disposed of in the applicable areas at all covered entities according to the covered entities' most recent annual reports

Sec. 22. **[115A.405] WASTE COMPOSITION STUDY.**

Subdivision 1. **Waste composition study.** By January 1 each year, the commissioner must conduct a waste composition study at covered entities. When identifying facilities for waste composition studies, the commissioner must rotate the covered entities and each covered entity must allow the commissioner to perform a waste composition study at least once every three years.

Subd. 2. **Access.** The commissioner or commissioner's designee, upon presentation of credentials, may enter upon any public or private property to take any action authorized by this section. The covered entity must provide access to pertinent books and records and provide reasonable accommodations for a waste composition study to be completed accurately and safely.

Subd. 3. **Data compilation.** The commissioner must annually compile and summarize the waste composition data. The commissioner must make the summary information available to the public.

Sec. 23. Minnesota Statutes 2020, section 115A.565, subdivision 1, is amended to read:

Subdivision 1. **Grant program established.** The commissioner ~~shall~~ must make competitive grants to political subdivisions or federally recognized Tribes to establish curbside recycling or composting, increase recycling or composting, reduce the amount of recyclable materials entering disposal facilities, or reduce the costs associated with hauling waste by locating collection sites as close as possible to the site where the waste is generated. To be eligible for grants under this section, a political subdivision or federally recognized Tribe must be located outside the seven-county metropolitan area and a city must have a population of less than 45,000.

Sec. 24. Minnesota Statutes 2020, section 115B.17, subdivision 13, is amended to read:

Subd. 13. **Priorities; rules.** (a) By November 1, 1983, the Pollution Control Agency shall establish a temporary list of priorities among releases or threatened releases for the purpose of taking remedial action and, to the extent practicable consistent with the urgency of the action, for taking removal action under this section. The temporary list, with any necessary modifications, shall remain in effect until the Pollution Control Agency adopts rules establishing state criteria for determining priorities among releases and threatened releases. The Pollution Control Agency shall adopt the rules by July 1, 1984. After rules are adopted, a permanent priority list shall be established, and may be modified from time to time, using the current guidance and tools for the Hazard Ranking System adopted by the federal Environmental Protection Agency and according to the criteria set forth in the rules. Before any list is established under this subdivision the Pollution Control Agency shall publish the list in the State Register and allow 30 days for comments on the list by the public.

(b) The temporary list and the rules required by this subdivision shall be based upon the relative risk or danger to public health or welfare or the environment, taking into account to the extent possible the population at risk, the hazardous potential of the hazardous substances at the facilities, the potential for contamination of drinking water supplies, the potential for direct human contact, the potential for destruction of sensitive ecosystems, the administrative and financial capabilities of the Pollution Control Agency, and other appropriate factors.

Sec. 25. Minnesota Statutes 2020, section 115B.406, subdivision 1, is amended to read:

Subdivision 1. **Legislative findings.** The legislature recognizes the need to protect the public health and welfare and the environment at priority qualified facilities. To implement a timely and effective cleanup and prevent multiparty litigation, the legislature finds it is in the public interest to direct the commissioner of the Pollution Control Agency to:

(1) take environmental response actions that the commissioner deems reasonable and necessary to protect the public health or welfare or the environment at priority qualified facilities ~~and to~~;

(2) acquire real property interests at priority qualified facilities to ensure the completion and long-term effectiveness of environmental response actions; and

(3) prevent both an unjust financial windfall to and double liability of owners and operators of priority qualified facilities.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to actions commenced on or after January 1, 2021.

Sec. 26. Minnesota Statutes 2020, section 115B.406, subdivision 9, is amended to read:

Subd. 9. **Environmental response costs; liens.** (a) All environmental response costs and reasonable and necessary expenses, including administrative and legal expenses, incurred by the commissioner at a priority qualified facility constitute a lien in favor of the state upon any real property located in the state, other than homestead property, owned by the owner or operator of the priority qualified facility who is subject to the requirements of section 115B.40, subdivision 4 or 5. Notwithstanding section 514.672, a lien under this paragraph continues until the lien is satisfied or is released according to paragraph (c).

(b) If the commissioner conducts an environmental response action at a priority qualified facility and the environmental response action increases the fair market value of the facility above the fair market value of the facility that existed before the response action was initiated, then the state has a lien on the facility for the increase in fair market value of the property attributable to the response action, valued at the time that construction of the final environmental response action was completed, not including operation and maintenance. Notwithstanding section 514.672, a lien under this paragraph continues until the lien is satisfied or is released according to paragraph (c).

(c) A lien under this subdivision paragraph (a) or (b) attaches when the environmental response costs are first incurred. Notwithstanding section 514.672, a lien under this subdivision continues until the lien is satisfied or six years after completion of construction of the final environmental response action, not including operation and maintenance. Notice, filing, and release, and enforcement of the lien are governed by sections 514.671 to 514.676, except where those requirements specifically are related to only cleanup action expenses as defined in section 514.671. The commissioner may release a lien under this subdivision if the commissioner determines that attachment or enforcement of the lien is not in the public interest. A lien under this subdivision is not subject to the foreclosure limitation described in section 514.674, subdivision 2. Relative priority of a lien under this subdivision is governed by section 514.672, except that a lien attached to property that was included in any permit for the priority qualified facility takes precedence over all other liens regardless of when the other liens were or are perfected. Amounts received to satisfy all or a part of a lien must be deposited in the remediation fund. An environmental lien notice for a lien under paragraph (a) or (b) must state that it is a lien in accordance with this section and identify whether the property described in the notice was included in any permit for the priority qualified facility.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to actions commenced on or after January 1, 2021.

Sec. 27. Minnesota Statutes 2020, section 115B.407, is amended to read:

**115B.407 ACQUISITION AND DISPOSITION ACQUIRING AND DISPOSING OF REAL PROPERTY AT PRIORITY QUALIFIED FACILITIES.**

Subdivision 1. **Acquiring and disposing of real property.** (a) The commissioner may acquire interests in real property by donation or eminent domain at all or a portion of a priority qualified facility. Condemnation under this section includes acquisition of fee title or an easement. After acquiring an interest in real property under this section, the commissioner must take environmental response actions at the priority qualified facility according to sections 115B.39 to 115B.414 after the legislature makes an appropriation for that purpose.

(b) The commissioner may dispose of real property acquired under this section according to section 115B.17, subdivision 16.

(c) Except as modified by this section, chapter 117 governs condemnation proceedings by the commissioner under this section. The exceptions under section 117.189 apply to the use of eminent domain authority under this section. Section 117.226 does not apply to properties acquired by the use of eminent domain authority under this section.

(d) The state is not liable under this chapter solely as a result of acquiring an interest in real property under this section.

Subd. 2. Eminent domain damages. (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "after-market value" means the property value of that portion of the subject property remaining after a partial taking;

(2) "as remediated" means the condition of the property assuming the environmental response actions selected by the commissioner have been completed, including environmental covenants and easements and other institutional controls that may apply;

(3) "before-market value" means the property value of the entire subject property before the taking, less the remediation costs;

(4) "property value" means the fair market value of the real property, as remediated, less any reduction in value attributable to the stigma of pollution; and

(5) "remediation costs" means the reasonably foreseeable costs and expenses, including administrative and legal expenses, that the commissioner will incur to implement the environmental response actions that the commissioner selected for the property according to section 115B.406, subdivision 3, less the amount, if any, that the property owner demonstrates was released under section 115B.443, subdivision 8, which must not be greater than the extent of insurance coverage under policies for the property included in a settlement consistent with section 115B.443, subdivision 8.

(b) The damages awarded for condemnation of real property under this section is the greater of \$500 or:

(1) for a total taking of the subject property, the before-market value; or

(2) for a partial taking of the subject property, the before-market value less the after-market value.

(c) When awarding damages in a condemnation proceeding under this section, in addition to any other requirement of chapter 117, the finder of fact must report:

(1) the amount determined for the property value of the entire subject property before the taking; and

(2) the itemized amount determined for remediation costs.

(d) The commissioner may seek recovery of environmental response costs only to the extent the costs exceed the lower of the remediation costs or the property value of the entire subject property before the taking as reported under paragraph (c).

(e) If the actual expenses incurred by the commissioner to take environmental response actions at the priority qualified facility as determined at the time construction of the final environmental response action was completed would have yielded a higher award of damages under this section, then the commissioner must reimburse the owner an amount equal to the amount of damages as if the actual expenses were used instead of the remediation costs, less any damages already awarded.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to actions commenced on or after January 1, 2021.

Sec. 28. Minnesota Statutes 2020, section 115B.421, is amended to read:

**115B.421 CLOSED LANDFILL INVESTMENT FUND.**

(a) The closed landfill investment fund is established in the state treasury. The fund consists of money credited to the fund, and interest and other earnings on money in the fund. Beginning July 1, 2003, funds must be deposited as described in section 115B.445. The fund shall be managed to maximize long-term gain through the State Board of Investment.

~~Money in~~ (b) Interest earned by the fund is appropriated to the commissioner and may be spent by the commissioner after fiscal year 2020 in accordance with sections 115B.39 to 115B.444. By January 15 each year, the commissioner must submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment policy and finance on the expenditure of money appropriated under this section. This paragraph expires June 30, 2025.

Sec. 29. Minnesota Statutes 2020, section 115B.49, subdivision 4, is amended to read:

Subd. 4. **Registration; fees.** (a) The owner or operator of a dry cleaning facility ~~shall~~ must register on or before October 1 of each year with the commissioner of revenue in a manner prescribed by the commissioner of revenue and pay a registration fee for the facility. The amount of the fee is:

~~(1) \$500, for facilities with a full time equivalence of fewer than five; equal to ... percent of the facility's gross revenues for the preceding year.~~

~~(2) \$1,000, for facilities with a full time equivalence of five to ten; and~~

~~(3) \$1,500, for facilities with a full time equivalence of more than ten.~~

The registration fee must be paid on or before October 18 or the owner or operator of a dry cleaning facility may elect to pay the fee in equal installments. Installment payments must be paid on or before October 18, on or before January 18, on or before April 18, and on or before June 18. All payments made after October 18 bear interest at the rate specified in section 270C.40.

(b) A person who sells dry cleaning solvents for use by dry cleaning facilities in the state shall collect and remit to the commissioner of revenue in the same manner prescribed by the commissioner of revenue, for the taxes imposed under chapter 297A, a fee of:

(1) \$3.50 for each gallon of perchloroethylene sold for use by dry cleaning facilities in the state;

(2) 70 cents for each gallon of hydrocarbon-based dry cleaning solvent sold for use by dry cleaning facilities in the state; and

(3) 35 cents for each gallon of other nonaqueous solvents sold for use by dry cleaning facilities in the state.

(c) The audit, assessment, appeal, collection, enforcement, and administrative provisions of chapters 270C and 289A apply to the fee imposed by this subdivision. To enforce this subdivision, the commissioner of revenue may grant extensions to file returns and pay fees, impose penalties and interest on the annual registration fee under paragraph (a) and the monthly fee under paragraph (b), and abate penalties and interest in the manner provided in chapters 270C and 289A. The penalties and interest imposed on taxes under chapter 297A apply to the fees imposed under this subdivision. Disclosure of data collected by the commissioner of revenue under this subdivision is governed by chapter 270B.

Sec. 30. Minnesota Statutes 2020, section 116.06, is amended by adding a subdivision to read:

Subd. 6a. **Commissioner.** "Commissioner" means the commissioner of the Minnesota Pollution Control Agency.

Sec. 31. **[116.064] PERMITTING; ENVIRONMENTAL JUSTICE AREAS.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this subdivision have the meanings given.

(b) "Census block" means the smallest geographical unit for which the United States Census Bureau tabulates decennial census data.

(c) "Cumulative impacts analysis" means the potential public health and environmental impacts affecting a specific geographical area from past, present, and foreseeable future exposure to pollutants from all media and incorporates the concept of a community's vulnerability to withstand incremental environmental impacts.

(d) "Environmental justice" means that:

(1) communities of color, Indigenous communities, and low-income communities have a healthy environment and are treated fairly when environmental statutes, rules, and policies are developed, adopted, implemented, and enforced; and

(2) in all decisions that have the potential to affect the environment of an environmental justice area or the public health of its residents, due consideration is given to the history of those residents' cumulative exposure to pollutants and to any current socioeconomic conditions that increase the physical sensitivity of those residents to additional exposure to pollutants.

(e) "Environmental justice area" means one or more census blocks in Minnesota:

(1) in which, based on the most recent data published by the United States Census Bureau:

(i) 40 percent or more of the population is nonwhite;

(ii) 35 percent or more of the households have an income at or below 200 percent of the federal poverty level; or

(iii) 40 percent or more of the population over the age of five have limited English proficiency; or

(2) within Indian country, as defined in United State Code, title 18, section 1151.

Subd. 2. **Rulemaking.** No later than November 1, 2021, the commissioner must begin the process to adopt rules under chapter 14 that implement the provisions of this section to establish a process and decision-making criteria the agency must utilize to address the permitting of facilities that have the potential to impact the environment of environmental justice areas and the health of persons residing within them.

Subd. 3. **Application.** The provisions of this section apply to an application for a new permit, permit renewal, or major permit amendment filed with the agency whose emissions or releases of pollutants may affect an environmental justice area.

Subd. 4. **Environmental justice area; determination.** The agency has the responsibility to determine the geographical boundaries of an environmental justice area. The agency's determination of the boundaries of an environmental justice area may be appealed by the filing of a petition signed by at least 50 residents filed with the commissioner that contains evidence that one or more census blocks meet the definition of environmental justice area in subdivision 1, paragraph (e). The commissioner may, after reviewing the petition, amend the boundaries of an environmental justice area.

Subd. 5. **Process; cumulative impact analysis.** (a) The agency must ensure that residents of an environmental justice area are notified about all steps in the permitting process and the progress of the analysis required to be conducted under this section. Notification must include but not be limited to postings on the agency's website and direct delivery of written materials to environmental justice area residents in applicable languages in areas where English proficiency is limited.

(b) When a new facility or a proposed expansion of an existing facility is located in an environmental justice area, the owner or operator of the facility must:

(1) conduct an analysis of the cumulative impacts that the facility or expansion would cause or contribute to in the environmental justice area; and

(2) if seeking a state permit under chapter 115 or 116, hold at least one public meeting in the environmental justice area before the commissioner issues or denies a permit.

(c) The commissioner may require a permitted facility located in an environmental justice area to hold in-person meetings with nearby residents to share information and discuss community concerns. The commissioner may establish the number and frequency of required meetings as permit conditions.

(d) A cumulative impact analysis must also describe demographic and socioeconomic conditions that may make residents of an environmental justice area more vulnerable to the effects of incremental exposure to environmental pollutants. The analysis, based on publicly available or otherwise obtainable data, must include but is not limited to the following factors:

(1) demographic factors, including the age distribution and racial and ethnic characteristics of the population;

(2) hospital admission rates for respiratory and pulmonary disease, cancer, diabetes, and other conditions that may be exacerbated by exposure to pollutants;

(3) the proportion of the population without medical insurance;

(4) economic variables, including income and poverty levels, the rate of unemployment, the proportion of substandard housing, and the incidence of poor nutrition; and

(5) any available biomonitoring data indicating body burdens of pollutants.

(e) If requested, the agency shall provide any relevant information it has to a permit applicant conducting a cumulative impacts analysis under this section.

(f) The agency's reasonable costs of complying with this subdivision are to be reimbursed by the permit applicant.

(g) The agency shall maintain on its website a list of all environmental justice areas that undergo the analysis required under this subdivision.

Subd. 6. **Permits; environmental justice area.** (a) Notwithstanding the provisions of any other law, the agency must, after reviewing the permit application, the agency's analysis of cumulative pollution impacts conducted under subdivision 5, and any additional relevant information, including testimony and written comments received at a public meeting, determine whether the incremental environmental impacts that would result in an environmental justice area from approval of the permit will, in conjunction with the cumulative pollution impacts and the heightened sensitivity to additional pollution of residents of the environmental justice area, cause or contribute to increased levels of environmental or health impacts compared with denying the permit.

(b) If the agency determines that issuing the permit would cause or contribute to increased levels of environmental or health impacts compared with not issuing the permit, the commissioner must:

(1) deny the permit; or

(2) place conditions on the permit that eliminate any contribution to increased levels of environmental or health impacts from the permitted facility in an environmental justice area.

Subd. 7. **Enforcement.** The commissioner may enforce rules and regulations necessary to implement the provisions of this section.

Sec. 32. Minnesota Statutes 2020, section 116.07, is amended by adding a subdivision to read:

Subd. 4l. **Real property interests.** (a) The commissioner may acquire interests in real property at a solid waste disposal facility, limited to environmental covenants under chapter 114E and easements for the environmental covenants, when the commissioner determines the property interests are related to:

(1) closure;

(2) postclosure care; and

(3) any other actions needed after the postclosure care period expires.

(b) The state is not liable under this chapter or any other law solely as a result of acquiring an interest in real property under this section.

(c) An environmental covenant under this subdivision must be in accordance with chapter 114E and must be signed and acknowledged by every owner of the fee simple title to the real property subject to the covenant.

Sec. 33. Minnesota Statutes 2020, section 116.07, is amended by adding a subdivision to read:

Subd. 4m. **Permit review denial.** If the commissioner determines that a person's request for the agency to review an existing permit is not warranted, the commissioner must state the reasons for the determination in writing within 15 days of the determination.

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

Sec. 34. Minnesota Statutes 2020, section 116.07, is amended by adding a subdivision to read:

**Subd. 4n. Nonexpiring state individual permits; public informational meeting.** (a) For each facility issued a nonexpiring state individual air quality permit by the agency, the agency must hold a separate public informational meeting at regular intervals to allow the public to make comments or inquiries regarding any aspect of the permit, including but not limited to permit conditions, testing results, the facility's operations, and permit compliance. The public informational meeting must be held at a location near the permitted facility and convenient to the public. Persons employed at the facility who are responsible for the facility meeting the conditions of the permit and agency officials must be present at the public informational meeting. For nonexpiring state individual air quality permits issued after December 31, 2016, a public informational meeting must be held under this subdivision no later than five years after the permit is issued and every five years thereafter. For nonexpiring state individual air quality permits issued on or before December 31, 2015, a public informational meeting must be held under this subdivision no later than December 31, 2022, and every five years thereafter.

(b) For the purposes of this section, "state individual air quality permit" means an air quality permit that is issued to an individual facility required to obtain a permit under Minnesota Rules, part 7007.0250, subparts 2 to 6, and is not a general permit issued under Minnesota Rules, part 7007.1100.

(c) As required under subdivision 4d, the agency's direct and indirect reasonable costs of conducting the activities under this subdivision must be recovered through air quality permit fees.

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

Sec. 35. Minnesota Statutes 2020, section 116.07, subdivision 6, is amended to read:

**Subd. 6. Pollution Control Agency; exercise of powers.** (a) In exercising all its powers, the commissioner of the Pollution Control Agency shall give due consideration to ~~must~~:

(1) consider the establishment, maintenance, operation and expansion of business, commerce, trade, industry, traffic, and other economic factors and other material matters affecting the feasibility and practicability of any proposed action, including, but not limited to, the burden on a municipality of any tax which may result therefrom, and shall ~~must~~ take or provide for such action as may be reasonable, feasible, and practical under the circumstances; and

(2) to the extent reasonable, feasible, and practical under the circumstances:

(i) ensure that actions or programs that have a direct, indirect, or cumulative impact on environmental justice areas incorporate community-focused practices and procedures in agency processes, including communication, outreach, engagement, and education to enhance meaningful, timely, and transparent community access;

(ii) collaborate with other state agencies to identify, develop, and implement means to eliminate and reverse environmental and health inequities and disparities;

(iii) promote the utility and availability of environmental data and analysis for environmental justice areas, other agencies, federally recognized Tribal governments, and the public;

(iv) encourage coordination and collaboration with residents of environmental justice areas to address environmental and health inequities and disparities; and

(v) ensure environmental justice values are represented to the agency from a commissioner-appointed environmental justice advisory committee that is composed of diverse members and that is developed and operated in a manner open to the public and in accordance with the duties described in the bylaws and charter adopted and maintained by the commissioner.

(b) For the purposes of this section, "environmental justice" and "environmental justice area" have the meanings given under section 115A.03, subdivisions 10b and 10c.

Sec. 36. Minnesota Statutes 2020, section 116.07, subdivision 9, is amended to read:

Subd. 9. **Orders; investigations.** ~~The agency shall have~~ commissioner has the following powers and duties for ~~the enforcement of enforcing~~ any provision of this chapter and chapter 114C, relating to air contamination or waste:

(1) to adopt, issue, reissue, modify, deny, revoke, reopen, enter into or enforce reasonable orders, schedules of compliance and stipulation agreements;

(2) to require the owner or operator of any emission facility, air contaminant treatment facility, potential air contaminant storage facility, or any system or facility related to the storage, collection, transportation, processing, or disposal of waste to establish and maintain records; to make reports; to install, use, and maintain monitoring equipment or methods; and to make tests, including testing for odor where a nuisance may exist, in accordance with methods, at locations, at intervals, and in a manner as the agency shall prescribe; and to provide other information as the agency may reasonably require;

(3) to conduct investigations, issue notices, public and otherwise, and order hearings as it may deem necessary or advisable for the discharge of its duties under this chapter and chapter 114C, including but not limited to the issuance of permits; and to authorize any member, employee, or agent appointed by it to conduct the investigations and issue the notices; and

(4) to require parties who enter into a negotiated agreement to settle an enforcement matter with the agency to reimburse the agency according to this clause for oversight costs that are incurred by the agency and associated with implementing the negotiated agreement. The agency may recover oversight costs exceeding \$25,000. Oversight costs include personnel and direct costs associated with inspections, sampling, monitoring, modeling, risk assessment, permit writing, engineering review, economic analysis and review, and other record or document review. Only oversight costs incurred after executing the negotiated agreement are covered by this clause. The agency's legal and litigation costs are not covered by this clause. The commissioner has discretion as to whether to apply this clause in cases where the agency is using schedules of compliance to bring a class of regulated parties into compliance. Reimbursement amounts are appropriated to the commissioner.

Sec. 37. Minnesota Statutes 2020, section 116.07, is amended by adding a subdivision to read:

Subd. 9a. **Stipulation agreements.** In exercising enforcement powers over a term of a stipulation agreement when a party asserts a good cause or force majeure claim for an extension of time to comply with a stipulated term, the commissioner must not grant the extension if the assertion is based solely on increased costs.

Sec. 38. Minnesota Statutes 2020, section 116.07, is amended by adding a subdivision to read:

Subd. 9b. **Compliance when required permit not obtained.** The commissioner may require a person or facility that fails to obtain a required permit to comply with any terms of a permit that would have been issued had the person or facility obtained a permit, including but not limited to reporting, monitoring, controlling pollutant discharge, and creating and implementing operations and maintenance plans. The person or facility is subject to liability and penalties, including criminal liability, for failing to operate in compliance with a permit not obtained beginning at the time a permit should have been obtained.

Sec. 39. **[116.0735] AUTHORITY TO REQUIRE INFORMATION ON CONTAMINANTS.**

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

(b) "Activities" means actions by a person that produce, emit, discharge, release, threaten to release, or otherwise cause a contaminant to enter the environment or the human body and that occurred at a point in time or continue to occur. Activities includes but is not limited to manufacturing, distributing, using, or selling products.

(c) "Agency" means the Minnesota Pollution Control Agency.

(d) "Agency action" means investigating, monitoring, surveying, testing, or other similar action necessary or appropriate to identify the existence and extent of a release of a contaminant or threat of a release, the source and nature of the contaminant, and the extent of danger to the public health or welfare or the environment.

(e) "Biomonitoring" means the process by which chemicals and their metabolites are identified and measured in a biospecimen.

(f) "Biospecimen" means a sample of human fluid, serum, or tissue that is reasonably available as a medium to measure the presence and concentration of chemicals or their metabolites in a human body.

(g) "Commissioner" means the commissioner of the agency.

(h) "Contaminant" means a substance with a distinct molecular composition or a group of structurally related substances, including the breakdown products of the substance or substances that form through decomposition, degradation, or metabolism, that may:

(1) harm normal development of a fetus or child or cause other developmental toxicity;

(2) cause cancer, genetic damage, or reproductive harm;

(3) disrupt the endocrine or hormone system;

(4) damage the nervous system, immune system, or organs or cause other systemic toxicity;

(5) be persistent, bioaccumulative, or toxic; or

(6) be very persistent or very bioaccumulative.

(i) "Monitoring" means sampling environmental media and analyzing general and specific data relating to the presence of contaminants.

(j) "Person" means an individual, partnership, association, public or private corporation, or other entity, including the United States government; any association, commission, or interstate body; the state and any agency, department, or political subdivision of the state; and any officer or governing or managing body of a municipality, governmental subdivision, public or private corporation, or other entity.

(k) "Supplier" means a person who provides goods or services that lead to or are incorporated into a finished product used in commerce or by consumers.

Subd. 2. **Agency action.** The commissioner may take agency action whenever:

(1) the commissioner detects a contaminant:

(i) during the agency's monitoring of Minnesota's environment;

(ii) through receipt of environmental monitoring data from a local, state, or federal agency or nongovernmental organization in the United States; or

(iii) through receipt of biomonitoring data of residents of the United States; or

(2) the commissioner has reason to believe that:

(i) a release of a contaminant has occurred, is about to occur, or is connected to a person's activities; or

(ii) illness, disease, environmental harm, or complaints thereof may be attributable to exposure to a contaminant connected to a person's activities.

Subd. 3. **Duty to provide information.** (a) When requested by the commissioner or the commissioner's designee, a person the commissioner has reason to believe is engaged in activities where agency action is proposed to be taken must furnish to the commissioner any information that the person may have or may reasonably obtain that is relevant to the contaminant under investigation.

(b) For purposes of this subdivision, the commissioner may:

(1) request in writing that a person produce electronic or physical documents, papers, books, or other tangible items in the possession, custody, or control of the person;

(2) request in writing that a person provide information submitted to the person from a supplier or within the supply chain for production of a commercial or consumer good;

(3) examine and copy books, papers, records, memoranda, and other electronic or physical data of a person who has a duty to provide information under this subdivision; and

(4) enter upon public or private property to take an action authorized under this section, including to obtain information from a person who has a duty to provide the information under this subdivision and to conduct agency action.

(c) A person must submit requested information to the commissioner within the time specified in the commissioner's written request. If a person fails or refuses to comply with the commissioner's request for information, the commissioner may petition the district court for an order to compel compliance with the request or take other enforcement action authorized by law.

Subd. 4. **Classifying data.** Except as otherwise provided in this subdivision, data obtained from a person under this section are public data as defined in section 13.02. Upon certification by the subject of the data that the data relate to sales figures, processes or methods of production unique to that person, or information that would tend to adversely affect the competitive position of that person, the commissioner must classify the data as private or nonpublic data as defined in section 13.02. Notwithstanding any other law to the contrary, data classified as private or nonpublic under this subdivision may be disclosed when relevant:

(1) in any proceeding under this section;

(2) in further agency actions, including permitting, setting local water quality standards, or other similar actions; and

(3) to other public agencies involved in protecting human health, welfare, or the environment.

Sec. 40. Minnesota Statutes 2020, section 116.11, is amended to read:

**116.11 EMERGENCY POWERS.**

Subdivision 1. **Imminent and substantial danger.** If there is imminent and substantial danger to the health and welfare of the people of the state, or of any of them, as a result of the pollution of air, land, or water, the ~~agency commissioner~~ may by emergency order direct the immediate discontinuance or abatement of the pollution without notice and without a hearing or at the request of the ~~agency commissioner~~, the attorney general may bring an action in the name of the state in the appropriate district court for a temporary restraining order to immediately abate or prevent the pollution. The ~~agency commissioner's~~ order or temporary restraining order ~~shall remain~~ is effective until notice, hearing, and determination pursuant to other provisions of law, or, in the interim, as otherwise ordered. A final order of the ~~agency commissioner~~ in these cases ~~shall be~~ is appealable in accordance with chapter 14.

Subd. 2. **Other acts of concern.** (a) The commissioner may exercise the authority under paragraph (b) when the commissioner has evidence of a pattern of behavior that includes any of the following:

(1) falsification of records;

(2) a history of noncompliance with schedules of compliance or terms of a stipulation agreement;

(3) chronic or substantial permit violations; or

(4) operating with or without a permit where there is evidence of danger to the health or welfare of the people of the state or evidence of environmental harm.

(b) When the commissioner has evidence of a pattern of behavior specified in paragraph (a), then regardless of the presence of imminent and substantial danger, the commissioner may investigate and may:

(1) exercise emergency powers according to subdivision 1;

(2) suspend or revoke a permit;

(3) issue an order to cease operation or activities;

(4) require financial assurances;

(5) reopen and modify a permit to require additional terms;

(6) require additional agency oversight; or

(7) pursue other actions deemed necessary to abate pollution and protect human health.

Sec. 41. Minnesota Statutes 2020, section 325E.046, is amended to read:

**325E.046 STANDARDS FOR LABELING PLASTIC BAGS, FOOD OR BEVERAGE PRODUCTS, AND PACKAGING.**

Subdivision 1. **"Biodegradable" label.** A manufacturer, distributor, or wholesaler may not sell or offer for sale and any other person may not knowingly sell or offer for sale in this state a plastic bag covered product labeled "biodegradable," "degradable," "decomposable," or any form of those terms, or in any way imply that the bag covered product will chemically decompose into innocuous elements in a reasonably short period of time in a

~~landfill, composting, or other terrestrial environment unless a scientifically based standard for biodegradability is developed and the bags are certified as meeting the standard. break down, fragment, degrade, biodegrade, or decompose in a landfill or other environment, unless an ASTM standard specification is adopted for the term claimed and the specification is approved by the legislature.~~

Subd. 2. **"Compostable" label.** (a) A manufacturer, distributor, or wholesaler ~~may not sell or offer for sale and any other person may not knowingly sell or offer for sale in this state a plastic bag covered product~~ labeled "compostable" unless, at the time of sale ~~or offer for sale~~, the ~~bag covered product~~:

(1) ~~meets the ASTM Standard Specification for Compostable Labeling of Plastics Designed to be Aerobically Composted in Municipal or Industrial Facilities (D6400).—Each bag must be labeled to reflect that it meets the standard. For purposes of this subdivision, "ASTM" has the meaning given in section 296A.01, subdivision 6., or its successor, or the ASTM Standard Specification for Labeling of End Items that Incorporate Plastics and Polymers as Coatings or Additives with Paper and Other Substrates Designed to be Aerobically Composted in Municipal or Industrial Facilities (D6868), or its successor, and the covered product is labeled to reflect that it meets the specification;~~

~~(2) is comprised of only wood without any coatings or additives; or~~

~~(3) is comprised of only paper without any coatings or additives.~~

~~(b) A covered product labeled "compostable" and meeting the criteria under paragraph (a) must be clearly and prominently labeled on the product, or on the product's smallest unit of sale, to reflect that it is intended for an industrial or commercial compost facility. The label required under this paragraph must be in a legible text size and font.~~

Subd. 2a. **Certification of compostable products.** ~~Beginning January 1, 2024, a manufacturer, distributor, or wholesaler may not sell or offer for sale and any other person may not knowingly sell or offer for sale in this state a covered product labeled as "compostable" unless the covered product is certified as meeting the requirements of subdivision 2 by an entity that:~~

~~(1) is a nonprofit corporation;~~

~~(2) as its primary focus of operation, promotes the production, use, and appropriate end of life for materials and products that are designed to fully biodegrade in specific biologically active environments such as industrial composting; and~~

~~(3) is technically capable of and willing to perform analysis necessary to determine a product's compliance with subdivision 2.~~

Subd. 3. **Enforcement; civil penalty; injunctive relief.** (a) A ~~manufacturer, distributor, or wholesaler~~ person who violates ~~subdivision 1 or 2~~ this section is subject to a civil ~~or administrative~~ penalty of \$100 for each prepackaged saleable unit ~~sold or offered for sale up to a maximum of \$5,000 and may be enjoined from those violations.~~

(b) The attorney general may bring an action in the name of the state in a court of competent jurisdiction for recovery of civil penalties or for injunctive relief as provided in this subdivision. The attorney general may accept an assurance of discontinuance of acts in violation of ~~subdivision 1 or 2~~ this section in the manner provided in section 8.31, subdivision 2b.

(c) The commissioner of the Pollution Control Agency may enforce this section under sections 115.071 and 116.072.

(d) When requested by the attorney general or the commissioner of the Pollution Control Agency, a person selling or offering for sale a covered product labeled as "compostable" must furnish to the attorney general or the commissioner any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

Subd. 4. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "ASTM" has the meaning given in section 296A.01, subdivision 6;

(2) "covered product" means a bag, food or beverage product, or packaging;

(3) "food or beverage product" means a product that is used to wrap, package, contain, serve, store, prepare, or consume a food or beverage, such as plates, bowls, cups, lids, trays, straws, utensils, and hinged or lidded containers; and

(4) "packaging" has the meaning given in section 115A.03, subdivision 22b.

**EFFECTIVE DATE.** This section is effective January 1, 2023.

Sec. 42. **[325F.075] FOOD PACKAGING; PFAS.**

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

(b) "Food package" means a container applied to or providing a means to market, protect, handle, deliver, serve, contain, or store a food or beverage. Food package includes:

(1) a unit package, an intermediate package, and a shipping container;

(2) unsealed receptacles, such as carrying cases, crates, cups, plates, bowls, pails, rigid foil and other trays, wrappers and wrapping films, bags, and tubs; and

(3) an individual assembled part of a food package, such as any interior or exterior blocking, bracing, cushioning, weatherproofing, exterior strapping, coatings, closures, inks, and labels.

(c) "Perfluoroalkyl and polyfluoroalkyl substances" or "PFAS" means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

Subd. 2. **Prohibition.** No person shall manufacture, knowingly sell, offer for sale, distribute for sale, distribute, or offer for use in Minnesota a food package that contains PFAS.

Subd. 3. **Enforcement.** (a) The commissioner of the Pollution Control Agency may enforce this section under sections 115.071 and 116.072. The commissioner may coordinate with the commissioners of commerce and health in enforcing this section.

(b) When requested by the commissioner of the Pollution Control Agency, a person must furnish to the commissioner any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

**EFFECTIVE DATE.** This section is effective January 1, 2023.

Sec. 43. **POSITION ESTABLISHED; POLLUTION CONTROL AGENCY.**

The commissioner of the Pollution Control Agency shall establish a new full-time equivalent position of community liaison, funded through air quality permit fees, as specified in Minnesota Statutes, section 116.07, subdivision 4d, to conduct the administrative tasks necessary to successfully implement Minnesota Statutes, section 116.07, subdivision 4a, and other regulatory activities requiring interaction between the agency and residents in communities exposed to air pollutants emitted by facilities permitted by the agency.

Sec. 44. **PFAS WATER QUALITY STANDARDS.**

The commissioner of the Pollution Control Agency must adopt rules establishing water quality standards for perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS). The commissioner must adopt the rules establishing the PFOA and PFOS water quality standards by July 1, 2024, and Minnesota Statutes, section 14.125, does not apply.

Sec. 45. **HEALTH RISK LIMIT; PERFLUOROCTANE SULFONATE.**

By July 1, 2023, the commissioner of health must amend the health risk limit for perfluorooctane sulfonate (PFOS) in Minnesota Rules, part 4717.7860, subpart 15, so that the health risk limit does not exceed 0.015 parts per billion. In amending the health risk limit for PFOS, the commissioner must comply with Minnesota Statutes, section 144.0751, requiring a reasonable margin of safety to adequately protect the health of infants, children, and adults.

Sec. 46. **CARPET STEWARDSHIP PROGRAM; REPORT.**

Subdivision 1. **Carpet stewardship program plan.** The commissioner of the Pollution Control Agency must develop a plan for establishing a carpet stewardship program designed to reduce carpet-related waste generation by promoting the collection and recycling of discarded carpet. The plan must include:

(1) an organizational structure for the program, including roles for the state, carpet producers, retailers, collection site operators, and recyclers;

(2) a timeline for implementing the program;

(3) a fee structure that ensures the costs of the program are recovered, including recommendations for determining the amount, methods of collecting the fee, and how fee revenues will be managed;

(4) a plan for how discarded carpet will be collected and transported to recyclers in this state;

(5) strategies for improving education and training of retailers, carpet installers, and collection site operators to improve the recycling rates of carpet; and

(6) draft legislation necessary for implementing the plan.

Subd. 2. **Task force; public engagement.** (a) The commissioner must convene a task force to assist with developing the plan required under subdivision 1. The task force must include:

(1) one representative of a statewide association representing retailers;

(2) two representatives of producers;

(3) two representatives of recyclers;

- (4) one representative of statewide associations representing waste disposal companies;
- (5) one representative of an environmental organization;
- (6) one representative of county or municipal waste management programs;
- (7) two representatives of companies that use discarded carpet to manufacture products other than new carpet;
- (8) one representative of carpet installers; and
- (9) two members of the general public.
- (b) Members of the task force must not be registered lobbyists.
- (c) The commissioner must provide opportunities for the public to provide input on the program.

Subd. 3. **Report.** The commissioner must submit a report with the plan required under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the environment by January 15, 2022.

Sec. 47. **SEED DISPOSAL RULEMAKING REQUIRED.**

The commissioner of the Pollution Control Agency, in consultation with the commissioner of agriculture and the University of Minnesota, must adopt rules under Minnesota Statutes, chapter 14, providing for the safe and lawful disposal of unwanted or unused seed that is treated or coated with pesticide. The rules must clearly identify the regulatory jurisdiction of state agencies and local governments with regard to such seed.

Sec. 48. **REPEALER.**

- (a) Minnesota Statutes 2020, sections 115.44, subdivision 9; 115B.48, subdivision 8; and 115C.13, are repealed.
- (b) Minnesota Rules, part 7044.0350, is repealed.

ARTICLE 5  
NATURAL RESOURCES

Section 1. Minnesota Statutes 2020, section 16B.335, subdivision 2, is amended to read:

Subd. 2. **Other projects.** All other capital projects for which a specific appropriation is made must not proceed until the recipient undertaking the project has notified the chairs and ranking minority members of the senate Capital Investment and Finance Committees and the house of representatives Capital Investment and Ways and Means Committees that the work is ready to begin. Notice is not required for:

- (1) capital projects needed to comply with the Americans with Disabilities Act,~~for~~;
- (2) asset preservation projects to which section 16B.307 applies,~~or for~~;
- (3) projects funded by an agency's operating budget; or
- (4) projects funded by a capital asset preservation and replacement account under section 16A.632, or a higher education asset preservation and replacement account under section 135A.046, or a natural resources asset preservation and replacement account under section 84.946.

Sec. 2. Minnesota Statutes 2020, section 17.4982, subdivision 6, is amended to read:

Subd. 6. **Certifiable diseases.** "Certifiable diseases" includes any of the following expressed as clinical symptoms or based on the presence of the pathogen: channel catfish virus, *Renibacterium salmoninarum* (bacterial kidney disease), *Aeromonas salmonicida* (bacterial furunculosis), *Yersinia ruckeri* (enteric redmouth disease), *Edwardsiella ictaluri* (enteric septicemia of catfish), infectious hematopoietic necrosis virus, infectious pancreatic necrosis virus, *Myxobolus cerebralis* (whirling disease), *Tetracapsuloides bryosalmonae* (proliferative kidney disease), viral hemorrhagic septicemia virus, epizootic epitheliotropic virus, *Ceratomyxa shasta* (ceratomyxosis), and any emergency fish disease.

Sec. 3. Minnesota Statutes 2020, section 17.4982, subdivision 8, is amended to read:

Subd. 8. **Containment facility.** "Containment facility" means a licensed facility for salmonids, catfish, or species on the ~~viral hemorrhagic septicemia (VHS) susceptible list published by the United States Department of Agriculture, Animal and Plant Health Inspection Services,~~ VHS-susceptible-species list that complies with clauses (1), (3), and (4), or clauses (2), (3), and (4):

- (1) disinfects its effluent to the standards in section 17.4991 before the effluent is discharged to public waters;
- (2) does not discharge to public waters or to waters of the state directly connected to public waters;
- (3) raises aquatic life that is prohibited from being released into the wild and must be kept in a facility approved by the commissioner unless processed for food consumption;
- (4) contains aquatic life requiring a fish health inspection prior to transportation.

Sec. 4. Minnesota Statutes 2020, section 17.4982, subdivision 9, is amended to read:

Subd. 9. **Emergency fish disease.** "Emergency fish disease" means designated fish diseases or pathogens not already present in this state that could impact populations of aquatic life if inadvertently released by infected aquatic life, including channel catfish virus, viral hemorrhagic septicemia virus, infectious hematopoietic necrosis virus, infectious pancreatic necrosis virus, whirling disease, ceratomyxosis, proliferative kidney disease, and epizootic epitheliotropic virus disease.

Sec. 5. Minnesota Statutes 2020, section 17.4982, subdivision 12, is amended to read:

Subd. 12. **Fish health inspection.** (a) "Fish health inspection" means an on-site, statistically based sampling, collection, and testing of fish in accordance with processes in the Fish Health Blue Book or the Diagnostic Manual for Aquatic Animal Diseases, published by the International Office of Epizootics (OIE) to test for causative pathogens. The samples for inspection must be collected by a fish health inspector or a fish collector in cooperation with the producer. Testing of samples must be done by an approved laboratory.

(b) The inspection for viral hemorrhagic septicemia (VHS), infectious pancreatic necrosis (IPN), and infectious hematopoietic necrosis (IHN) in salmonids and for VHS in nonsalmonids must include at a minimum viral testing of ovarian fluids at the 95 percent confidence level of detecting two percent incidence of disease.

(c) The inspection for certifiable diseases and pathogens for wild fish must follow the guidelines of the Fish Health Blue Book or the Diagnostic Manual for Aquatic Animal Diseases.

Sec. 6. Minnesota Statutes 2020, section 17.4982, is amended by adding a subdivision to read:

Subd. 21a. **VHS-susceptible species.** "VHS-susceptible species" are aquatic species that are natural hosts for viral hemorrhagic septicemia according to the Fish Health Blue Book or the book's successor.

Sec. 7. Minnesota Statutes 2020, section 17.4982, is amended by adding a subdivision to read:

Subd. 21b. **VHS-susceptible-species list.** "VHS-susceptible-species list" is the VHS-susceptible species listed in the Fish Health Blue Book that are found in or that can survive in the Great Lakes region.

Sec. 8. Minnesota Statutes 2020, section 17.4985, subdivision 2, is amended to read:

Subd. 2. **Bill of lading.** (a) A state-issued bill of lading is required for:

(1) intrastate transportation of aquatic life other than salmonids, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services,~~ VHS-susceptible-species list between licensed private fish hatcheries, aquatic farms, or aquarium facilities licensed for the species being transported if the aquatic life is being transported into a watershed where it is not currently present, if walleyes whose original source is south of marked State Highway 210 are being transported to a facility north of marked State Highway 210, or if the original source of the aquatic life is outside Minnesota and contiguous states; and

(2) stocking ~~of~~ waters other than public waters with aquatic life other than salmonids, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services~~ VHS-susceptible-species list.

(b) When aquatic life is transported under paragraph (a), a copy of the bill of lading must be submitted to the regional fisheries manager at least 72 hours before the transportation.

(c) For transportation and stocking of waters that are not public waters:

(1) a bill of lading must be submitted to the regional fisheries manager 72 hours before transporting fish for stocking;

(2) a bill of lading must be submitted to the regional fisheries manager within five days after stocking if the waters to be stocked are confirmed by telecopy or telephone prior to stocking by the regional fisheries office not to be public waters; or

(3) a completed bill of lading may be submitted to the regional fisheries office by telecopy prior to transporting fish for stocking. Confirmation that the waters to be stocked are not public waters may be made by returning the bill of lading by telecopy or in writing, in which cases additional copies need not be submitted to the Department of Natural Resources.

(d) Bill of lading forms may only be issued by the Department of Natural Resources in St. Paul, and new bill of lading forms may not be issued until all previously issued forms have been returned.

Sec. 9. Minnesota Statutes 2020, section 17.4985, subdivision 3, is amended to read:

Subd. 3. **Exemptions for transportation permits and bills of lading.** (a) A state-issued bill of lading or transportation permit is not required by an aquatic farm licensee for ~~importation of importing~~ animals not on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services;~~ transportation of VHS-susceptible-species list, ~~transporting~~ animals not on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services;~~ or ~~export for VHS-susceptible-species list, or exporting~~ the following:

- (1) minnows taken under an aquatic farm license in this state and transported intrastate;
- (2) aquarium or ornamental fish including goldfish and tropical, subtropical, and saltwater species that cannot survive in the waters of the state, which may be imported or transported if accompanied by shipping documents;
- (3) fish or fish eggs that have been processed for use as food, bait, or other purposes unrelated to fish propagation;
- (4) live fish from a licensed aquatic farm, which may be transported directly to an outlet for processing or for other food purposes if accompanied by shipping documents;
- (5) fish being exported if accompanied by shipping documents;
- (6) sucker eggs, sucker fry, or fathead minnows transported intrastate for bait propagation or feeding of cultural aquatic life, except that if either species becomes listed on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services~~ VHS-susceptible-species list, then a transportation permit is required;
- (7) species of fish that are found within the state used in connection with public shows, exhibits, demonstrations, or fishing pools for periods not exceeding 14 days;
- (8) fish being transported through the state if accompanied by shipping documents; or
- (9) intrastate transportation of aquatic life between or within licensed private fish hatcheries, aquatic farms, or aquarium facilities licensed for the species being transported, except where required in subdivision 2 and except that salmonids, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, VHS-susceptible-species list~~ may only be transferred or transported intrastate without a transportation permit if they had no record of bacterial kidney disease or viral hemorrhagic septicemia at the time they were imported into the state and if they have had a fish health inspection within the preceding year that has shown no certifiable diseases to be present.

Aquatic life being transferred between licensed private fish hatcheries, aquatic farms, or aquarium facilities must be accompanied by shipping documents and salmonids, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, VHS-susceptible-species list~~ being transferred or transported intrastate without a transportation permit must be accompanied by a copy of their most recent fish health inspection.

(b) Shipping documents required under paragraph (a) must show the place of origin, owner or consignee, destination, number, and species.

Sec. 10. Minnesota Statutes 2020, section 17.4985, subdivision 5, is amended to read:

Subd. 5. **Permit application.** An application for a transportation permit must be made on forms provided by the commissioner. An incomplete application must be rejected. An application for a transportation permit for salmonids, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, VHS-susceptible-species list~~; their eggs; or their sperm must be accompanied by certification that the source of the eggs or sperm are free of certifiable diseases, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported, transported, or stocked following treatment approved by the commissioner, and fish with bacterial kidney disease or viral hemorrhagic septicemia may be imported, transported, or stocked into areas where the disease has been identified as being present. A copy of the transportation permit showing the date of certification inspection must

accompany the shipment of fish while in transit and must be available for inspection by the commissioner. By 14 days after a completed application is received, the commissioner must approve or deny the importation permits as provided in this section.

Sec. 11. Minnesota Statutes 2020, section 17.4986, subdivision 2, is amended to read:

Subd. 2. **Licensed facilities.** (a) The commissioner shall issue transportation permits to import:

(1) indigenous and naturalized species except trout, salmon, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, VHS-susceptible-species list~~ and sperm from any source to a standard facility;

(2) trout, salmon, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, VHS-susceptible-species list~~ from a nonemergency enzootic disease area to a containment facility if the fish are certified within the previous year to be free of certifiable diseases, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease or viral hemorrhagic septicemia may be imported into areas where the disease has been identified as being present; and

(3) trout, salmon, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, VHS-susceptible-species list~~ from a facility in a nonemergency enzootic disease area with a disease-free history of three years or more to a standard facility, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease or viral hemorrhagic septicemia may be imported into areas where the disease has been identified as being present.

(b) If a source facility in a nonemergency enzootic disease area cannot demonstrate a history free from disease, aquatic life may only be imported into a quarantine facility.

Sec. 12. Minnesota Statutes 2020, section 17.4986, subdivision 4, is amended to read:

Subd. 4. **Disease-free history.** Disease-free histories required under this section must include the results of a fish health inspection. When disease-free histories of more than one year are required for importing salmonids, catfish, or species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, VHS-susceptible-species list~~, the disease history must be of consecutive years that include the year previous to, or the year of, the transportation request.

Sec. 13. Minnesota Statutes 2020, section 17.4991, subdivision 3, is amended to read:

Subd. 3. **Fish health inspection.** (a) An aquatic farm propagating salmonids, catfish, or species on the ~~viral hemorrhagic septicemia (VHS) susceptible list published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, VHS-susceptible-species list~~ and having an effluent discharge from the aquatic farm into public waters must have a fish health inspection conducted at least once every 12 months by a certified fish health inspector. Testing must be conducted according to laboratory methods of the Fish Health Blue Book or the Diagnostic Manual for Aquatic Animal Diseases, published by the International Office of Epizootics (OIE).

(b) An aquatic farm propagating any species on the VHS susceptible list and having an effluent discharge from the aquatic farm into public waters must test for VHS virus using the guidelines of the Fish Health Blue Book or the Diagnostic Manual for Aquatic Animal Diseases. The commissioner may, by written order published in the State

Register, prescribe alternative testing time periods and methods from those prescribed in the Fish Health Blue Book or the OIE Diagnostic Manual if the commissioner determines that biosecurity measures will not be compromised. These alternatives are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The commissioner must provide reasonable notice to affected parties of any changes in testing requirements.

(c) Results of fish health inspections must be provided to the commissioner for all fish that remain in the state. All data used to prepare and issue a fish health certificate must be maintained for three years by the issuing fish health inspector, approved laboratory, or accredited veterinarian.

(d) A health inspection fee must be charged based on each lot of fish sampled. The fee by check or money order payable to the Department of Natural Resources must be prepaid or paid at the time a bill or notice is received from the commissioner that the inspection and processing of samples is completed.

(e) Upon receipt of payment and completion of inspection, the commissioner shall notify the operator and issue a fish health certificate. The certification must be made according to the Fish Health Blue Book or the Diagnostic Manual for Aquatic Animal Diseases by a person certified as a fish health inspector.

(f) All aquatic life in transit or held at transfer stations within the state may be inspected by the commissioner. This inspection may include the collection of stock for purposes of pathological analysis. Sample size necessary for analysis will follow guidelines listed in the Fish Health Blue Book or the Diagnostic Manual for Aquatic Animal Diseases.

(g) Salmonids, catfish, or species on the VHS susceptible list must have a fish health inspection before being transported from a containment facility, unless the fish are being transported directly to an outlet for processing or other food purposes or unless the commissioner determines that an inspection is not needed. A fish health inspection conducted for this purpose need only be done on the lot or lots of fish that will be transported. The commissioner must conduct a fish health inspection requested for this purpose within five working days of receiving written notice. Salmonids and catfish may be immediately transported from a containment facility to another containment facility once a sample has been obtained for a health inspection or once the five-day notice period has expired.

Sec. 14. Minnesota Statutes 2020, section 17.4992, subdivision 2, is amended to read:

Subd. 2. **Restriction on the sale of fish.** (a) Except as provided in paragraph (b), species on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services,~~ VHS-susceptible-species list must be free of viral hemorrhagic septicemia and species of the family salmonidae or ictaluridae, except bullheads, must be free of certifiable diseases if sold for stocking or transfer to another aquatic farm.

(b) The following exceptions apply to paragraph (a):

(1) eggs with enteric redmouth, whirling disease, or furunculosis may be transferred between licensed facilities or stocked following treatment approved by the commissioner;

(2) fish with bacterial kidney disease or viral hemorrhagic septicemia may be transferred between licensed facilities or stocked in areas where the disease has been identified as being present; and

(3) the commissioner may allow transfer between licensed facilities or stocking of fish with enteric redmouth or furunculosis when the commissioner determines that doing so would pose no threat to the state's aquatic resources.

Sec. 15. Minnesota Statutes 2020, section 17.4993, subdivision 1, is amended to read:

Subdivision 1. **Taking from public waters.** (a) Under an aquatic farm license, a licensee may only take minnow sperm, minnow eggs, and live minnows for aquatic farm purposes from ~~public waters that have a water body if:~~

(1) the water body has been tested for viral hemorrhagic septicemia ~~when~~ and the testing indicates the disease is not present; or

(2) the water body is located within a viral hemorrhagic septicemia-free zone posted on the Department of Natural Resources website.

(b) A licensee may take sucker eggs and sperm only in approved waters with a sucker egg license endorsement as provided by section 17.4994.

Sec. 16. Minnesota Statutes 2020, section 18B.09, subdivision 2, is amended to read:

Subd. 2. **Authority.** (a) Statutory and home rule charter cities may enact an ordinance, which may include penalty and enforcement provisions, containing one or both of the following:

(1) the pesticide application warning information contained in subdivision 3, ~~including their own licensing, penalty, and enforcement provisions;~~ and

(2) the pesticide prohibition contained in subdivision 4.

(b) Statutory and home rule charter cities may not enact an ordinance ~~that contains more restrictive pesticide application warning information than is contained~~ that which is provided in subdivision subdivisions 3 and 4.

Sec. 17. Minnesota Statutes 2020, section 18B.09, is amended by adding a subdivision to read:

Subd. 4. **Application of certain pesticides prohibited.** (a) A person may not apply or use a pollinator-lethal pesticide within the geographic boundaries of a city that has enacted an ordinance under subdivision 2 prohibiting such use.

(b) For purposes of this subdivision, "pollinator-lethal pesticide" means a pesticide that has a pollinator protection box on the label or labeling or a pollinator, bee, or honey bee precautionary statement in the environmental hazards section of the label or labeling.

(c) This subdivision does not apply to:

(1) pet care products used to mitigate fleas, mites, ticks, heartworms, or other animals that are harmful to the health of a domesticated animal;

(2) personal care products used to mitigate lice and bedbugs;

(3) indoor pest control products used to mitigate insects indoors, including ant bait;

(4) a pesticide as used or applied by the Metropolitan Mosquito Control District for public health protection if the pesticide has a vector disease control label; and

(5) a pesticide-treated wood product.

(d) The commissioner must maintain a list of pollinator-lethal pesticides on the department's website.

Sec. 18. Minnesota Statutes 2020, section 84.027, subdivision 13a, is amended to read:

Subd. 13a. ~~Game and fish~~ **Natural resources expedited permanent rules.** (a) In addition to the authority granted in subdivision 13, the commissioner of natural resources may adopt rules under section 14.389 that are authorized under:

(1) chapters 97A, 97B, and 97C to describe zone or permit area boundaries, to designate fish spawning beds or fish preserves, to select hunters or anglers for areas, to provide for registration of game or fish, to prevent or control wildlife disease, or to correct errors or omissions in rules that do not have a substantive effect on the intent or application of the original rule; ~~or~~

(2) section 84D.12 to designate prohibited invasive species, regulated invasive species, and unregulated nonnative species; or

(3) section 116G.15 to change the placement and boundaries of land use districts established in the Mississippi River Corridor Critical Area.

(b) The commissioner of natural resources may adopt rules under section 14.389 that are authorized under chapters 97A, 97B, and 97C, for purposes in addition to those listed in paragraph (a), clause (1), subject to the notice and public hearing provisions of section 14.389, subdivision 5.

Sec. 19. Minnesota Statutes 2020, section 84.027, subdivision 18, is amended to read:

Subd. 18. **Permanent school fund authority; reporting.** (a) The commissioner of natural resources has the authority and responsibility to administer school trust lands under sections 92.122 and 127A.31. The commissioner shall ~~biannually~~ biennially report to the Legislative Permanent School Fund Commission and the legislature on the management of the school trust lands that shows how the commissioner has and will continue to achieve the following goals:

(1) manage the school trust lands efficiently and in a manner that reflects the undivided loyalty to the beneficiaries consistent with the commissioner's fiduciary duties;

(2) reduce the management expenditures of school trust lands and maximize the revenues deposited in the permanent school trust fund;

(3) manage the sale, exchange, and commercial leasing of school trust lands, requiring returns of not less than fair market value, to maximize the revenues deposited in the permanent school trust fund and retain the value from the long-term appreciation of the school trust lands;

(4) manage the school trust lands to maximize the long-term economic return for the permanent school trust fund while maintaining sound natural resource conservation and management principles;

(5) optimize school trust land revenues and maximize the value of the trust consistent with balancing short-term and long-term interests, so that long-term benefits are not lost in an effort to maximize short-term gains; and

(6) maintain the integrity of the trust and prevent the misapplication of its lands and its revenues.

(b) When the commissioner finds an irresolvable conflict between maximizing the long-term economic return and protecting natural resources and recreational values on school trust lands, the commissioner shall give precedence to the long-term economic return in managing school trust lands. By July 1, 2018, the permanent school

fund must be compensated for all school trust lands included under a designation or policy provision that prohibits long-term economic return. The commissioner shall submit recommendations to the appropriate legislative committees and divisions on methods of funding for the compensation required under this paragraph, including recommendations for appropriations from the general fund, nongeneral funds, and the state bond fund. Any uncompensated designation or policy provision restrictions on the long-term economic return on school trust lands remaining after July 1, 2018, must be compiled and submitted to the Legislative Permanent School Fund Commission for review.

(c) By December 31, 2013, the report required under paragraph (a) must provide an inventory and identification of all school trust lands that are included under a designation or policy provision that prohibits long-term economic return. The report must include a plan to compensate the permanent school fund through the purchase or exchange of the lands or a plan to manage the school trust land to generate long-term economic return to the permanent school fund. Subsequent reports under paragraph (a) must include a status report of the commissioner's progress in maximizing the long-term economic return on lands identified in the 2013 report.

(d) When management practices, policies, or designations by the commissioner diminish or prohibit the long-term economic return on school trust land, the conflict must be resolved as provided in section 92.122.

Sec. 20. Minnesota Statutes 2020, section 84.66, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The Minnesota forests for the future program identifies and protects private, working forest lands for their timber, scenic, recreational, fish and wildlife habitat, threatened and endangered species, natural carbon sequestration, and other cultural and environmental values.

Sec. 21. Minnesota Statutes 2020, section 84.66, subdivision 3, is amended to read:

Subd. 3. **Establishment.** The commissioner of natural resources shall establish and administer a Minnesota forests for the future program. Land selected for inclusion in the program shall be evaluated on the land's potential for:

- (1) producing timber and other forest products;
- (2) maintaining forest landscapes;
- (3) providing public recreation; and
- (4) providing ecological, fish and wildlife habitat, natural carbon sequestration, and other cultural and environmental values and values consistent with working forest lands.

Sec. 22. Minnesota Statutes 2020, section 84.82, subdivision 1a, is amended to read:

Subd. 1a. **General requirements.** A person may not operate ~~or transport~~ a snowmobile unless the snowmobile has been registered under this section. A person may not sell a snowmobile without furnishing the buyer a bill of sale on a form prescribed by the commissioner.

Sec. 23. Minnesota Statutes 2020, section 84.82, subdivision 7a, is amended to read:

Subd. 7a. **Collector snowmobiles; limited use.** The commissioner may issue a special permit to a person or organization to operate ~~or transport~~ a collector snowmobile without registration in parades or organized group outings, such as races, rallies, and other promotional events and for up to ten days each year for personal transportation. The commissioner may impose a reasonable restriction on a permittee and may revoke, amend, suspend, or modify a permit for cause.

Sec. 24. Minnesota Statutes 2020, section 84.92, subdivision 8, is amended to read:

Subd. 8. **All-terrain vehicle or vehicle.** "All-terrain vehicle" or "vehicle" means a motorized vehicle with: (1) not less than three, but not more than six ~~low pressure or non-pneumatic~~ tires; (2) a total dry weight of 2,000 pounds or less; and (3) a total width from outside of tire rim to outside of tire rim that is 65 inches or less. All-terrain vehicle includes a class 1 all-terrain vehicle and class 2 all-terrain vehicle. All-terrain vehicle does not include a golf cart, mini-truck, dune buggy, or go-cart or a vehicle designed and used specifically for lawn maintenance, agriculture, logging, or mining purposes.

Sec. 25. Minnesota Statutes 2020, section 84.943, subdivision 3, is amended to read:

Subd. 3. **Appropriations matched by private funds.** (a) Appropriations transferred to the critical habitat private sector matching account and money credited to the account under section 168.1296, subdivision 5, may be expended only to the extent that they are matched ~~equally~~ with contributions from private sources or by funds contributed to the nongame wildlife management account. The private contributions may be made in cash, property, land, or interests in land. Appropriations transferred to the account that are not matched within three years from the date of the appropriation shall cancel to the source of the appropriation. For the purposes of this section, the private contributions of property, land, or interests in land that are retained by the commissioner shall be valued in accordance with their appraised value.

(b) Except as provided under paragraph (c), for every dollar used as a match under paragraph (a), the commissioner may expend up to \$2 from the account for the purposes described in subdivision 6.

(c) The commissioner may spend up to \$2.50 from the account for every dollar used as a match under paragraph (a) for nongame purposes under subdivision 6, clause (2).

Sec. 26. Minnesota Statutes 2020, section 84.943, subdivision 5, is amended to read:

Subd. 5. **Pledges and contributions.** (a) The commissioner of natural resources may accept contributions and pledges to the critical habitat private sector matching account. A pledge that is made contingent on an appropriation is acceptable and shall be reported with other pledges as required in this section. The commissioner may agree to match a contribution contingent on a future appropriation. In the budget request for each biennium, the commissioner shall report the balance of contributions in the account and the amount that has been pledged for payment in the succeeding two calendar years.

~~(b) Money in the account is appropriated to the commissioner of natural resources only for the direct acquisition or improvement of land or interests in land as provided in section 84.944. To the extent of available appropriations other than bond proceeds, the money matched to the nongame wildlife management account may be used for the management of nongame wildlife projects as specified in section 290.431. Acquisition includes:~~

~~(1) purchase of land or an interest in land by the commissioner; or~~

~~(2) acceptance by the commissioner of gifts of land or interests in land as program projects.~~

Sec. 27. Minnesota Statutes 2020, section 84.943, is amended by adding a subdivision to read:

Subd. 6. **Expenditures.** Money in the account is appropriated to the commissioner and may be expended only as follows:

(1) revenue from license plates depicting big game, turkey, or pheasant or license plates not otherwise specified under this subdivision must be used to:

(i) purchase land or an interest in land;

(ii) inventory and monitor lands acquired under this section; or

(iii) accept gifts of land or interests in land as program projects;

(2) revenue from license plates depicting a loon, chickadee, or lady slipper must be used in addition to appropriations from the nongame wildlife management account for the purposes specified in section 290.431;

(3) revenue from license plates depicting anglers or fish must be used for aquatic management area purposes under section 86A.05, subdivision 14, including acquisition, development, and restoration;

(4) revenue from license plates depicting bees or other pollinators must be transferred to the Board of Water and Soil Resources for grants or payments under section 103B.104; and

(5) private contributions and other revenue must be used for the purposes under clause (1), unless specified for another purpose under this subdivision by the donor.

Sec. 28. Minnesota Statutes 2020, section 84.943, is amended by adding a subdivision to read:

Subd. 7. **Report.** By January 15, 2024, and every two years thereafter, the commissioner must submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources on the expenditure of money from the critical habitat private sector matching account and the nongame wildlife management account during the previous biennium.

Sec. 29. Minnesota Statutes 2020, section 84.946, subdivision 4, is amended to read:

Subd. 4. **Priorities; report.** The commissioner of natural resources must establish priorities for natural resource asset preservation and replacement projects. By ~~January 15~~ March 1 each year, the commissioner must submit to the commissioner of management and budget a list of the projects that have been paid for with money from a natural resource asset preservation and replacement appropriation during the preceding calendar year.

Sec. 30. **[84.9735] INSECTICIDES ON STATE LANDS.**

A person may not use a product containing an insecticide in a wildlife management area, state park, state forest, aquatic management area, or scientific and natural area if the insecticide is from the neonicotinoid class of insecticides or contains chlorpyrifos.

Sec. 31. **[84.9765] OUTDOOR ENGAGEMENT GRANT ACCOUNT.**

Subdivision 1. **Establishment.** The outdoor engagement grant account is established as an account in the natural resources fund. The purpose of the account is to provide funding from private sources to support the no child left inside grant program under section 84.976.

Subd. 2. **Funding sources.** Appropriations, gifts, grants, and other contributions to the outdoor engagement grant account must be credited to the account. All interest and other earnings on money in the account must be credited to the account.

Subd. 3. **Appropriation; expenditures.** Money in the account is appropriated to the commissioner of natural resources and may be used only for grants under section 84.976.

Sec. 32. Minnesota Statutes 2020, section 84D.02, subdivision 3, is amended to read:

Subd. 3. **Management plan.** ~~By December 31, 2021, and every five years thereafter,~~ the commissioner ~~shall~~ must prepare ~~and maintain~~ a long-term plan, which may include specific plans for individual species and actions, for the statewide management of invasive species of aquatic plants and wild animals. The plan must address:

- (1) coordinated detection and prevention of accidental introductions;
- (2) coordinated dissemination of information about invasive species of aquatic plants and wild animals among resource management agencies and organizations;
- (3) a coordinated public education and awareness campaign;
- (4) coordinated control of selected invasive species of aquatic plants and wild animals on lands and public waters;
- (5) participation by lake associations, local citizen groups, and local units of government in the development and implementation of local management efforts;
- (6) a reasonable and workable inspection requirement for watercraft and equipment including those participating in organized events on the waters of the state;
- (7) the closing of points of access to infested waters, if the commissioner determines it is necessary, for a total of not more than seven days during the open water season for control or eradication purposes;
- (8) maintaining public accesses on infested waters to be reasonably free of aquatic macrophytes; ~~and~~
- (9) notice to travelers of the penalties for violation of laws relating to invasive species of aquatic plants and wild animals; and
- (10) the impacts of climate change on invasive species management.

Sec. 33. Minnesota Statutes 2020, section 84D.11, subdivision 1a, is amended to read:

Subd. 1a. **Permit for invasive carp.** The commissioner may issue a permit to departmental divisions for tagging bighead, black, grass, or silver carp for research or control. Under the permit, the carp may be released into the water body from which the carp was captured. ~~This subdivision expires December 31, 2021.~~

Sec. 34. Minnesota Statutes 2020, section 84D.15, is amended to read:

#### **84D.15 INVASIVE SPECIES ACCOUNT ACCOUNTS.**

Subdivision 1. **Creation.** The invasive species account is and the invasive species research account are created in the state treasury in the natural resources fund.

Subd. 2. **Receipts.** (a) Money received from ~~surcharges on watercraft licenses under section 86B.415, subdivision 7,~~ civil penalties under section 84D.13; and service provider permits under section 84D.108; must be deposited in the invasive species account. Each year, the commissioner of management and budget must transfer from the game and fish fund to the invasive species account, the annual surcharge collected on nonresident fishing licenses under section 97A.475, subdivision 7, paragraph (b). Each fiscal year, the commissioner of management and budget shall transfer \$375,000 from the water recreation account under section 86B.706 to the invasive species account.

(b) Money received from surcharges on watercraft licenses under section 86B.415, subdivision 7, paragraph (a), must be deposited as follows:

(1) \$21 from each surcharge must be deposited in the invasive species account; and

(2) \$4 from each surcharge must be deposited in the invasive species research account.

(c) Money received from surcharges on watercraft licenses under section 86B.415, subdivision 7, paragraph (b), must be deposited in the invasive species research account.

Subd. 3. **Use of money in invasive species account.** Money credited to the invasive species account in subdivision 2 ~~shall~~ must be used for management of invasive species and implementation of this chapter as it pertains to invasive species, including control, public awareness, law enforcement, assessment and monitoring, management planning, habitat improvements, and research. Of the money credited to the account, at least \$2 from each surcharge on watercraft licenses under section 86B.415, subdivision 7, paragraph (a), must be used for grants to lake associations to manage aquatic invasive plant species.

Subd. 4. Use of money in invasive species research account. Money credited to the invasive species research account under subdivision 2, paragraph (b), must be used for grants to the Board of Regents of the University of Minnesota for the Minnesota Aquatic Invasive Species Research Center to research aquatic invasive species.

Sec. 35. Minnesota Statutes 2020, section 85.015, subdivision 10, is amended to read:

Subd. 10. **Luce Line Trail, Hennepin, McLeod, and Meeker Counties.** (a) The trail shall originate at Gleason Lake in Plymouth Village, Hennepin County, ~~and shall~~ follow the route of the Chicago Northwestern Railroad, and include a connection to Greenleaf Lake State Recreation Area.

(b) The trail shall be developed for multiuse wherever feasible. The department shall cooperate in maintaining its integrity for modes of use consistent with local ordinances.

(c) In establishing, developing, maintaining, and operating the trail, the commissioner shall cooperate with local units of government and private individuals and groups. Before acquiring any parcel of land for the trail, the commissioner of natural resources shall develop a management program for the parcel and conduct a public hearing on the proposed management program in the vicinity of the parcel to be acquired. The management program of the commissioner shall include but not be limited to the following: (a) fencing of portions of the trail where necessary to protect adjoining landowners; and (b) the maintenance of the trail in a litter free condition to the extent practicable.

(d) The commissioner shall not acquire any of the right-of-way of the Chicago Northwestern Railway Company until the abandonment of the line described in this subdivision has been approved by the Surface Transportation Board or the former Interstate Commerce Commission. Compensation, in addition to the value of the land, shall include improvements made by the railroad, including but not limited to, bridges, trestles, public road crossings, or any portion thereof, it being the desire of the railroad that such improvements be included in the conveyance. The fair market value of the land and improvements shall be recommended by two independent appraisers mutually agreed upon by the parties. The fair market value thus recommended shall be reviewed by a review appraiser agreed to by the parties, and the fair market value thus determined, and supported by appraisals, may be the purchase price. The commissioner may exchange lands with landowners abutting the right-of-way described in this section to eliminate diagonally shaped separate fields.

Sec. 36. Minnesota Statutes 2020, section 85.019, is amended by adding a subdivision to read:

Subd. 6. **Administering grants.** Up to 2.5 percent of appropriations for grants under this section from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (4), may be used by the commissioner for the actual costs of administering the grants.

Sec. 37. Minnesota Statutes 2020, section 85.052, subdivision 1, is amended to read:

Subdivision 1. **Authority to establish.** (a) The commissioner may establish, by written order, provisions for the use of state parks for the following:

(1) special parking space for automobiles or other motor-driven vehicles in a state park or state recreation area;

(2) special parking spurs, campgrounds for automobiles, sites for tent camping, other types of lodging, camping, or day use facilities, and special auto trailer coach parking spaces, for the use of the individual charged for the space or facility;

~~(3) improvement and maintenance of golf courses already established in state parks, and charging reasonable use fees; and~~

~~(4) (3) providing water, sewer, and electric service to trailer or tent campsites and charging a reasonable use fee; and~~

(4) administrative penalties related to courtesy warnings and letters issued for failure to display a state park permit as required under section 85.053, subdivision 2.

(b) Provisions established under paragraph (a) are exempt from section 16A.1283 and the rulemaking provisions of chapter 14. Section 14.386 does not apply.

(c) For the purposes of this subdivision, "lodging" means an enclosed shelter, room, or building with furnishings for overnight use.

Sec. 38. Minnesota Statutes 2020, section 85.052, subdivision 2, is amended to read:

Subd. 2. **State park ~~pageants~~ special events.** (a) The commissioner may stage state park ~~pageants~~ special events in a state park, municipal park, or on other land near or adjoining a state park and charge an entrance or use fee for the ~~pageant~~ special event. All receipts from the ~~pageants~~ special events must be used in the same manner as though the ~~pageants~~ special events were conducted in a state park.

(b) The commissioner may establish, by written order, state park ~~pageant~~ special event areas to hold historical or other ~~pageants~~ special events conducted by the commissioner of a state agency or other public agency. Establishment of the areas is exempt from the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 39. Minnesota Statutes 2020, section 85.052, subdivision 6, is amended to read:

Subd. 6. **State park reservation system.** (a) The commissioner may, by written order, develop reasonable reservation policies for campsites and other lodging. These policies are exempt from rulemaking provisions under chapter 14 and section 14.386 does not apply.

(b) The revenue collected from the state park reservation fee established under subdivision 5, including interest earned, shall be deposited in the state park account in the natural resources fund and is annually appropriated to the commissioner for the cost of operating the state park reservation and point-of-sale system.

Sec. 40. Minnesota Statutes 2020, section 85.052, is amended by adding a subdivision to read:

Subd. 7. **Special-use permits.** The commissioner may, by written order, develop reasonable policies for special-use permits to use state parks, state recreation areas, and state waysides. These policies are exempt from rulemaking provisions under chapter 14, and section 14.386 does not apply.

Sec. 41. Minnesota Statutes 2020, section 85.053, subdivision 2, is amended to read:

Subd. 2. **Requirement.** Except as provided in section 85.054, a motor vehicle may not enter a state park, state recreation area, or state wayside over 50 acres in area, without a state park permit issued under this section or a state parks and trails plate issued under section 168.1295. Except for vehicles permitted under subdivisions 7, paragraph (a), clause (2), and 8, the state park permit must be affixed to the lower right corner windshield of the motor vehicle and must be completely affixed by its own adhesive to the windshield, or the commissioner may, by written order, provide an alternative means to display and validate state park permits. A motor vehicle owner or lessee is responsible for ensuring the owner's or lessee's vehicle has a state park permit, and the commissioner may issue warnings and citations under section 84.0835 to the owner or lessee of a vehicle not in compliance.

Sec. 42. Minnesota Statutes 2020, section 85.053, is amended by adding a subdivision to read:

Subd. 5a. **Free permit; members of federally recognized Tribes.** (a) The commissioner must issue an annual state park permit for no charge to any member of the 11 federally recognized Tribes in Minnesota. To qualify for a free state park permit under this subdivision, an individual must present a qualifying Tribal identification, as determined by each of the Tribal governments, to the park attendant on duty or other designee of the commissioner.

(b) For vehicles permitted under paragraph (a), the permit issued under this subdivision is valid only when displayed on a vehicle owned and occupied by the person to whom the permit is issued.

(c) The commissioner may issue a daily state park permit free of charge to an individual who qualifies under paragraph (a) and does not own or operate a motor vehicle.

**EFFECTIVE DATE.** This section is effective January 1, 2022.

Sec. 43. Minnesota Statutes 2020, section 85.054, subdivision 1, is amended to read:

Subdivision 1. **State Park Open House Days.** (a) A state park permit is not required for a motor vehicle to enter a state park, state monument, state recreation area, or state wayside, on four days each calendar year at each park, which the commissioner shall designate as State Park Open House Days. The commissioner may designate two consecutive days as State Park Open House Days, if the open house is held in conjunction with a special ~~pageant~~ event described in section 85.052, subdivision 2.

(b) The commissioner shall announce the date of each State Park Open House Day at least 30 days in advance of the date it occurs.

(c) The purpose of State Park Open House Days is to acquaint the public with state parks, recreation areas, and waysides.

(d) On State Park Open House Days, registered overnight guests in state parks and state recreation areas are exempt from the requirements for a state park permit under section 85.053 until after the camping or lodging check-out time of the following day in the park where the overnight stay occurred.

Sec. 44. Minnesota Statutes 2020, section 85.055, subdivision 1, is amended to read:

Subdivision 1. **Fees.** (a) The fee for state park permits for:

- (1) an annual use of state parks is ~~\$35~~ \$45;
  - (2) a second or subsequent vehicle state park permit is ~~\$26~~ \$35;
  - (3) a state park permit valid for one day is ~~\$7~~ \$10;
  - (4) a daily vehicle state park permit for groups is ~~\$5~~ \$8;
  - (5) an annual permit for motorcycles is ~~\$30~~ \$40;
  - (6) an employee's state park permit is without charge; and
  - (7) a state park permit for persons with disabilities under section 85.053, subdivision 7, paragraph (a), clauses (1) to (3), is ~~\$12~~ \$20.
- (b) The fees specified in this subdivision include any sales tax required by state law.

**EFFECTIVE DATE.** This section is effective July 1, 2022.

Sec. 45. Minnesota Statutes 2020, section 85.43, is amended to read:

**85.43 DISPOSITION OF RECEIPTS; PURPOSE.**

~~(a)~~ Fees from cross-country-ski passes shall be deposited in the state treasury and credited to a cross-country-ski account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, are appropriated to the commissioner of natural resources for the following purposes:

- (1) grants-in-aid for cross-country-ski trails to:
  - (i) counties and municipalities for construction and maintenance of cross-country-ski trails; and
  - (ii) special park districts as provided in section 85.44 for construction and maintenance of cross-country-ski trails; ~~and~~
- (2) ~~administration of~~ administering the cross-country-ski trail grant-in-aid program; ~~and~~
- (3) developing and maintaining state cross-country-ski trails.

~~(b) Development and maintenance of state cross country ski trails are eligible for funding from the cross country ski account if the money is appropriated by law.~~

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2019.

Sec. 46. Minnesota Statutes 2020, section 85.47, is amended to read:

**85.47 ~~SPECIAL USE~~ SPECIAL-USE PERMITS; FEES.**

Subdivision 1. **Special-use permits.** The commissioner may, by written order, develop reasonable policies for special-use permits to use state trails and state water access sites. The policies are exempt from rulemaking provisions under chapter 14, and section 14.386 does not apply.

**Subd. 2. Disposition of fees.** Fees collected for ~~special-use~~ special-use permits to use state trails and state water access sites not on state forest, state park, or state recreation area lands ~~and for use of state water access sites~~ must be deposited in the natural resources fund and are appropriated to the commissioner of natural resources for operating and maintaining state trails and water access sites.

Sec. 47. Minnesota Statutes 2020, section 86B.415, subdivision 1, is amended to read:

Subdivision 1. **Watercraft 19 feet or less.** (a) Except as provided in paragraph (b) and ~~subdivision subdivisions~~ 1a and 4, the fee for a watercraft license for watercraft 19 feet or less in length is ~~\$27~~ \$39.

(b) The watercraft license ~~fee~~ fees for the specified watercraft are as follows:

(1) for watercraft, other than personal watercraft, 19 feet in length or less that is offered for rent or lease, the fee is ~~\$9~~ \$13;

(2) for a sailboat, 19 feet in length or less, the fee is ~~\$10.50~~ \$15.25;

(3) for a watercraft 19 feet in length or less used by a nonprofit corporation for teaching boat and water safety, the ~~fee is~~ fees are as provided in subdivision 4;

(4) for a watercraft owned by a dealer under a dealer's license, the fee is as provided in subdivision 5;

(5) for a personal watercraft, the fee is ~~\$37.50~~ \$54.50, except for a personal watercraft that is offered for rent or lease according to section 86B.313, subdivision 4, the fee is \$47; and

(6) for a watercraft less than 17 feet in length, other than a watercraft listed in clauses (1) to (5), the fee is ~~\$18~~ \$26.

Sec. 48. Minnesota Statutes 2020, section 86B.415, subdivision 1a, is amended to read:

Subd. 1a. **Canoes, kayaks, sailboards, paddleboards, paddleboats, or rowing shells.** Except as provided under subdivision 4, the fee for a watercraft license for a canoe, kayak, sailboard, paddleboard, paddleboat, or rowing shell over ten feet in length is ~~\$10.50~~ \$15.25.

Sec. 49. Minnesota Statutes 2020, section 86B.415, subdivision 2, is amended to read:

Subd. 2. **Watercraft over 19 feet.** Except as provided in subdivisions 1a, 3, 4, and 5, the watercraft license fee:

(1) for a watercraft more than 19 feet but less than 26 feet in length is ~~\$45~~ \$65.25;

(2) for a watercraft 26 feet but less than 40 feet in length is ~~\$67.50~~ \$98; and

(3) for a watercraft 40 feet in length or longer is ~~\$90~~ \$130.50.

Sec. 50. Minnesota Statutes 2020, section 86B.415, subdivision 3, is amended to read:

Subd. 3. **Watercraft over 19 feet for hire.** Except as provided under subdivision 4, the license fee for a watercraft more than 19 feet in length for hire with an operator is ~~\$75~~ \$108.75 each.

Sec. 51. Minnesota Statutes 2020, section 86B.415, subdivision 4, is amended to read:

Subd. 4. **Watercraft used by nonprofit corporation for teaching organization or homestead resort.** (a) The watercraft license fee for a watercraft used by a nonprofit organization for teaching boat and water safety is \$4.50 each.

(b) The following fees apply to watercraft owned and used by a homestead resort, as defined under section 273.13, subdivision 22, paragraph (c), that contains ten rental units or less, when the watercraft remains on a single water body:

- (1) for a watercraft 40 feet in length or longer, \$90;
- (2) for a watercraft 26 feet but less than 40 feet in length, \$67.50;
- (3) for a watercraft more than 19 feet but less than 26 feet in length, \$45;
- (4) for a watercraft more than 19 feet in length for hire with an operator, \$75;
- (5) for a watercraft 17 to 19 feet in length, \$27, except as provided in clauses (6) to (10);
- (6) for a watercraft, other than personal watercraft, 19 feet in length or less that is offered for rent or lease, \$9;
- (7) for a sailboat 19 feet in length or less, \$10.50;
- (8) for a personal watercraft, \$37.50;
- (9) for a canoe, kayak, sailboard, paddleboard, paddleboat, or rowing shell over ten feet in length, \$10.50; and
- (10) for a watercraft less than 17 feet in length, other than a watercraft listed in clauses (6) to (9), \$18.

Sec. 52. Minnesota Statutes 2020, section 86B.415, subdivision 5, is amended to read:

Subd. 5. **Dealer's license.** There is no separate fee for watercraft owned by a dealer under a dealer's license. The fee for a dealer's license is ~~\$67.50~~ \$98.

Sec. 53. Minnesota Statutes 2020, section 86B.415, subdivision 7, is amended to read:

Subd. 7. **Watercraft surcharge.** (a) A ~~\$10.60~~ \$25 surcharge is placed on each watercraft licensed under subdivisions 1 to 3, and 5 for control, public awareness, law enforcement, monitoring, and research of aquatic invasive species such as zebra mussel, purple loosestrife, and Eurasian watermilfoil in public waters and public wetlands.

(b) A \$5 surcharge is placed on each watercraft licensed under subdivision 4 for deposit in the invasive species research account under section 84D.15.

Sec. 54. Minnesota Statutes 2020, section 88.79, subdivision 1, is amended to read:

Subdivision 1. **Employing competent foresters; service to private owners.** The commissioner of natural resources may employ competent foresters to furnish owners of forest lands within the state of Minnesota who own not more than 1,000 acres of forest land, forest management services consisting of:

- (1) advice in management and protection of timber, including written stewardship and forest management plans;
- (2) selection and marking of timber to be cut;
- (3) measurement of products;
- (4) aid in marketing harvested products;

(5) provision of tree-planting equipment;

(6) advice in community forest management; ~~and~~

(7) advice in tree selection and care for natural carbon sequestration and climate resiliency; and

~~(7)~~ (8) such other services as the commissioner of natural resources deems necessary or advisable to promote maximum sustained yield of timber and other benefits upon such forest lands.

Sec. 55. Minnesota Statutes 2020, section 89.001, subdivision 8, is amended to read:

Subd. 8. **Forest resources.** "Forest resources" means those natural assets of forest lands, including timber and other forest crops; carbon sequestration for climate change mitigation; biological diversity; recreation; fish and wildlife habitat; wilderness; rare and distinctive flora and fauna; air; water; soil; climate; and educational, aesthetic, and historic values.

Sec. 56. Minnesota Statutes 2020, section 89.35, subdivision 2, is amended to read:

Subd. 2. **Purpose of planting.** The purposes for which trees may be produced, procured, distributed, and planted under sections 89.35 to 89.39 ~~shall~~ include auxiliary forests, woodlots, windbreaks, shelterbelts, erosion control, soil conservation, water conservation, provision of permanent food and cover for wild life, environmental education, natural carbon sequestration, species adaptation to climate change, and afforestation and reforestation on public or private lands of any kind, but shall do not include ~~the~~ raising of fruit for human consumption or planting for purely ornamental purposes. It is hereby declared that all such authorized purposes are in furtherance of the public health, safety, and welfare.

Sec. 57. Minnesota Statutes 2020, section 89.37, subdivision 3, is amended to read:

Subd. 3. **Private lands.** The commissioner may supply only bare root seedlings, woody cuttings, and transplant material for use on private land, provided that such material must be sold in lots of not less than ~~500~~ 250 for a sum determined by the commissioner to be equivalent to the cost of the materials and the expenses of their distribution. The commissioner may not directly or indirectly supply any other planting stock for use on private lands.

Sec. 58. Minnesota Statutes 2020, section 89A.03, subdivision 2, is amended to read:

Subd. 2. **Purpose.** The council must develop recommendations to the governor and to federal, state, county, and local governments with respect to forest resource policies and practices that result in the sustainable management, use, and protection of the state's forest resources. The policies and practices must:

(1) acknowledge the interactions of complex sustainable forest resources, multiple ownership patterns, and local to international economic forces;

(2) give equal consideration to the long-term economic, ecological, and social needs and limits of the state's forest resources;

(3) foster the productivity of the state's forests to provide a diversity of sustainable benefits at site levels and landscape levels;

(4) enhance the ability of the state's forest resources to provide future benefits and services;

(5) foster no net loss of forest land in Minnesota;

(6) encourage appropriate mixes of forest cover types and age classes within landscapes to promote biological diversity and viable forest-dependent fish and wildlife habitats;

(7) acknowledge the importance of the state's forest resources in providing natural carbon storage and the role climate change will have on tree species selection and adaptation;

~~(7)~~ (8) encourage collaboration and coordination with multiple constituencies in planning and managing the state's forest resources; and

~~(8)~~ (9) address the environmental impacts and implement mitigations as recommended in the generic environmental impact statement on timber harvesting.

Sec. 59. Minnesota Statutes 2020, section 89A.11, is amended to read:

**89A.11 SUNSET.**

Sections 89A.01; 89A.02; 89A.03; 89A.04; 89A.05; 89A.06; 89A.07; 89A.08; 89A.09; 89A.10; 89A.105; and 89A.11 ~~are repealed~~ expire June 30, ~~2021~~ 2028.

Sec. 60. Minnesota Statutes 2020, section 97A.015, subdivision 25, is amended to read:

Subd. 25. **Game fish.** "Game fish" means fish from the following families and species: Acipenseridae (lake sturgeon and shovelnose sturgeon), Anguillidae (American eel), Centrarchidae (black crappie; largemouth bass; rock bass; smallmouth bass; white crappie; and sunfishes, including bluegill, green sunfish, longear sunfish, orangespotted sunfish, pumpkinseed, and warmouth), Esocidae (muskellunge and northern pike), Gadidae (burbot), Ictaluridae (blue catfish, channel catfish, and flathead catfish), Lepisosteidae (gar), Moronidae (white bass and yellow bass), Percidae (sauger, walleye, and yellow perch), Polyodontidae (paddlefish), and Salmonidae (Atlantic salmon, brook trout, brown trout, chinook salmon, cisco (tullibee), coho salmon, kokanee salmon, lake trout, lake whitefish, pink salmon, and rainbow trout). Game fish includes hybrids of game fish.

Sec. 61. Minnesota Statutes 2020, section 97A.015, subdivision 43, is amended to read:

Subd. 43. **Rough fish.** "Rough fish" means carp, buffalo, sucker, sheepshead, bowfin, ~~gar~~, goldeye, and bullhead, except for any fish species listed as endangered, threatened, or of special concern in Minnesota Rules, chapter 6134.

Sec. 62. Minnesota Statutes 2020, section 97A.401, subdivision 1, is amended to read:

Subdivision 1. **Commissioner's authority.** The commissioner may issue special permits for the activities in this section. A special permit may be issued in the form of a general permit to a governmental subdivision or to the general public to conduct one or more activities under subdivisions 2 to ~~7~~ 8.

Sec. 63. Minnesota Statutes 2020, section 97A.401, is amended by adding a subdivision to read:

Subd. 8. **Snakes, lizards, and salamanders.** The commissioner must prescribe conditions and may issue permits to breed, propagate, and sell native snakes, lizards, and salamanders. A native snake, lizard, or salamander that is obtained from a permitted breeder or that was possessed before August 1, 2021, may be possessed as a pet unless otherwise prohibited under section 84.0895.

Sec. 64. Minnesota Statutes 2020, section 97A.421, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) The annual license of a person convicted of a violation of the game and fish laws relating to the license or wild animals covered by the license is void when:

(1) a second conviction occurs within three years under a license to trap fur-bearing animals, take small game, or to take fish by angling or spearing;

(2) a ~~third~~ second conviction occurs within ~~one year~~ three years under a minnow dealer's license;

(3) a second conviction occurs within three years for violations of section 97A.425 that do not involve falsifications or intentional omissions of information required to be recorded, or attempts to conceal unlawful acts within the records;

(4) two or more misdemeanor convictions occur within a three-year period under a private fish hatchery license;

(5) the conviction occurs under a license not described in clause (1), (2), or (4) or is for a violation of section 97A.425 not described in clause (3); or

(6) the conviction is related to assisting a person in the illegal taking, transportation, or possession of wild animals, when acting as a hunting or angling guide.

(b) Except for big-game licenses and as otherwise provided in this section, for one year after the conviction the person may not obtain the kind of license or take wild animals under a lifetime license, issued under section 97A.473 or 97A.474, relating to the game and fish law violation.

Sec. 65. Minnesota Statutes 2020, section 97A.475, subdivision 41, is amended to read:

Subd. 41. **Turtle licenses license.** ~~(a) The fee for a turtle seller's license to sell turtles and to take, transport, buy, and possess turtles for sale is \$250.~~

~~(b)~~ The fee for a recreational turtle license to take, transport, and possess turtles for personal use is \$25.

~~(c) The fee for a turtle seller's apprentice license is \$100.~~

Sec. 66. Minnesota Statutes 2020, section 97A.505, subdivision 3b, is amended to read:

Subd. 3b. **Wild animals taken on Red Lake Reservation lands within Northwest Angle.** Wild animals taken and tagged on the Red Lake Reservation lands in accordance with the Red Lake Band's Conservation Code ~~on the Red Lake Reservation lands in Minnesota north of the 49th parallel shall be~~ and all applicable federal law are considered lawfully taken and possessed under state law. Possessing wild animals harvested under this subdivision is in addition to any state limits.

Sec. 67. Minnesota Statutes 2020, section 97A.505, subdivision 8, is amended to read:

Subd. 8. **Importing ~~hunter-harvested~~ Cervidae carcasses.** (a) Importing ~~hunter-harvested~~ Cervidae carcasses procured by any means into Minnesota is prohibited except for cut and wrapped meat, quarters or other portions of meat with no part of the spinal column or head attached, antlers, hides, teeth, finished taxidermy mounts, and antlers attached to skull caps that are cleaned of all brain tissue. ~~Hunter-harvested~~

(b) Cervidae carcasses taken originating from outside of Minnesota may be transported on a direct route through the state by nonresidents.

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

Sec. 68. Minnesota Statutes 2020, section 97B.071, is amended to read:

**97B.071 CLOTHING AND GROUND BLIND REQUIREMENTS; BLAZE ORANGE OR BLAZE PINK.**

(a) Except as provided in rules adopted under paragraph ~~(e)~~ (d), a person may not hunt or trap during the open season where deer may be taken by firearms under applicable laws and ordinances, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is blaze orange or blaze pink. Blaze orange or blaze pink includes a camouflage pattern of at least 50 percent blaze orange or blaze pink within each foot square. This section does not apply to migratory-waterfowl hunters on waters of this state or in a stationary shooting location or to trappers on waters of this state.

(b) Except as provided in rules adopted under paragraph (d) and in addition to the requirements under paragraph (a), during the open season where deer may be taken by firearms under applicable laws and ordinances, a person in a fabric or synthetic ground blind on public land must have:

(1) a blaze orange safety covering on the top of the blind visible for 360 degrees around the blind; or

(2) at least 144 square inches of blaze orange material on each side of the blind.

~~(b)~~ (c) Except as provided in rules adopted under paragraph ~~(e)~~ (d), and in addition to the ~~requirement requirements in paragraph paragraphs~~ (a) and (b), a person may not take small game other than turkey, migratory birds, raccoons, and predators, except while trapping, unless a visible portion of at least one article of the person's clothing above the waist is blaze orange or blaze pink. This paragraph does not apply to a person when in a stationary location while hunting deer by archery or when hunting small game by falconry.

~~(e)~~ (d) The commissioner may, by rule, prescribe an alternative color in cases where ~~paragraph paragraphs~~ (a) ~~or~~ ~~(b)~~ to (c) would violate the Religious Freedom Restoration Act of 1993, Public Law 103-141.

~~(d)~~ (e) A violation of paragraph ~~(b)~~ shall (c) does not result in a penalty, but is punishable only by a safety warning.

Sec. 69. **97B.673] NONTOXIC SHOT REQUIRED FOR TAKING SMALL GAME IN CERTAIN AREAS.**

Subdivision 1. Nontoxic shot on wildlife management areas in farmland zone. After July 1, 2022, a person may not take small game, rails, or common snipe on any wildlife management area within the farmland zone with shot other than:

(1) steel shot;

(2) copper-plated, nickel-plated, or zinc-plated steel shot; or

(3) shot made of other nontoxic material approved by the director of the United States Fish and Wildlife Service.

Subd. 2. Farmland zone. For the purposes of this section, the farmland zone is the portion of the state that falls south and west of Minnesota Highway 70 westward from the Wisconsin border to Minnesota Highway 65 to Minnesota Highway 23 to U.S. Highway 169 at Milaca to Minnesota Highway 18 at Garrison to Minnesota Highway 210 at Brainerd to U.S. Highway 10 at Motley to U.S. Highway 59 at Detroit Lakes northward to the Canadian border.

Sec. 70. Minnesota Statutes 2020, section 97B.811, subdivision 4a, is amended to read:

Subd. 4a. **Restrictions on certain motorized decoys.** ~~From the opening day of the duck season through the Saturday nearest October 8, a person may not use a motorized decoy, or other motorized device designed to attract migratory waterfowl. During the remainder of the duck season, the commissioner may, by rule, designate all or any portion of a wetland or lake closed to the use of motorized decoys or motorized devices designed to attract migratory waterfowl. On water bodies and lands fully contained within wildlife management area boundaries, a person may not use motorized decoys or motorized devices designed to attract migratory waterfowl at any time during the duck season.~~

Sec. 71. Minnesota Statutes 2020, section 97C.005, subdivision 3, is amended to read:

Subd. 3. **Seasons, limits, and other rules.** The commissioner may, in accordance with the procedures in subdivision 2, paragraphs (c) and (e), or by rule under chapter 14, establish open seasons, limits, methods, and other requirements for taking fish on special management waters. The commissioner may, by written order published in the State Register, amend daily, possession, or size limits to make midseason adjustments based on available harvest, angling pressure, and population data to manage the fisheries in the 1837 Ceded Territory in compliance with the court orders in *Mille Lacs Band of Chippewa v. Minnesota*, 119 S. Ct.1187 (1999) and in the state waters of Upper Red Lake. The midseason adjustments in daily, possession, or size limits are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. Before the written order is effective, the commissioner shall attempt to notify persons or groups of persons affected by the written order by public announcement, posting, and other appropriate means as determined by the commissioner.

Sec. 72. Minnesota Statutes 2020, section 97C.081, subdivision 3, is amended to read:

Subd. 3. **Contests requiring permit.** (a) Unless subdivision 3a applies, a person must have a permit from the commissioner to conduct a fishing contest if:

(1) there are more than 25 boats for open-water contests, more than 150 participants for ice-fishing contests, or more than 100 participants for shore-fishing contests;

(2) entry fees are more than \$25 per person; or

(3) the contest is limited to trout species.

(b) The commissioner shall charge a fee for the permit that recovers the costs of issuing the permit and of monitoring the activities allowed by the permit. Notwithstanding section 16A.1283, the commissioner may, by written order published in the State Register, establish contest permit fees. The fees are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

(c) The commissioner may require the applicant to furnish evidence of financial responsibility in the form of a surety bond or bank letter of credit in the amount of \$25,000 if entry fees are over \$25 per person, or total prizes are valued at more than \$25,000, and if the applicant has either:

(1) not previously conducted a fishing contest requiring a permit under this subdivision; or

(2) ever failed to make required prize awards in a fishing contest conducted by the applicant.

(d) The permit fee for any individual contest may not exceed the following amounts:

(1) \$70 for an open-water contest not exceeding 50 boats and without off-site weigh-in;

- (2) \$225 for an open-water contest with more than 50 boats and without off-site weigh-in;
- (3) \$280 for an open-water contest not exceeding 50 boats with off-site weigh-in;
- (4) \$560 for an open-water contest with more than 50 boats with off-site weigh-in; ~~or~~
- (5) \$135 for an ice-fishing contest with more than 150 participants; or
- (6) \$50 for a contest where all participants are age 18 years or under.

Sec. 73. Minnesota Statutes 2020, section 97C.081, subdivision 3a, is amended to read:

Subd. 3a. **No permit required.** A person may conduct a fishing contest without a permit from the commissioner if:

- (1) the contest is not limited to specifically named waters;
- ~~(2) all the contest participants are age 18 years or under;~~
- ~~(3) (2) the contest is limited to rough fish and participants are required to fish with a hook and line; or~~
- ~~(4) (3) the total prize value is \$500 or less.~~

Sec. 74. Minnesota Statutes 2020, section 97C.342, subdivision 2, is amended to read:

Subd. 2. **Bait restrictions.** ~~(a) Frozen or dead fish on the official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services VHS-susceptible-species list under section 17.4982, subdivision 21b; cisco (all *Coregonus*, including lake herring and tullibee); and smelt (all *Osmerus*, *Spirincus*, *Hypomesus*, and *Allosmerus*) being used as bait in waters of the state must originate from water bodies certified disease-free. A water body is certified as disease-free if:~~

~~(1) the water body has been tested for viral hemorrhagic septicemia and the testing indicates the disease is not present; or~~

~~(2) the water body is located within a viral hemorrhagic septicemia-free zone posted on the Department of Natural Resources website.~~

~~(b) Certification for ~~these~~ individually tested water bodies is valid for one year from the date of test results. Certification of water bodies within a viral hemorrhagic septicemia-free zone posted on the Department of Natural Resources website is valid for the dates included in the posting. A viral hemorrhagic septicemia-free certification is also referred to as fish health certification.~~

Sec. 75. Minnesota Statutes 2020, section 97C.515, subdivision 2, is amended to read:

Subd. 2. **Permit for transportation.** (a) A person may transport live minnows through the state with a permit from the commissioner. The permit must state the name and address of the person, the number and species of minnows, the point of entry into the state, the destination, and the route through the state. The permit is not valid for more than 12 hours after it is issued.

(b) Minnows transported under this subdivision must be in a tagged container. The tag number must correspond with tag numbers listed on the minnow transportation permit.

(c) The commissioner may require the person transporting minnow species found on the ~~official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services~~ VHS-susceptible-species list under section 17.4982, subdivision 21b, to provide health certification for viral hemorrhagic septicemia. The certification must disclose any incidentally isolated replicating viruses, and must be dated within the 12 months preceding transport.

Sec. 76. Minnesota Statutes 2020, section 97C.605, subdivision 1, is amended to read:

Subdivision 1. ~~Resident angling license required~~ **Taking turtles; requirements.** ~~In addition to any other license required in this section, (a) A person may not take, possess, or transport turtles without a resident angling license, except as provided in subdivision 2e and a recreational turtle license.~~

(b) Turtles taken from the wild are for personal use only and may not be resold.

Sec. 77. Minnesota Statutes 2020, section 97C.605, subdivision 2c, is amended to read:

Subd. 2c. **License exemptions.** ~~(a) A person does not need a turtle seller's license or an angling license the licenses specified under subdivision 1:~~

~~(1) when buying turtles for resale at a retail outlet;~~

~~(2) (1) when buying a turtle at a retail outlet; or~~

~~(3) if the person is a nonresident buying a turtle from a licensed turtle seller for export out of state. Shipping documents provided by the turtle seller must accompany each shipment exported out of state by a nonresident. Shipping documents must include: name, address, city, state, and zip code of the buyer; number of each species of turtle; and name and license number of the turtle seller; or~~

~~(4) (2) to take, possess, and rent or sell up to 25 turtles greater than four inches in length for the purpose of providing the turtles to participants at a nonprofit turtle race, if the person is a resident under age 18. The person is responsible for the well-being of the turtles.~~

(b) A person with an aquatic farm license with a turtle endorsement or a private fish hatchery license with a turtle endorsement may sell, obtain, possess, transport, and propagate turtles and turtle eggs according to Minnesota Rules, part 6256.0900, without the licenses specified under subdivision 1.

Sec. 78. Minnesota Statutes 2020, section 97C.605, subdivision 3, is amended to read:

Subd. 3. **Taking; methods prohibited.** ~~(a) A person may not take turtles in any manner, except by the use of using:~~

(1) explosives, drugs, poisons, lime, and other harmful substances;

(2) traps, ~~except as provided in paragraph (b) and rules adopted under this section;~~

(3) nets other than anglers' fish landing nets; ~~or~~

(4) commercial equipment, ~~except as provided in rules adopted under this section; or~~

(5) spears, harpoons, or any other implements that impale turtles.

~~(b) Until new rules are adopted under this section, a person with a turtle seller's license may take turtles with a floating turtle trap that:~~

~~(1) has one or more openings above the water surface that measure at least ten inches by four inches; and~~

~~(2) has a mesh size of not less than one half inch, bar measure.~~

Sec. 79. Minnesota Statutes 2020, section 97C.611, is amended to read:

**97C.611 ~~SNAPPING TURTLES~~ TURTLE SPECIES; LIMITS.**

Subdivision 1. **Snapping turtles.** A person may not possess more than three snapping turtles of the species *Chelydra serpentina* ~~without a turtle seller's license~~. Until new rules are adopted under section 97C.605, a person may not take snapping turtles of a size less than ten inches wide including curvature, measured from side to side across the shell at midpoint. After new rules are adopted under section 97C.605, a person may only take snapping turtles of a size specified in the adopted rules.

Subd. 2. **Western painted turtles.** (a) A person may not possess more than three Western painted turtles of the species *Chrysemys picta*. Western painted turtles must be between 4 and 5-1/2 inches in shell length.

(b) This subdivision does not apply to persons acting under section 97C.605, subdivision 2c, paragraph (a), clause (2).

Subd. 3. **Spiny softshell.** A person may not possess spiny softshell turtles of the species *Apalone spinifera* after December 1, 2021, without an aquatic farm or private fish hatchery license with a turtle endorsement.

Subd. 4. **Other species.** A person may not possess any other species of turtle except with an aquatic farm or private fish hatchery license with a turtle endorsement or as specified under section 97C.605, subdivision 2c.

Sec. 80. Minnesota Statutes 2020, section 97C.805, subdivision 2, is amended to read:

Subd. 2. **Restrictions.** (a) ~~The~~ Netting of lake whitefish and ciscoes is subject to the restrictions in this subdivision.

(b) A person may not use:

(1) more than ~~two nets~~ one net;

(2) a net more than 100 feet long; or

(3) a net more than three feet wide.

(c) The mesh size of the ~~nets~~ net may not be less than:

(1) 1-3/4 inches, stretch measure, for nets used to take ciscoes; and

(2) 3-1/2 inches, stretch measure, for all other nets.

(d) A net may not be set in water, including ice thickness, deeper than six feet.

(e) The commissioner may designate waters where nets may be set so that portions of the net extend into water deeper than six feet under conditions prescribed by the commissioner to protect game fish. A pole or stake must project at least two feet above the surface of the water or ice at one end of ~~each~~ the net.

(f) A net may not be set within 50 feet of another net.

(g) A person may not have angling equipment in possession while netting lake whitefish or ciscoes.

Sec. 81. Minnesota Statutes 2020, section 97C.836, is amended to read:

**97C.836 LAKE SUPERIOR LAKE TROUT; EXPANDED ASSESSMENT HARVEST.**

The commissioner shall provide for taking of lake trout by licensed commercial operators in Lake Superior management zones MN-3 and MN-2 for expanded assessment and sale. The commissioner shall authorize expanded assessment taking and sale of lake trout in Lake Superior management zone MN-3 beginning annually in 2007 and zone MN-2 beginning annually in 2010. Total assessment taking and sale may not exceed 3,000 lake trout in zone MN-3 and 2,000 lake trout in zone MN-2 and may be reduced when necessary to protect the lake trout population or to manage the effects of invasive species or fish disease. Taking lake trout for expanded assessment and sale shall be allowed from June 1 to September 30, but may end earlier in the respective zones if the quotas are reached. The quotas must be reassessed at the expiration of the current ten-year Fisheries Management Plan for the Minnesota Waters of Lake Superior ~~dated September 2006.~~

Sec. 82. Minnesota Statutes 2020, section 103G.255, is amended to read:

**103G.255 ALLOCATING AND CONTROLLING WATERS OF THE STATE.**

Both surface water and groundwater are public assets managed by the state for the benefit of the public. Based on this paramount consideration, the commissioner shall administer:

- (1) the use, allocation, and control of waters of the state;
- (2) the establishment, maintenance, and control of lake levels and water storage reservoirs; and
- (3) the determination of the ordinary high-water level of waters of the state.

Sec. 83. Minnesota Statutes 2020, section 103G.271, is amended by adding a subdivision to read:

Subd. 2a. **Public meeting.** Before issuing a water-use permit or a plan for consumptive use of more than 216,000 gallons per day average in a 30-day period, the commissioner must hold a public meeting in the county affected most by the potential impact to the public groundwater resource. At least 21 days before the public meeting, the commissioner must publish notice of the meeting in a newspaper of general circulation in the county and must mail the notice to persons who have registered their names with the commissioner for this purpose.

Sec. 84. Minnesota Statutes 2020, section 103G.271, subdivision 4a, is amended to read:

Subd. 4a. **Mt. Simon-Hinckley aquifer.** ~~(a)~~ The commissioner may not issue new water-use permits that will appropriate water from the Mt. Simon-Hinckley aquifer ~~in a metropolitan county, as defined in section 473.121, subdivision 4,~~ unless the appropriation is for potable water use, there are no feasible or practical alternatives to this source, and a water conservation plan is incorporated with the permit.

~~(b) The commissioner shall terminate all permits authorizing appropriation and use of water from the Mt. Simon-Hinckley aquifer for once through systems in a metropolitan county, as defined in section 473.121, subdivision 4, by December 31, 1992.~~

Sec. 85. Minnesota Statutes 2020, section 103G.271, is amended by adding a subdivision to read:

Subd. 4b. **Bulk transport or sale.** (a) To maintain the supply of drinking water for future generations and except as provided under paragraph (b), the commissioner may not issue a new water-use permit to appropriate water in excess of one million gallons per year for bulk transport or sale of water for consumptive use to a location more than 50 miles from the point of the proposed appropriation.

(b) Paragraph (a) does not apply to a water-use permit for a public water supply, as defined under section 144.382, subdivision 4, issued to a local unit of government, rural water district established under chapter 116A, or Tribal unit of government if:

(1) the use is solely for the public water supply;

(2) the local unit of government, rural water district established under chapter 116A, or Tribal unit of government has a property interest at the point of the appropriation;

(3) the communities that will use the water are located within 100 miles of the point of appropriation; and

(4) the requirements in sections 103G.265, 103G.285, and 103G.287 are met.

Sec. 86. Minnesota Statutes 2020, section 103G.287, subdivision 5, is amended to read:

Subd. 5. **Sustainability standard.** (a) The commissioner may issue water-use permits for appropriation from groundwater only if the commissioner determines that the groundwater use is sustainable to supply the needs of future generations and the proposed use will not harm ecosystems, degrade water, or reduce water levels beyond the reach of public water supply and private domestic wells constructed according to Minnesota Rules, chapter 4725.

(b) When determining whether a consumptive use of groundwater is sustainable, the commissioner must make a determination that the level of recharge to the aquifer impacted is sufficient to replenish the groundwater supply to meet the needs of future generations.

Sec. 87. Minnesota Statutes 2020, section 116G.07, is amended by adding a subdivision to read:

Subd. 4. **Exemption; Mississippi River Corridor Critical Area.** Plans and regulations of local units of government within the Mississippi River Corridor Critical Area are exempt from subdivisions 1 to 3 and are subject to section 116G.15, subdivision 8.

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

Sec. 88. Minnesota Statutes 2020, section 116G.15, is amended by adding a subdivision to read:

Subd. 8. **Reviewing and approving local plans and regulations.** (a) In the Mississippi River Corridor Critical Area, the commissioner of natural resources is responsible for carrying out the duties of the board and the Metropolitan Council is responsible for carrying out the duties of the regional development commission under sections 116G.07 to 116G.10. Notwithstanding sections 116G.07, subdivisions 2 and 3, and 116G.10, subdivision 3, the responsibilities and procedures for reviewing and approving local plans and regulations in the Mississippi River Corridor Critical Area, and amendments thereto, are subject to this subdivision.

(b) Within 60 days of receiving a draft plan from a local unit of government, the commissioner, in coordination with the Metropolitan Council, must review the plan to determine the plan's consistency with:

(1) this section;

(2) Minnesota Rules, chapter 6106; and

(3) the local unit of government's comprehensive plan.

(c) Within 60 days of receiving draft regulations from a local unit of government, the commissioner must review the regulations to determine the regulations' consistency with:

(1) Minnesota Rules, chapter 6106; and

(2) the commissioner-approved plan adopted by the local unit of government under paragraph (b).

(d) Upon review of a draft plan and regulations under paragraphs (b) and (c), the commissioner must:

(1) conditionally approve the draft plan and regulations by written decision; or

(2) return the draft plan and regulations to the local unit of government for modification, along with a written explanation of the need for modification.

(i) When the commissioner returns a draft plan and regulations to the local unit of government for modification, the local unit of government must revise the draft plan and regulations within 60 days after receiving the commissioner's written explanation and must resubmit the revised draft plan and regulations to the commissioner.

(ii) The Metropolitan Council and the commissioner must review the revised draft plan and regulations upon receipt from the local unit of government as provided under paragraphs (b) and (c).

(iii) If the local unit of government or the Metropolitan Council requests a meeting, a final revision need not be made until a meeting is held with the commissioner on the draft plan and regulations. The request extends the 60-day time limit specified in item (i) until after the meeting is held.

(e) Only plans and regulations receiving final approval from the commissioner have the force and effect of law. The commissioner must grant final approval under this section only if:

(1) the plan is an element of a comprehensive plan that is authorized by the Metropolitan Council according to sections 473.175 and 473.858; and

(2) the local unit of government adopts a plan and regulations that are consistent with the draft plan and regulations conditionally approved under paragraph (d).

(f) The local unit of government must implement and enforce the commissioner-approved plan and regulations after the plan and regulations take effect.

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

Sec. 89. Minnesota Statutes 2020, section 168.1295, subdivision 1, is amended to read:

Subdivision 1. **General requirements and procedures.** (a) The commissioner shall issue state parks and trails plates to an applicant who:

(1) is a registered owner of a passenger automobile, recreational vehicle, one-ton pickup truck, or motorcycle;

- (2) pays a fee in the amount specified for special plates under section 168.12, subdivision 5;
  - (3) pays the registration tax required under section 168.013;
  - (4) pays the fees required under this chapter;
  - (5) contributes a minimum of ~~\$60~~ \$70 annually to the state parks and trails donation account established in section 85.056; and
  - (6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.
- (b) The state parks and trails plate application must indicate that the contribution specified under paragraph (a), clause (5), is a minimum contribution to receive the plate and that the applicant may make an additional contribution to the account.
- (c) State parks and trails plates may be personalized according to section 168.12, subdivision 2a.

Sec. 90. Minnesota Statutes 2020, section 290C.01, is amended to read:

**290C.01 PURPOSE.**

It is the policy of this state to promote sustainable forest resource management on the state's public and private lands. The state's private forests comprise approximately one-half of the state forest land resources. These forests play a critical role in protecting water quality and soil resources, and provide extensive wildlife habitat, natural carbon sequestration, diverse recreational experiences, and significant forest products that support the state's economy. Ad valorem property taxes represent a significant annual cost that can discourage long-term forest management investments. In order to foster silviculture investments and retain these forests for their economic and ecological benefits, this chapter, hereafter referred to as the "Sustainable Forest Incentive Act," is enacted to encourage the state's private forest landowners to make a long-term commitment to sustainable forest management.

Sec. 91. **TIMBER PERMITS; CANCELLATION AND EXTENSION.**

Subdivision 1. Eligibility. (a) For the purposes of this section, an "eligible permit" is a timber permit issued before July 1, 2020.

(b) In order to be eligible under this section, a permit holder must not be delinquent or have an active willful trespass with the state.

(c) In order to be eligible under subdivisions 2, 4, and 5, a permit holder must submit the written request to the commissioner of natural resources before the expiration of the permit or by July 1, 2021, whichever is earlier.

Subd. 2. Extensions. Upon written request to the commissioner of natural resources by the holder of an eligible permit with more than 30 percent of the total permit volume in any combination of spruce or balsam fir, the commissioner may grant an extension of the permit for two years without penalty or interest.

Subd. 3. Unused balsam fir. The commissioner of natural resources may cancel any provision in a timber sale that requires the security payment for or removal of all or part of the balsam fir when the permit contains more than 50 cords of balsam fir. The commissioner may require the permit holder to fell or pile the balsam fir to meet management objectives.

Subd. 4. **Refunds.** (a) Upon written request to the commissioner of natural resources by the holder of an eligible permit that is inactive and intact with more than 30 percent of the total permit volume in any combination of spruce or balsam fir, the commissioner may cancel the permit and refund the sale security, advance payments, or bid guarantee as applicable for the permit to the permit holder.

(b) Upon written request to the commissioner of natural resources by the holder of an eligible active permit with more than 30 percent of the total permit volume in any combination of spruce or balsam fir and a previously existing cutting block agreement, the commissioner may cancel any intact cutting block designated in the permit that was not bonded or bonded before July 1, 2020, and refund security, as applicable, for the cutting block to the permit holder. Any partially harvested cutting block is ineligible to be canceled under this paragraph. The remaining provisions of the permit remain in effect.

Subd. 5. **Good Neighbor Authority.** The commissioner of natural resources, in consultation with the United States Forest Service, may negotiate and provide holders of eligible permits with more than 30 percent of the total permit volume in any combination of spruce or balsam fir a method to voluntarily return intact cutting blocks designated in Good Neighbor Authority permits. Upon written request by the eligible permit holder, the commissioner may cancel any intact cutting block designated in the permit that was not bonded or bonded before July 1, 2020, and refund applicable security for the cutting block to the permit holder. Any partially harvested cutting block is ineligible to be canceled under this subdivision. The remaining provisions of the permit remain in effect.

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

Sec. 92. **TURTLE SELLER'S LICENSES; TRANSFER AND RENEWAL.**

The commissioner of natural resources must not renew or transfer a turtle seller's license after the effective date of this section.

Sec. 93. **CARBON SEQUESTRATION IN FORESTS OF THE STATE; GOALS.**

The commissioner of natural resources must establish goals for increasing carbon sequestration in public and private forests in the state. To achieve the goals, the commissioner must identify sustainable forestry strategies that increase the ability of forests to sequester atmospheric carbon while enhancing other ecosystem services, such as improved soil and water quality. By January 15, 2023, the commissioner must submit a report with the goals and recommended forestry strategies to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over natural resources policy.

Sec. 94. **STATE PARK PERMIT FEES; FISCAL YEAR 2022.**

(a) Notwithstanding Minnesota Statutes, section 85.055, subdivision 1, the fees for state park permits from July 1, 2021, to June 30, 2022, are as follows:

- (1) \$40 for an annual state park permit;
- (2) \$31 for a second or subsequent vehicle state park permit;
- (3) \$8.50 for a state park permit valid for one day;
- (4) \$6.50 for a daily vehicle state park permit for groups;
- (5) \$35 for an annual permit for motorcycles; and

(6) \$16 for a state park permit for persons with disabilities under Minnesota Statutes, section 85.053, subdivision 7, paragraph (a), clauses (1) to (3).

(b) Employee state park permits remain free as provided under Minnesota Statutes, section 85.055, subdivision 1, clause (6).

Sec. 95. **REPEALER.**

Minnesota Statutes 2020, sections 85.0505, subdivision 3; 85.0507; 85.054, subdivision 19; and 97C.605, subdivisions 2, 2a, 2b, and 5, and Minnesota Rules, part 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, and 8, are repealed.

ARTICLE 6  
WATER AND SOIL RESOURCES

Section 1. Minnesota Statutes 2020, section 103B.103, is amended to read:

**103B.103 EASEMENT STEWARDSHIP ACCOUNTS.**

Subdivision 1. **Accounts established; sources.** (a) The water and soil conservation easement stewardship account and the mitigation easement stewardship account are created in the special revenue fund. The accounts consist of money credited to the accounts and interest and other earnings on money in the accounts. The State Board of Investment must manage the accounts to maximize long-term gain.

(b) Revenue from contributions and money appropriated for any purposes of the account as described in subdivision 2 must be deposited in the water and soil conservation easement stewardship account. Revenue from contributions, wetland ~~banking~~ mitigation fees designated for stewardship purposes by the board, easement stewardship payments authorized under subdivision 3, and money appropriated for any purposes of the account as described in subdivision 2 must be deposited in the mitigation easement stewardship account.

Subd. 2. **Appropriation; purposes of accounts.** (a) Five percent of the balance on July 1 each year in the water and soil conservation easement stewardship account and five percent of the balance on July 1 each year in the mitigation easement stewardship account are annually appropriated to the board and may be spent only to cover the costs of managing easements held by the board, including costs associated with:

(1) repairing or replacing structures;

(2) maintaining vegetation and hydrology;

(3) monitoring;

(4) landowner contacts;

(5) records storage and management;

(6) processing landowner notices;

(7) requests for approval or amendments;

(8) enforcement; and

(9) legal services associated with easement management activities.

(b) When the amount appropriated under paragraph (a) is not sufficient to cover the costs of easements held by the board, the board may use money from the mitigation easement stewardship account and the water and soil conservation easement stewardship account to cover costs associated with:

- (1) legal compliance costs;
- (2) repairing or replacing structures; and
- (3) maintaining vegetation and hydrology.

(c) In addition to the amounts appropriated under paragraph (a), up to 25 percent of the balance on July 1 each year in the water and soil conservation easement stewardship account and 25 percent of the balance on July 1 each year in the mitigation easement stewardship account are annually appropriated to the board for the purposes of paragraph (b). In consultation with the commissioner of management and budget, the board must establish a process, including criteria, for the use of money appropriated under this paragraph. The board must include a summary of how money appropriated under this paragraph in the prior two fiscal years was used in the report required under section 103B.101, subdivision 9, paragraph (a), clause (7).

Subd. 3. **Financial contributions.** The board shall seek a financial contribution to the water and soil conservation easement stewardship account for each conservation easement acquired by the board. The board shall seek a financial contribution or assess an easement stewardship payment to the mitigation easement stewardship account for each wetland ~~banking~~ mitigation easement acquired by the board. Unless otherwise provided by law, the board shall determine the amount of the contribution or payment, which must be an amount calculated to earn sufficient money to meet the costs of managing the easement at a level that neither significantly overrecovers nor underrecovers the costs. In determining the amount of the financial contribution, the board shall consider:

- (1) the estimated annual staff hours needed to manage the conservation easement, taking into consideration factors such as easement type, size, location, and complexity;
- (2) the average hourly wages for the class or classes of state and local employees expected to manage the easement;
- (3) the estimated annual travel expenses to manage the easement;
- (4) the estimated annual miscellaneous costs to manage the easement, including supplies and equipment, information technology support, and aerial flyovers;
- (5) the estimated annualized costs of legal services, including the cost to enforce the easement in the event of a violation; ~~and~~
- (6) the estimated annualized costs for repairing or replacing structures and maintaining vegetation and hydrology; and
- ~~(6)~~ (7) the expected rate of return on investments in the account.

Sec. 2. **[103B.104] LAWNS TO LEGUMES PROGRAM.**

The Board of Water and Soil Resources must establish a program to provide grants or payments to plant residential lawns with native vegetation and pollinator-friendly forbs and legumes to protect a diversity of pollinators. The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may be made for up to 75 percent of the costs of the project, except that, in areas identified by the United States Fish and Wildlife Service as areas where there is a high potential for rusty patched bumble bees to be present, grants may be awarded for up to 90 percent of the costs of the project.

Sec. 3. **[103C.237] SOIL AND WATER CONSERVATION DISTRICT FEE.**

Subdivision 1. **Fee.** (a) A county that contains at least one soil and water conservation district must impose an additional fee of \$25 per transaction on the recording or registration of a mortgage subject to the tax under section 287.035 and an additional fee of \$25 on the recording or registration of a deed subject to the tax under section 287.21.

(b) A county that does not contain at least one soil and water conservation district, but carries out the duties of a soil and water conservation district, must impose the fee described in paragraph (a).

Subd. 2. **Fee deposited; account.** The fee described in subdivision 1 must be deposited in a special soil and water conservation district account in the county general revenue fund.

Subd. 3. **Distribution to soil and water conservation districts.** (a) The county treasurer must transfer money from the special soil and water conservation district account to existing soil and water conservation districts within the county in May, October, and December each year. If a county contains more than one soil and water conservation district, money must be allocated equally among each district.

(b) A county imposing a fee under subdivision 1, paragraph (b), must use money in the special soil and water conservation account on soil and water conservations duties within the county.

**EFFECTIVE DATE.** This section is effective July 1, 2021.

Sec. 4. Minnesota Statutes 2020, section 103C.315, subdivision 4, is amended to read:

Subd. 4. **Compensation.** A supervisor shall receive compensation for services up to ~~\$75~~ \$125 per day, and may be reimbursed for expenses, including traveling expenses, necessarily incurred in the discharge of duties. A supervisor may be reimbursed for the use of the supervisor's own automobile in the performance of official duties at a rate up to the maximum tax-deductible mileage rate permitted under the federal Internal Revenue Code.

Sec. 5. **[103C.701] SOIL-HEALTHY FARMING GOALS.**

(a) It is the goal of the state to encourage soil health, as defined in section 103C.101, subdivision 10a, farming practices. This may be done by achieving the following objectives:

- (1) preventing or minimizing soil erosion;
- (2) retaining water quantity to provide for infiltration;
- (3) improving surface water and groundwater quality;
- (4) sustaining soil organic matter; and
- (5) supporting soil life and pollinators.

(b) To achieve the objectives under paragraph (a), the state sets a goal of 30 percent of Minnesota privately owned farmland using soil health practices including but not limited to cover crops, perennial crops, no-till or reduced tillage, strip cropping, or managed rotational grazing by 2030.

Sec. 6. **[103F.05] WATER QUALITY AND STORAGE PROGRAM.**

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

(b) "Board" means the Board of Water and Soil Resources.

(c) "Local units of government" has the meaning given under section 103B.305, subdivision 5.

(d) "Water quality and storage practices" are those practices that sustain or improve water quality via surface water rate and volume and ecological management, including but not limited to:

(1) retention structures and basins;

(2) acquisition of flowage rights;

(3) soil and substrate infiltration;

(4) wetland restoration, creation, or enhancement;

(5) channel restoration or enhancement; and

(6) floodplain restoration or enhancement.

Subd. 2. **Establishment.** (a) The board must establish a program to provide financial assistance to local units of government to control water volume and rates to protect infrastructure, improve water quality and related public benefits, and mitigate climate change impacts.

(b) In establishing a water quality and storage program, the board must give priority to the Minnesota River basin and the Lower Mississippi River basin in Minnesota.

Subd. 3. **Financial assistance.** (a) The board may provide financial assistance to local units of government to cover the costs of water storage projects and other water quality practices consistent with a plan approved according to chapter 103B, 103C, or 103D. Eligible costs include costs for property and equipment acquisition, design, engineering, construction, and management. The board may acquire conservation easements under sections 103F.501 to 103F.531 as necessary to implement a project or practice under this section.

(b) The board must enter into agreements with local units of government receiving financial assistance under this section. The agreements must specify the terms of state and local cooperation, including the financing arrangement for constructing any structures and assuring maintenance of the structures after completion.

Subd. 4. **Matching contribution.** The board must require a matching contribution when providing financial assistance under this section and may adjust matching requirements if federal funds are available for the project.

Subd. 5. **Technical assistance.** (a) The board may employ or contract with an engineer or hydrologist to work on the technical implementation of the program established under this section.

(b) When implementing the program, the board must:

(1) assist local units of government in achieving the goals of the program;

(2) review and analyze projects and project sites; and

(3) evaluate the effectiveness of completed projects constructed under the program.

(c) The board must cooperate with the commissioner of natural resources, the United States Department of Agriculture Natural Resources Conservation Service, and other agencies as needed to analyze hydrological, climate, and engineering information on proposed sites.

Subd. 6. **Requirements.** (a) A local unit of government applying for financial assistance under this section must provide a copy of a resolution or other documentation of the local unit of government's support for the project. The documentation must include provisions for local funding and management, the proposed method of obtaining necessary land rights for the proposed project, and an assignment of responsibility for maintaining any structures or practices upon completion.

(b) A local unit of government, with the assistance of the board, must evaluate the public benefits that are reasonably expected upon completing the proposed project. The evaluation must be submitted to the board before the final design.

Subd. 7. **Interstate cooperation.** The board may enter into or approve working agreements with neighboring states or their political subdivisions to accomplish projects consistent with the program established under this section.

Subd. 8. **Federal aid availability.** The board must regularly analyze the availability of federal funds and programs to supplement or complement state and local efforts consistent with the purposes of this section.

#### Sec. 7. **[103F.06] SOIL HEALTH COST-SHARE PROGRAM.**

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

(b) "Board" means the Board of Water and Soil Resources.

(c) "Local units of government" has the meaning given under section 103B.305, subdivision 5.

(d) "Soil health" has the meaning given under section 103C.101, subdivision 10a.

(e) "Soil health practices" are those practices that sustain or improve soil health, including but not limited to:

(1) no-till or strip-till;

(2) mulching;

(3) cover cropping;

(4) perennial cropping;

(5) stand diversification;

(6) contour, field edge, pollinator, wildlife, or buffer strips planted with perennials;

(7) agroforestry;

(8) managed rotational grazing; and

(9) management practices that minimize soil compaction or increase aeration.

Subd. 2. **Establishment.** The board must establish a cost-share program consistent with the provisions of section 103C.501 for the purpose of establishing soil health practices to mitigate climate change impacts and improve water quality and related public benefits.

Subd. 3. **Financial assistance.** (a) The board may provide financial assistance to local units of government for the costs of soil health and related water quality practices consistent with a plan approved according to chapter 103B, 103C, or 103D. The board must establish costs eligible for financial assistance under this section, including costs for conservation planning, cover crop seeding, equipment acquisition or use, and other practices to improve soil health.

(b) The board must enter into agreements with local units of government receiving financial assistance under this section.

Subd. 4. **Technical assistance.** (a) The board may employ or contract with agronomists, biologists, or hydrologists in implementing the cost-share program.

(b) When implementing the program, the board must:

(1) assist local units of government in achieving the goals of the program;

(2) review and assess practice standards; and

(3) evaluate the effectiveness of completed practices constructed with assistance from the cost-share program.

(c) The board must cooperate with the Minnesota Office for Soil Health at the University of Minnesota, the United States Department of Agriculture Natural Resources Conservation Service, and other agencies and private sector organizations as needed to enhance program effectiveness.

Subd. 5. **Federal aid availability.** The board must regularly complete an analysis of the availability of federal funds and programs to supplement or complement state and local efforts consistent with the purposes of this section.

#### **Sec. 8. SOIL HEALTH COST-SHARE PROGRAM; REPORT.**

By January 15, 2024, the Board of Water and Soil Resources must evaluate the effectiveness of the soil health cost-share program under Minnesota Statutes, section 103F.06, and submit a report with the results and recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources. The report must include an assessment of the applicability and viability of tools to assist farm operators and landowners in evaluating nutrient, soil organic matter, and soil loss management practices on individual fields.

### ARTICLE 7 FARMED CERVIDAE

Section 1. Minnesota Statutes 2020, section 35.155, subdivision 1, is amended to read:

Subdivision 1. **Running at large prohibited.** (a) An owner may not allow farmed Cervidae to run at large. The owner must make all reasonable efforts to return escaped farmed Cervidae to their enclosures as soon as possible. The owner must immediately notify the commissioner of natural resources of the escape of farmed Cervidae if the farmed Cervidae are not returned or captured by the owner within 24 hours of their escape.

(b) An owner is liable for expenses of another person in capturing, caring for, and returning farmed Cervidae that have left their enclosures if the person capturing the farmed Cervidae contacts the owner as soon as possible.

(c) If an owner is unwilling or unable to capture escaped farmed Cervidae, the commissioner of natural resources may destroy the escaped farmed Cervidae. The commissioner of natural resources must allow the owner to attempt to capture the escaped farmed Cervidae prior to destroying the farmed Cervidae. Farmed Cervidae that are not captured by 24 hours after escape may be destroyed.

(d) A hunter licensed by the commissioner of natural resources under chapter 97A may kill and possess escaped farmed Cervidae in a lawful manner and is not liable to the owner for the loss of the animal.

(e) Escaped farmed Cervidae killed by a hunter or destroyed by the commissioner of natural resources must be tested for chronic wasting disease at the owner's expense.

**EFFECTIVE DATE.** This section is effective September 1, 2021.

Sec. 2. Minnesota Statutes 2020, section 35.155, subdivision 4, is amended to read:

Subd. 4. **Fencing.** Farmed Cervidae must be confined in a manner designed to prevent escape. Except as provided in subdivision 4a, all perimeter fences for farmed Cervidae must be at least 96 inches in height and be constructed and maintained in a way that prevents the escape of farmed Cervidae ~~or~~ entry into the premises by free-roaming Cervidae, or physical contact between farmed Cervidae and free-roaming Cervidae. ~~After July 1, 2019,~~ All new fencing installed and all fencing used to repair deficiencies must be high tensile. ~~By December 1, 2019,~~ All entry areas for farmed Cervidae enclosure areas must have two redundant gates, which must be maintained to prevent the escape of animals through an open gate. If a fence deficiency allows entry or exit by farmed or wild Cervidae, the owner must repair the deficiency within a reasonable time, as determined by the Board of Animal Health, not to exceed 45 days. If a fence deficiency is detected during an inspection, the facility must be reinspected at least once in the subsequent three months. The farmed Cervidae owner must pay a reinspection fee equal to one-half the applicable annual inspection fee under subdivision 7a for each reinspection related to a fence violation. If the facility experiences more than one escape incident in any six-month period or fails to correct a deficiency found during an inspection, the board may revoke the facility's registration and order the owner to remove or destroy the animals as directed by the board. If the board revokes a facility's registration, the commissioner of natural resources may seize and destroy animals at the facility.

**EFFECTIVE DATE.** This section is effective September 1, 2022.

Sec. 3. Minnesota Statutes 2020, section 35.155, is amended by adding a subdivision to read:

Subd. 4a. **Fencing; commercial herds.** In addition to the requirements in subdivision 4, commercially farmed white-tailed deer must be confined by two or more perimeter fences, with each perimeter fence at least 120 inches in height.

**EFFECTIVE DATE.** This section is effective September 1, 2022.

Sec. 4. Minnesota Statutes 2020, section 35.155, subdivision 6, is amended to read:

Subd. 6. **Identification.** (a) Farmed Cervidae must be identified by means approved by the Board of Animal Health. The identification must include a distinct number that has not been used during the previous three years and must be visible to the naked eye during daylight under normal conditions at a distance of 50 yards. The identification for white-tailed deer must also include contact information with a phone number or address that enables the reader to readily identify the owner of escaped deer. This contact information does not need to be

visible from a distance of 50 yards. White-tailed deer must be identified before October 31 of the year in which the animal is born, at the time of weaning, or before movement from the premises, whichever occurs first. Elk and other cervids must be identified by December 31 of the year in which the animal is born or before movement from the premises, whichever occurs first. As coordinated by the board, the commissioner of natural resources may destroy any animal that is not identified as required under this subdivision.

(b) The Board of Animal Health shall register farmed Cervidae. The owner must submit the registration request on forms provided by the board. The forms must include sales receipts or other documentation of the origin of the Cervidae. The board must provide copies of the registration information to the commissioner of natural resources upon request. The owner must keep written records of the acquisition and disposition of registered farmed Cervidae.

**EFFECTIVE DATE.** This section is effective September 1, 2022.

Sec. 5. Minnesota Statutes 2020, section 35.155, subdivision 10, is amended to read:

Subd. 10. **Mandatory registration.** (a) A person may not possess live Cervidae in Minnesota unless the person is registered with the Board of Animal Health and meets all the requirements for farmed Cervidae under this section. Cervidae possessed in violation of this subdivision may be seized and destroyed by the commissioner of natural resources.

(b) A person whose registration is revoked by the board is ineligible for future registration under this section unless the board determines that the person has undertaken measures that make future escapes extremely unlikely.

(c) The board must not allow new registrations under this section for possessing white-tailed deer.

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

Sec. 6. Minnesota Statutes 2020, section 35.155, subdivision 11, is amended to read:

Subd. 11. **Mandatory surveillance for chronic wasting disease; depopulation.** (a) An inventory for each farmed Cervidae herd must be verified by an accredited veterinarian and filed with the Board of Animal Health every 12 months.

(b) Movement of farmed Cervidae from any premises to another location must be reported to the Board of Animal Health within 14 days of the movement on forms approved by the Board of Animal Health. A person must not move farmed white-tailed deer from any premises to another location.

(c) All animals from farmed Cervidae herds that are over 12 months of age that die or are slaughtered must be tested for chronic wasting disease.

(d) The owner of a premises where chronic wasting disease is detected must:

(1) depopulate the premises of Cervidae after the appraisal process for federal indemnification has been completed or, if an indemnification application is not submitted, within a reasonable time determined by the board in consultation with the commissioner of natural resources;

(2) maintain the fencing required under ~~subdivision~~ subdivisions 4 and 4a on the premises for ~~five ten~~ ten years after the date of detection; ~~and~~

(3) post the fencing on the premises with biohazard signs as directed by the board; ~~and~~ and

(4) not raise farmed Cervidae on the premises for at least ten years.

Sec. 7. **TRANSFER OF DUTIES; FARMED CERVIDAE.**

(a) Except as provided in paragraph (b), the responsibilities for administering and enforcing the statutes and rules listed in clauses (1) and (2) are transferred pursuant to Minnesota Statutes, section 15.039, from the Board of Animal Health to the commissioner of natural resources:

(1) Minnesota Statutes, sections 35.153 and 35.155; and

(2) Minnesota Rules, parts 1721.0370 to 1721.0420.

(b) Notwithstanding Minnesota Statutes, section 15.039, subdivision 7, the transfer of personnel will not take place. The commissioner of natural resources must contract with the Board of Animal Health for any veterinary services required to administer this program.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 8. **REVISOR INSTRUCTION.**

The revisor of statutes must recodify the relevant sections in Minnesota Statutes, chapter 35, and Minnesota Rules, chapter 1721, as necessary to conform with section 7. The revisor must also change the responsible agency and make necessary cross-reference changes consistent with section 7 and the renumbering.

ARTICLE 8  
DRIVING UNDER THE INFLUENCE UNIFORMITY

Section 1. **[84.765] OPERATING OFF-ROAD RECREATIONAL VEHICLES WHILE IMPAIRED.**

Subdivision 1. **Definitions.** As used in this section, "controlled substance," "intoxicating substance," and "off-road recreational vehicle" have the meanings given in section 169A.03.

Subd. 2. **Acts prohibited.** (a) An owner or other person having charge or control of an off-road recreational vehicle must not authorize or allow an individual the person knows or has reason to believe is under the influence of alcohol, a controlled substance, or an intoxicating substance to operate the off-road recreational vehicle anywhere in the state or on the ice of a boundary water of the state.

(b) A person who operates or is in physical control of an off-road recreational vehicle anywhere in the state or on the ice of a boundary water of the state is subject to chapter 169A.

(c) The provisions of chapters 169A, 171, and 609 relating to revoking, suspending, or canceling a driver's license, an instruction permit, or a nonresident operating privilege for alcohol, controlled substance, or intoxicating substance violations apply to operators of off-road recreational vehicles and operating privileges for off-road recreational vehicles.

(d) The commissioner of public safety must notify a person of the period during which the person is prohibited from operating an off-road recreational vehicle under section 169A.52, 169A.54, or 171.177.

(e) The court must promptly forward to the commissioner of public safety copies of all convictions and criminal and civil sanctions imposed under chapter 169A and section 171.177.

(f) If the person operating or in physical control of an off-road recreational vehicle is a program participant in the ignition interlock device program described in section 171.306, the off-road recreational vehicle may be operated only if it is equipped with an approved ignition interlock device and all requirements of section 171.306 are satisfied. For purposes of this paragraph, "program participant" and "ignition interlock device" have the meanings given in section 171.306, subdivision 1.

Subd. 3. **Penalties.** (a) A person who violates subdivision 2, paragraph (a), or an ordinance conforming to subdivision 2, paragraph (a), is guilty of a misdemeanor.

(b) A person who operates an off-road recreational vehicle during the period the person is prohibited from operating an off-road recreational vehicle under subdivision 2, paragraph (d), is subject to the penalty provided in section 171.24.

Sec. 2. Minnesota Statutes 2020, section 84.795, subdivision 5, is amended to read:

Subd. 5. **Operating under influence of alcohol or controlled substance.** A person may not operate or be in control of an off-highway motorcycle anywhere in this state or on the ice of any boundary water of this state while under the influence of alcohol or a controlled substance, as provided in section 169A.20, and is subject to sections 169A.50 to 169A.53 or 171.177. ~~A conservation officer of the Department of Natural Resources is a peace officer for the purposes of sections 169A.20 and 169A.50 to 169A.53 or 171.177 as applied to the operation of an off-highway motorcycle in a manner not subject to registration under chapter 168.~~

Sec. 3. Minnesota Statutes 2020, section 84.83, subdivision 5, is amended to read:

Subd. 5. **Fines and forfeited bail.** ~~The disposition of Fines and forfeited bail collected from prosecutions of violations of sections 84.81 to 84.94 84.90 or rules adopted thereunder, and violations of section 169A.20 that involve off road recreational vehicles, as defined in section 169A.03, subdivision 16, are governed by section 97A.065. must be deposited in the state treasury. Half the receipts must be credited to the general fund, and half the receipts must be credited to the snowmobile trails and enforcement account in the natural resources fund.~~

Sec. 4. **[86B.33] OPERATING WHILE IMPAIRED.**

Subdivision 1. **Definitions.** For purposes of this section, "controlled substance," "intoxicating substance," and "motorboat in operation" have the meanings given under section 169A.03.

Subd. 2. **Acts prohibited.** (a) An owner or other person having charge or control of a motorboat must not authorize or allow an individual the person knows or has reason to believe is under the influence of alcohol, a controlled substance, or an intoxicating substance to operate the motorboat in operation on waters of the state.

(b) A person who operates or is in physical control of a motorboat on waters of the state is subject to chapter 169A.

(c) The provisions of chapters 169A, 171, and 609 relating to revoking, suspending, or canceling a driver's license, an instruction permit, or a nonresident operating privilege for alcohol, controlled substance, or intoxicating substance violations apply to motorboat operators and to operating privileges for motorboats.

(d) The commissioner of public safety must notify a person of the period during which the person is prohibited from operating a motorboat under section 169A.52, 169A.54, or 171.177.

(e) The court must promptly forward to the commissioner of public safety copies of all convictions and criminal and civil sanctions imposed under chapter 169A and section 171.177.

(f) If the person operating or in physical control of a motorboat is a program participant in the ignition interlock device program described in section 171.306, the motorboat may be operated only if it is equipped with an approved ignition interlock device and all requirements of section 171.306 are satisfied. For purposes of this paragraph, "program participant" and "ignition interlock device" have the meanings given in section 171.306, subdivision 1.

Subd. 3. **Penalties.** (a) A person who violates subdivision 2, paragraph (a), or an ordinance conforming with subdivision 2, paragraph (a), is guilty of a misdemeanor.

(b) A person who operates a motorboat during the period the person is prohibited from operating a motorboat under subdivision 2, paragraph (d), is guilty of a misdemeanor.

Sec. 5. Minnesota Statutes 2020, section 86B.705, subdivision 2, is amended to read:

Subd. 2. **Fines and bail money.** (a) All fines, installment payments, and forfeited bail money collected from persons convicted of ~~violations of~~ violating this chapter or rules adopted thereunder, ~~or of a violation of section 169A.20 involving a motorboat, shall~~ must be deposited in the state treasury.

(b) ~~One half of~~ Half the receipts ~~shall~~ must be credited to the general revenue fund. ~~The other one half of, and half the receipts shall~~ must be ~~transmitted to the commissioner of natural resources and~~ credited to the water recreation account for the purpose of boat and water safety.

Sec. 6. Minnesota Statutes 2020, section 97A.065, subdivision 2, is amended to read:

Subd. 2. **Fines and forfeited bail.** ~~(a)~~ Fines and forfeited bail collected from prosecutions of violations of: the game and fish laws or rules adopted thereunder; sections 84.091 to 84.15 or rules adopted thereunder; ~~sections 84.81 to 84.91 or rules adopted thereunder; section 169A.20, when the violation involved an off road recreational vehicle as defined in section 169A.03, subdivision 16; chapter 348; and any other law relating to wild animals or aquatic vegetation, must be paid to the treasurer of the county where the violation is prosecuted. The county treasurer shall submit one half of~~ deposited in the state treasury. Half the receipts ~~to the commissioner and credit the balance to the county general revenue fund except as provided in paragraphs (b) and (c). In a county in a judicial district under section 480.181, subdivision 1, paragraph (b), the share that would otherwise go to the county under this paragraph must be submitted to the commissioner of management and budget for deposit in the state treasury and credited to the general fund~~ must be credited to the general fund, and half the receipts must be credited to the game and fish fund under section 97A.055.

~~(b) The county treasurer shall submit one half of the receipts collected under paragraph (a) from prosecutions of violations of sections 84.81 to 84.91 or rules adopted thereunder, and 169A.20, except receipts that are surcharges imposed under section 357.021, subdivision 6, to the commissioner and credit the balance to the county general fund. The commissioner shall credit these receipts to the snowmobile trails and enforcement account in the natural resources fund.~~

~~(c) The county treasurer shall indicate the amount of the receipts that are surcharges imposed under section 357.021, subdivision 6, and shall submit all of those receipts to the commissioner of management and budget.~~

Sec. 7. Minnesota Statutes 2020, section 169A.20, subdivision 1, is amended to read:

Subdivision 1. **Driving while impaired crime; motor vehicle.** It is a crime for any person to drive, operate, or be in physical control of any motor vehicle, as defined in section 169A.03, subdivision 15, ~~except for motorboats in operation and off road recreational vehicles,~~ within this state or on any boundary water of this state when:

(1) the person is under the influence of alcohol;

- (2) the person is under the influence of a controlled substance;
- (3) the person is under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;
- (4) the person is under the influence of a combination of any two or more of the elements named in clauses (1) to (3);
- (5) the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the motor vehicle is 0.08 or more;
- (6) the vehicle is a commercial motor vehicle and the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the commercial motor vehicle is 0.04 or more; or
- (7) the person's body contains any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols.

Sec. 8. Minnesota Statutes 2020, section 169A.52, is amended by adding a subdivision to read:

**Subd. 9. Off-road recreational vehicles and motorboats.** (a) The provisions of this section for revoking a driver's license, permit, or nonresident operating privilege also apply to the operating privilege for an off-road recreational vehicle and a motorboat.

(b) Upon certification by a peace officer under subdivision 3, paragraph (a), or subdivision 4, paragraph (a) or (c), the commissioner must notify a person that the person is prohibited from operating off-road recreational vehicles and motorboats for the period provided in subdivision 3, paragraph (a), or subdivision 4, paragraph (a).

Sec. 9. Minnesota Statutes 2020, section 169A.54, is amended by adding a subdivision to read:

**Subd. 12. Off-road recreational vehicles and motorboats.** (a) The provisions of this section for revoking a driver's license or nonresident operating privilege also apply to the operating privilege for an off-road recreational vehicle and a motorboat.

(b) Upon conviction, the commissioner must notify a person that the person is prohibited from operating off-road recreational vehicles and motorboats for the same period that the person's driver's license or operating privilege is revoked or canceled under this section.

Sec. 10. **[171.188] DRIVING WHILE IMPAIRED REVOCATION AND PROHIBITION; OFF-ROAD RECREATIONAL VEHICLES AND MOTORBOATS.**

(a) The provisions of this chapter for revoking or canceling a driver's license or nonresident driving privilege for alcohol, controlled substance, or intoxicating substance violations also apply to the operating privileges for off-road recreational vehicles and motorboats.

(b) Upon conviction, the commissioner must notify a person that the person is prohibited from operating off-road recreational vehicles and motorboats for the same period that the person's driver's license or driving privilege is revoked or canceled for the alcohol, controlled substance, or intoxicating substance conviction.

Sec. 11. Minnesota Statutes 2020, section 171.306, is amended by adding a subdivision to read:

**Subd. 3a. Off-road recreational vehicles and motorboats.** A program participant in the ignition interlock device program may operate an off-road recreational vehicle or a motorboat only if it is equipped with an approved ignition interlock device as provided under this section and sections 84.765, subdivision 2, and 86B.33, subdivision 2.

Sec. 12. **REVISOR INSTRUCTION.**

The revisor of statutes shall make necessary changes to statutory cross-references to reflect the changes made in sections 1 to 11. If necessary, the revisor shall prepare a bill for introduction in the 2022 legislative session to make other necessary conforming changes that are beyond the scope of the revisor's authority to make editorial changes under this section or other law.

Sec. 13. **REPEALER.**

Minnesota Statutes 2020, sections 84.91, subdivision 1; 86B.331, subdivision 1; and 169A.20, subdivisions 1a, 1b, and 1c, are repealed.

ARTICLE 9  
ELECTRIC-ASSISTED BICYCLES

Section 1. Minnesota Statutes 2020, section 84.787, subdivision 7, is amended to read:

Subd. 7. **Off-highway motorcycle.** (a) "Off-highway motorcycle" means a motorized, off-highway vehicle traveling on two wheels and having a seat or saddle designed to be straddled by the operator and handlebars for steering control, including a vehicle that is registered under chapter 168 for highway use if it is also used for off-highway operation on trails or unimproved terrain.

(b) Off-highway motorcycle does not include an electric-assisted bicycle as defined in section 169.011, subdivision 27.

Sec. 2. Minnesota Statutes 2020, section 84.797, subdivision 7, is amended to read:

Subd. 7. **Off-road vehicle.** (a) "Off-road vehicle" or "vehicle" means a motor-driven recreational vehicle capable of cross-country travel on natural terrain without benefit of a road or trail.

(b) Off-road vehicle does not include a snowmobile; an all-terrain vehicle; a motorcycle; an electric-assisted bicycle as defined in section 169.011, subdivision 27; a watercraft; a farm vehicle being used for farming; a vehicle used for military, fire, emergency, or law enforcement purposes; a construction or logging vehicle used in the performance of its common function; a motor vehicle owned by or operated under contract with a utility, whether publicly or privately owned, when used for work on utilities; a commercial vehicle being used for its intended purpose; snow-grooming equipment when used for its intended purpose; or an aircraft.

Sec. 3. Minnesota Statutes 2020, section 84.92, subdivision 8, is amended to read:

Subd. 8. **All-terrain vehicle or vehicle.** (a) "All-terrain vehicle" or "vehicle" means a motorized vehicle with: (1) not less than three, but not more than six low pressure or non-pneumatic tires; (2) a total dry weight of 2,000 pounds or less; and (3) a total width from outside of tire rim to outside of tire rim that is 65 inches or less. All-terrain vehicle includes a class 1 all-terrain vehicle and class 2 all-terrain vehicle.

(b) All-terrain vehicle does not include a an electric-assisted bicycle as defined in section 169.011, subdivision 27, golf cart, mini-truck, dune buggy, or go-cart or a vehicle designed and used specifically for lawn maintenance, agriculture, logging, or mining purposes.

Sec. 4. Minnesota Statutes 2020, section 168.002, subdivision 18, is amended to read:

Subd. 18. **Motor vehicle.** (a) "Motor vehicle" means any self-propelled vehicle designed and originally manufactured to operate primarily on highways, and not operated exclusively upon railroad tracks. It includes any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys that are propelled by electric power obtained from overhead trolley wires but not operated upon rails. ~~It does not include snowmobiles, manufactured homes, or park trailers.~~

(b) "Motor vehicle" includes an all-terrain vehicle only if the all-terrain vehicle (1) has at least four wheels, (2) is owned and operated by a physically disabled person, and (3) displays both disability plates and a physically disabled certificate issued under section 169.345.

(c) "Motor vehicle" does not include an all-terrain vehicle except (1) an all-terrain vehicle described in paragraph (b), or (2) an all-terrain vehicle licensed as a motor vehicle before August 1, 1985. The owner may continue to license an all-terrain vehicle described in clause (2) as a motor vehicle until it is conveyed or otherwise transferred to another owner, is destroyed, or fails to comply with the registration and licensing requirements of this chapter.

(d) "Motor vehicle" does not include a snowmobile; a manufactured home; a park trailer; an electric personal assistive mobility device as defined in section 169.011, subdivision 26;

~~(e) "Motor vehicle" does not include a motorized foot scooter as defined in section 169.011, subdivision 46; or an electric-assisted bicycle as defined in section 169.011, subdivision 27.~~

~~(e)~~ (e) "Motor vehicle" includes an off-highway motorcycle modified to meet the requirements of chapter 169 according to section 84.788, subdivision 12.

Sec. 5. Minnesota Statutes 2020, section 169.011, is amended by adding a subdivision to read:

Subd. 15a. **Class 1 electric-assisted bicycle.** "Class 1 electric-assisted bicycle" means an electric-assisted bicycle equipped with an electric motor that provides assistance only when the rider is pedaling and ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour.

Sec. 6. Minnesota Statutes 2020, section 169.011, is amended by adding a subdivision to read:

Subd. 15b. **Class 2 electric-assisted bicycle.** "Class 2 electric-assisted bicycle" means an electric-assisted bicycle equipped with an electric motor that is capable of propelling the bicycle without the rider pedaling and ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour.

Sec. 7. Minnesota Statutes 2020, section 169.011, is amended by adding a subdivision to read:

Subd. 15c. **Class 3 electric-assisted bicycle.** "Class 3 electric-assisted bicycle" means an electric-assisted bicycle equipped with an electric motor that provides assistance only when the rider is pedaling and ceases to provide assistance when the bicycle reaches the speed of 28 miles per hour.

Sec. 8. Minnesota Statutes 2020, section 169.011, subdivision 27, is amended to read:

Subd. 27. **Electric-assisted bicycle.** "Electric-assisted bicycle" means a bicycle with two or three wheels that:

(1) has a saddle and fully operable pedals for human propulsion;

(2) meets the requirements-

~~(i) of federal motor vehicle safety standards for a motor driven cycle in Code of Federal Regulations, title 49, sections 571.1 et seq.; or~~

~~(ii) for bicycles under Code of Federal Regulations, title 16, part 1512, or successor requirements; and~~

~~(3) has is equipped with an electric motor that (i) has a power output of not more than 1,000 750 watts; (ii) is incapable of propelling the vehicle at a speed of more than 20 miles per hour; (iii) is incapable of further increasing the speed of the device when human power alone is used to propel the vehicle at a speed of more than 20 miles per hour; and (iv) disengages or ceases to function when the vehicle's brakes are applied; and~~

(4) meets the requirements of a class 1, class 2, or class 3 electric-assisted bicycle.

Sec. 9. Minnesota Statutes 2020, section 169.011, subdivision 42, is amended to read:

Subd. 42. **Motor vehicle.** (a) "Motor vehicle" means every vehicle which is self-propelled and every vehicle which is propelled by electric power obtained from overhead trolley wires.

(b) Motor vehicle does not include an electric-assisted bicycle; an electric personal assistive mobility device; or a vehicle moved solely by human power.

Sec. 10. Minnesota Statutes 2020, section 169.222, subdivision 4, is amended to read:

Subd. 4. **Riding rules.** (a) Every person operating a bicycle upon a roadway shall ride as close as practicable to the right-hand curb or edge of the roadway except under any of the following situations:

(1) when overtaking and passing another vehicle proceeding in the same direction;

(2) when preparing for a left turn at an intersection or into a private road or driveway;

(3) when reasonably necessary to avoid conditions, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or narrow width lanes, that make it unsafe to continue along the right-hand curb or edge; or

(4) when operating on the shoulder of a roadway or in a bicycle lane.

(b) If a bicycle is traveling on a shoulder of a roadway, the bicycle shall travel in the same direction as adjacent vehicular traffic.

(c) Persons riding bicycles upon a roadway or shoulder shall not ride more than two abreast and shall not impede the normal and reasonable movement of traffic and, on a laned roadway, shall ride within a single lane.

(d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder on a crosswalk, shall yield the right-of-way to any pedestrian and shall give an audible signal when necessary before overtaking and passing any pedestrian. No person shall ride a bicycle upon a sidewalk within a business district unless permitted by local authorities. Local authorities may prohibit the operation of bicycles on any sidewalk or crosswalk under their jurisdiction.

(e) An individual operating a bicycle or other vehicle on a bikeway shall leave a safe distance when overtaking a bicycle or individual proceeding in the same direction on the bikeway, and shall maintain clearance until safely past the overtaken bicycle or individual.

(f) A person lawfully operating a bicycle on a sidewalk, or across a roadway or shoulder on a crosswalk, shall have all the rights and duties applicable to a pedestrian under the same circumstances.

~~(g) A person may operate an electric-assisted bicycle on the shoulder of a roadway, on a bikeway, or on a bicycle trail if not otherwise prohibited under section 85.015, subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2, paragraph (b), as applicable.~~

Sec. 11. Minnesota Statutes 2020, section 169.222, subdivision 6a, is amended to read:

Subd. 6a. **Operator age Electric-assisted bicycle; riding rules.** (a) A person may operate an electric-assisted bicycle in the same manner as provided for operation of other bicycles, including but not limited to operation on the shoulder of a roadway, a bicycle lane, and a bicycle route, and operation without the motor engaged on a bikeway or bicycle trail.

(b) A person may operate a class 1 or class 2 electric-assisted bicycle with the motor engaged on a bicycle path, bicycle trail, or shared use path unless prohibited under section 85.015, subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2, paragraph (b), as applicable.

(c) A person may operate a class 3 electric-assisted bicycle with the motor engaged on a bicycle path, bicycle trail, or shared use path unless the local authority or state agency having jurisdiction over the bicycle path or trail prohibits the operation.

(d) The local authority or state agency having jurisdiction over a trail that is designated as nonmotorized, and that has a natural surface tread made by clearing and grading the native soil with no added surfacing materials, may regulate the operation of an electric-assisted bicycle.

(e) No person under the age of 15 shall operate an electric-assisted bicycle.

Sec. 12. Minnesota Statutes 2020, section 169.222, is amended by adding a subdivision to read:

Subd. 6b. **Electric-assisted bicycle; equipment.** (a) The manufacturer or distributor of an electric-assisted bicycle must apply a label to the bicycle that is permanently affixed in a prominent location. The label must contain the classification number, top assisted speed, and motor wattage of the electric-assisted bicycle, and must be printed in a legible font with at least 9-point type.

(b) A person must not modify an electric-assisted bicycle to change the motor-powered speed capability or motor engagement unless the person replaces the label required in paragraph (a) with revised information.

(c) An electric-assisted bicycle must operate in a manner so that the electric motor is disengaged or ceases to function when the rider stops pedaling or when the brakes are applied.

(d) A class 3 electric-assisted bicycle must be equipped with a speedometer that displays the speed at which the bicycle is traveling in miles per hour.

**EFFECTIVE DATE.** Paragraph (a) is effective January 1, 2022. Paragraphs (b) to (d) are effective August 1, 2021.

## ARTICLE 10 STATE LANDS

Section 1. Minnesota Statutes 2020, section 84.415, is amended by adding a subdivision to read:

Subd. 8. **Reimbursing costs.** In addition to fees specified in this section or in rules adopted by the commissioner, the applicant must reimburse the state for costs incurred for cultural resources review, monitoring, or other services provided by the Minnesota Historical Society under contract with the commissioner of natural resources or the State Historic Preservation Office of the Department of Administration in connection with the license application, preparing the license terms, or constructing the utility line.

Sec. 2. Minnesota Statutes 2020, section 84.63, is amended to read:

**84.63 CONVEYANCE OF INTERESTS IN LANDS TO STATE ~~AND~~, FEDERAL, AND TRIBAL GOVERNMENTS.**

(a) Notwithstanding any existing law to the contrary, the commissioner of natural resources is hereby authorized on behalf of the state to convey to the United States, to a federally recognized Indian Tribe, or to the state of Minnesota or any of its subdivisions, upon state-owned lands under the administration of the commissioner of natural resources, permanent or temporary easements for specified periods or otherwise for trails, highways, roads including limitation of right of access from the lands to adjacent highways and roads, flowage for development of fish and game resources, stream protection, flood control, and necessary appurtenances thereto, such conveyances to be made upon such terms and conditions including provision for reversion in the event of non-user as the commissioner of natural resources may determine.

(b) In addition to the fee for the market value of the easement, the commissioner of natural resources shall assess the applicant the following fees:

(1) an application fee of \$2,000 to cover reasonable costs for reviewing the application and preparing the easement; and

(2) a monitoring fee to cover the projected reasonable costs for monitoring the construction of the improvement for which the easement was conveyed and preparing special terms and conditions for the easement. The commissioner must give the applicant an estimate of the monitoring fee before the applicant submits the fee.

(c) The applicant shall pay these fees to the commissioner of natural resources. The commissioner shall not issue the easement until the applicant has paid in full the application fee, the monitoring fee, and the market value payment for the easement.

(d) Upon completion of construction of the improvement for which the easement was conveyed, the commissioner shall refund the unobligated balance from the monitoring fee revenue. The commissioner shall not return the application fee, even if the application is withdrawn or denied.

(e) Money received under paragraph (b) must be deposited in the land management account in the natural resources fund and is appropriated to the commissioner of natural resources to cover the reasonable costs incurred for issuing and monitoring easements.

(f) A county or joint county regional railroad authority is exempt from all fees specified under this section for trail easements on state-owned land.

(g) In addition to fees specified in this section, the applicant must reimburse the state for costs incurred for cultural resources review, monitoring, or other services provided by the Minnesota Historical Society under contract with the commissioner of natural resources or the State Historic Preservation Office of the Department of Administration in connection with the easement application, preparing the easement terms, or constructing the trail, highway, road, or other improvements.

**EFFECTIVE DATE.** This section is effective the day following final enactment, except that paragraph (g) is effective July 1, 2021.

Sec. 3. Minnesota Statutes 2020, section 84.631, is amended to read:

**84.631 ROAD EASEMENTS ACROSS STATE LANDS.**

(a) Except as provided in section 85.015, subdivision 1b, the commissioner of natural resources, on behalf of the state, may convey a road easement across state land under the commissioner's jurisdiction to a private person requesting an easement for access to property owned by the person only if the following requirements are met: (1) there are no reasonable alternatives to obtain access to the property; and (2) the exercise of the easement will not cause significant adverse environmental or natural resource management impacts.

(b) The commissioner shall:

- (1) require the applicant to pay the market value of the easement;
- (2) limit the easement term to 50 years if the road easement is across school trust land;
- (3) provide that the easement reverts to the state in the event of nonuse; and
- (4) impose other terms and conditions of use as necessary and appropriate under the circumstances.

(c) An applicant shall submit an application fee of \$2,000 with each application for a road easement across state land. The application fee is nonrefundable, even if the application is withdrawn or denied.

(d) In addition to the payment for the market value of the easement and the application fee, the commissioner of natural resources shall assess the applicant a monitoring fee to cover the projected reasonable costs for monitoring the construction of the road and preparing special terms and conditions for the easement. The commissioner must give the applicant an estimate of the monitoring fee before the applicant submits the fee. The applicant shall pay the application and monitoring fees to the commissioner of natural resources. The commissioner shall not issue the easement until the applicant has paid in full the application fee, the monitoring fee, and the market value payment for the easement.

(e) Upon completion of construction of the road, the commissioner shall refund the unobligated balance from the monitoring fee revenue.

(f) Fees collected under paragraphs (c) and (d) must be credited to the land management account in the natural resources fund and are appropriated to the commissioner of natural resources to cover the reasonable costs incurred under this section.

(g) In addition to fees specified in this section, the applicant must reimburse the state for costs incurred for cultural resources review, monitoring, or other services provided by the Minnesota Historical Society under contract with the commissioner of natural resources or the State Historic Preservation Office of the Department of Administration in connection with the easement application, preparing the easement terms, or constructing the road.

Sec. 4. Minnesota Statutes 2020, section 89.021, is amended by adding a subdivision to read:

**Subd. 42a. Riverlands State Forest.**

Sec. 5. Minnesota Statutes 2020, section 89.17, is amended to read:

**89.17 LEASES AND PERMITS.**

(a) Notwithstanding the permit procedures of chapter 90, the commissioner may grant and execute, in the name of the state, leases and permits for the use of any forest lands under the authority of the commissioner for any purpose that in the commissioner's opinion is not inconsistent with the maintenance and management of the forest

lands, on forestry principles for timber production. Every such lease or permit is revocable at the discretion of the commissioner at any time subject to such conditions as may be agreed on in the lease. The approval of the commissioner of administration is not required upon any such lease or permit. No such lease or permit for a period exceeding 21 years shall be granted except with the approval of the Executive Council.

(b) Public access to the leased land for outdoor recreation is the same as access would be under state management.

(c) Notwithstanding section 16A.125, subdivision 5, after deducting the reasonable costs incurred for preparing and issuing the lease, all remaining proceeds from leasing school trust land and university land for roads on forest lands must be deposited into the respective permanent fund for the lands.

(d) The commissioner may require a performance bond, security deposit, or other form of security for removing any improvements or personal property left on the leased premises by the lessee upon termination or cancellation of the lease.

(e) In addition to other payments required by this section, the applicant must reimburse the state for costs incurred for cultural resources review, monitoring, or other services provided by the Minnesota Historical Society under contract with the commissioner of natural resources or the State Historic Preservation Office of the Department of Administration in connection with reviewing the lease request, preparing the lease terms, or monitoring construction of improvements on the leased premises.

Sec. 6. Minnesota Statutes 2020, section 92.50, is amended by adding a subdivision to read:

Subd. 4. **Reimbursing costs.** In addition to other payments required by this section, the applicant must reimburse the state for costs incurred for cultural resources review, monitoring, or other services provided by the Minnesota Historical Society under contract with the commissioner of natural resources or the State Historic Preservation Office of the Department of Administration in connection with reviewing the lease request, preparing the lease terms, or constructing improvements on the leased premises.

Sec. 7. Minnesota Statutes 2020, section 92.502, is amended to read:

**92.502 LEASE OF TAX-FORFEITED AND STATE LANDS.**

(a) Notwithstanding section 282.04 or other law to the contrary, St. Louis County may enter a 30-year lease of tax-forfeited land for a wind energy project.

(b) The commissioner of natural resources may enter a 30-year lease of land administered by the commissioner for a wind energy project.

(c) The commissioner of natural resources may enter a 30-year lease of land administered by the commissioner for recreational trails and facilities. The commissioner may assess the lease applicant a monitoring fee to cover the projected reasonable costs of monitoring construction of the recreational trail or facility and preparing special terms and conditions of the license to ensure proper construction. The commissioner must give the applicant an estimate of the monitoring fee before the applicant is required to submit the fee. Upon completion of construction of the trail or facility, the commissioner must refund the unobligated balance from the monitoring fee revenue.

(d) Notwithstanding section 282.04 or other law to the contrary, Lake and St. Louis Counties may enter into 30-year leases of tax-forfeited land for recreational trails and facilities.

Sec. 8. Minnesota Statutes 2020, section 94.3495, subdivision 3, is amended to read:

Subd. 3. **Valuation of land.** (a) In an exchange of class 1 land for class 2 or 3 land, the value of all the land shall be determined by the commissioner of natural resources, but the county board must approve the value determined for the class 2 land, and the governmental subdivision of the state must approve the value determined for the class 3 land. In an exchange of class 2 land for class 3 land, the value of all the land shall be determined by the county board of the county in which the land lies, but the governmental subdivision of the state must approve the value determined for the class 3 land.

(b) To determine the value of the land, the parties to the exchange may either (1) cause the land to be appraised, or (2) determine the value for each 40-acre tract or lot, or a portion thereof, using the ~~most current~~ township or county assessment schedules within the preceding two years for similar land types from the county assessor of the county in which the lands are located. Merchantable timber value should be considered in finalizing valuation of the lands.

(c) Except for school trust lands and university lands, the lands exchanged under this section shall be exchanged only for lands of at least substantially equal value. For the purposes of this subdivision, "substantially equal value" has the meaning given under section 94.343, subdivision 3, paragraph (b). No payment is due either party if the lands, other than school trust lands or university lands, are of substantially equal value but are not of the same value.

(d) School trust lands and university lands exchanged under this section must be exchanged only for lands of equal or greater value.

Sec. 9. Laws 2016, chapter 154, section 16, is amended to read:

**Sec. 16. EXCHANGE OF STATE LAND; AITKIN, BELTRAMI, AND KOOCHICHING COUNTIES.**

(a) Notwithstanding the riparian restrictions in Minnesota Statutes, section 94.342, subdivision 3, and subject to the valuation restrictions described in paragraph (c), the commissioner of natural resources may, with the approval of the Land Exchange Board as required under the Minnesota Constitution, article XI, section 10, and according to the remaining provisions of Minnesota Statutes, sections 94.342 to 94.347, exchange the state-owned land leased for farming wild rice described in paragraph (b).

(b) The state land that may be exchanged is held under the following state leases for farming of wild rice:

- (1) Lease LAGR001305, covering 175.1 acres in Aitkin County;
- (2) Lease LMIS010040, covering 107.1 acres in Beltrami County;
- (3) Lease LMIS010096, covering 137.4 acres in Beltrami County; and
- (4) Lease LAGR001295, covering 264.40 acres in Koochiching County.

(c) For the appraisal of the land, no improvements paid for by the lessee shall be included in the estimate of market value.

(d) Additional adjoining state lands may be added to the exchanges if mutually agreed upon by the commissioner and the exchange partner to avoid leaving unmanageable parcels of land in state ownership after an exchange or to meet county zoning standards or other regulatory needs for the wild rice farming operations.

(e) The state land administered by the commissioner of natural resources in Koochiching County borders the Lost River. The lands to be exchanged are not required to provide at least equal opportunity for access to waters by the public, but the lands must be at least equal in value and have the potential to generate revenue for the school trust lands.

(f) Notwithstanding Minnesota Statutes, section 94.343, subdivision 8a, lessees must pay to the commissioner all costs, as determined by the commissioner, that are associated with each exchange transaction, including valuation expenses; legal fees; survey expenses; costs of title work, advertising, and public hearings; transactional staff costs; and closing costs.

Sec. 10. Laws 2016, chapter 154, section 48, is amended to read:

Sec. 48. **EXCHANGE OF STATE LAND; ST. LOUIS COUNTY.**

Subdivision 1. Exchange of land. (a) Notwithstanding the riparian restrictions in Minnesota Statutes, section 94.342, subdivision 3, the commissioner of natural resources may, with the approval of the Land Exchange Board as required under the Minnesota Constitution, article XI, section 10, and according to the remaining provisions of Minnesota Statutes, sections 94.342 to 94.347, exchange the riparian land described in paragraph (b).

(b) The state land that may be exchanged is located in St. Louis County and is described as: Government Lot 5, Section 35, Township 64 North, Range 12 West.

(c) The state land administered by the commissioner of natural resources borders Low Lake. The land to be exchanged is forest land that includes areas bordering the Whiteface River. While the land does not provide at least equal opportunity for access to waters by the public, the land to be acquired by the commissioner in the exchange will improve access to adjacent state forest lands.

Subd. 2. Gifts of land. Notwithstanding Minnesota Statutes, section 94.342 or 94.343, or any other law to the contrary, the Land Exchange Board may consider a gift of land from the exchange partner pursuant to Minnesota Statutes, section 84.085, subdivision 1, paragraph (d), in addition to land proposed for exchange with the state land referenced in subdivision 1, paragraph (b), in determining whether the proposal is in the best interests of the school trust.

Sec. 11. **ADDITIONS TO STATE PARKS.**

Subdivision 1. [85.012] [Subd. 18.] Fort Snelling State Park, Dakota County. The following areas are added to Fort Snelling State Park, Dakota County:

(1) that part of Section 28, Township 28 North, Range 23 West, Dakota County, Minnesota, bounded by the Dakota County line along the Minnesota River and the following described lines:

Beginning at the intersection of the south line of Lot 18 of Auditor's Subdivision Number 29 of Mendota, according to the plat on file in the Office of the Dakota County Recorder, with the westerly right-of-way line of the existing Sibley Memorial Highway; thence northerly along said westerly right-of-way line to the north line of said Lot 18; thence westerly along the north line of said Lot 18 to the easterly right-of-way line of the Chicago and Northwestern Railroad; thence northerly and northeasterly along said easterly right-of-way to the east line of said Section 28;

(2) that part of Section 33, Township 28 North, Range 23 West, Dakota County, Minnesota, lying westerly of the easterly right-of-way of the Chicago and Northwestern Railroad;

(3) that part of Government Lot 6 of Section 33, Township 28 North, Range 23 West, Dakota County, Minnesota, lying East of the easterly right-of-way of the Chicago and Northwestern Railroad and West of the westerly right-of-way of Sibley Memorial Highway and North of the South 752 feet of said Government Lot 6;

(4) the North 152 feet of the South 752 feet of that part of Government Lot 6 of Section 33, Township 28 North, Range 23 West, Dakota County, Minnesota, lying East of the easterly right-of-way of the Chicago and Northwestern Railroad and West of the westerly right-of-way of Sibley Memorial Highway;

(5) the North 270 feet of the South 600 feet of that part of Government Lot 6 lying between the westerly right-of-way of Sibley Memorial Highway and the easterly right-of-way of the Chicago and Northwestern Railroad in Section 33, Township 28 North, Range 23 West, Dakota County, Minnesota;

(6) that part of the South 20 rods of Government Lot 6 of Section 33, Township 28 North, Range 23 West, Dakota County, Minnesota, lying East of the easterly right-of-way of the Chicago and Northwestern Railroad and West of the westerly right-of-way of Sibley Memorial Highway, excepting therefrom that part described as follows:

Commencing at the southeast corner of said Government Lot 6; thence North 89 degrees 56 minutes 54 seconds West assumed bearing along the south line of said Government Lot 6 a distance of 260.31 feet to the point of beginning of the property to be described; thence continue North 89 degrees 56 minutes 54 seconds West a distance of 71.17 feet; thence northwesterly a distance of 37.25 feet along a nontangential curve concave to the East having a radius of 4,098.00 feet and a central angle of 00 degrees 31 minutes 15 seconds the chord of said curve bears North 23 degrees 31 minutes 27 seconds West; thence northerly a distance of 127.39 feet along a compound curve concave to the East having a radius of 2,005.98 feet and a central angle of 03 degrees 38 minutes 19 seconds; thence North 70 degrees 22 minutes 29 seconds East not tangent to said curve a distance of 65.00 feet; thence southerly a distance of 123.26 feet along a nontangential curve concave to the East having a radius of 1,940.98 feet and a central angle of 03 degrees 38 minutes 19 seconds the chord of said curve bears South 21 degrees 26 minutes 40 seconds East; thence southerly a distance of 65.42 feet to the point of beginning along a compound curve concave to the East having a radius of 4,033.00 feet and a central angle of 00 degrees 55 minutes 46 seconds;

(7) that part of Government Lot 5 of Section 33, Township 28 North, Range 23 West, Dakota County, Minnesota, lying East of the easterly right-of-way of the Chicago and Northwestern Railroad and West of the westerly right-of-way of Sibley Memorial Highway, excepting therefrom that part described as follows:

Commencing at the southeast corner of said Government Lot 5; thence North 89 degrees 56 minutes 18 seconds West assumed bearing along the south line of said Government Lot 5 a distance of 70.48 feet to the point of beginning of the property to be described; thence continue North 89 degrees 56 minutes 18 seconds West along said south line of Government Lot 5 a distance of 40.01 feet; thence North 01 degree 30 minutes 25 seconds East a distance of 6.08 feet; thence northerly a distance of 185.58 feet along a tangential curve concave to the West having a radius of 4,427.00 feet and a central angle of 02 degrees 24 minutes 07 seconds; thence South 89 degrees 06 minutes 18 seconds West not tangent to said curve a distance of 25.00 feet; thence North 00 degrees 53 minutes 42 seconds West a distance of 539.13 feet; thence northerly a distance of 103.77 feet along a tangential curve concave to the West having a radius of 1,524.65 feet and a central angle of 03 degrees 53 minutes 59 seconds; thence northerly a distance of 159.33 feet along a compound curve concave to the West having a radius of 522.45 feet and a central angle of 17 degrees 28 minutes 23 seconds; thence northwesterly a distance of 86.78 feet along a tangential curve concave to the West having a radius of 1,240.87 feet and a central angle of 04 degrees 00 minutes 25 seconds; thence North 26 degrees 16 minutes 30 seconds West tangent to said curve a distance of 92.39 feet; thence northwesterly a distance of 178.12 feet along a tangential curve concave to the East having a radius of 4,098.00 feet and a central angle of 02 degrees 29 minutes 25 seconds to a point on the north line of said Government Lot 5 which is 331.48 feet from the northeast corner thereof as measured along said north line; thence South 89 degrees 56 minutes 54 seconds East along said north line of Government

Lot 5 a distance of 71.17 feet; thence southeasterly a distance of 146.53 feet along a nontangential curve concave to the East having a radius of 4,033.00 feet and a central angle of 02 degrees 04 minutes 54 seconds the chord of said curve bears South 25 degrees 14 minutes 03 seconds East; thence South 26 degrees 16 minutes 30 seconds East tangent to said curve a distance of 92.39 feet; thence southerly a distance of 91.33 feet along a tangential curve concave to the West having a radius of 1,305.87 feet and a central angle of 04 degrees 00 minutes 25 seconds; thence southerly a distance of 179.15 feet along a tangential curve concave to the West having a radius of 587.45 feet and a central angle of 17 degrees 28 minutes 23 seconds; thence southerly a distance of 108.20 feet along a compound curve concave to the West having a radius of 1,589.65 feet and a central angle of 03 degrees 53 minutes 59 seconds; thence South 00 degrees 53 minutes 42 seconds East tangent to said curve a distance of 539.13 feet; thence southerly a distance of 187.26 feet along a tangential curve concave to the West having a radius of 4,467.00 feet and a central angle of 02 degrees 24 minutes 07 seconds; thence South 01 degree 30 minutes 25 seconds West tangent to said curve a distance of 5.07 feet to the point of beginning; and

(8) that part of Government Lot 4 of Section 33, Township 28 North, Range 23 West, Dakota County, Minnesota, lying East of the easterly right-of-way of the Chicago and Northwestern Railroad and northerly of the following described line:

Commencing at the southeast corner of said Government Lot 4; thence North 89 degrees 55 minutes 42 seconds West assumed bearing along the south line of said Government Lot 4 a distance of 312.44 feet to corner B205, MNDOT Right-of-Way Plat No. 19-93, according to the recorded map thereof; thence continue North 89 degrees 55 minutes 42 seconds West along said south line of Government Lot 4 a distance of 318.00 feet to the easterly right-of-way of Chicago and Northwestern Railroad; thence northerly along said railroad right-of-way a distance of 387.97 feet along a nontangential curve concave to the West having a radius of 2,963.54 feet and a central angle of 07 degrees 30 minutes 03 seconds, the chord of said curve bears North 00 degrees 42 minutes 41 seconds East; thence North 03 degrees 02 minutes 21 seconds West tangent to said curve along said railroad right-of-way a distance of 619.45 feet to the point of beginning of the line to be described; thence North 89 degrees 35 minutes 27 seconds East a distance of 417.92 feet; thence North 18 degrees 18 minutes 58 seconds East a distance of 317.52 feet to a point on the north line of said Government Lot 4 which is 135.00 feet from the northeast corner thereof as measured along said north line and there terminating.

Subd. 2. [85.012] [Subd. 38A.] Lake Vermilion-Soudan Underground Mine State Park, St. Louis County. The following areas are added to Lake Vermilion-Soudan Underground Mine State Park, St. Louis County, and are designated as the Granelda Unit:

(1) Lot 3 of Section 28 and Lot 5 of Section 29 in Township 63 North of Range 17, all West of the 4th Principal Meridian, according to the United States Government Survey thereof;

(2) the Northeast Quarter of the Southwest Quarter, the Northwest Quarter, the Southeast Quarter of the Northeast Quarter, the Northeast Quarter of the Northeast Quarter, and Lots numbered 1, 2, 3, and 4 of Section 29 in Township 63 North of Range 17, all West of the 4th Principal Meridian, according to the United States Government survey thereof;

(3) Lots 1 and 2 of Section 32 in Township 63 North of Range 17, all West of the 4th Principal Meridian, according to the United States Government Survey thereof; and

(4) Lot 4 of Section 23 in Township 63 North of Range 18, all West of the 4th Principal Meridian, according to the United States Government Survey thereof.

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

Sec. 12. **ADDITION TO STATE RECREATION AREA.**

**[85.013] [Subd. 12a.] Iron Range Off-Highway Vehicle Recreation Area, St. Louis County.** The following area is added to Iron Range Off-Highway Vehicle Recreation Area, St. Louis County: that part of the South Half of the Northwest Quarter of Section 15, Township 58 North, Range 17 West, St. Louis County, Minnesota, lying northerly of the following described line:

Commencing at the West quarter corner of said Section 15; thence North 01 degree 24 minutes 27 seconds West, bearing assumed, along the west line of said South Half of the Northwest Quarter a distance of 1,034.09 feet to a 3/4-inch rebar with plastic cap stamped "MN DNR LS 44974" (DM) and the point of beginning; thence South 62 degrees 44 minutes 07 seconds East 405.24 feet to a DM; thence South 82 degrees 05 minutes 24 seconds East 314.95 feet to a DM; thence South 86 degrees 18 minutes 01 second East 269.23 feet to a DM; thence North 81 degrees 41 minutes 24 seconds East 243.61 feet to a DM; thence North 71 degrees 48 minutes 05 seconds East 478.17 feet to a DM; thence North 60 degrees 53 minutes 38 seconds East 257.32 feet to a DM; thence South 09 degrees 16 minutes 07 seconds East 179.09 feet to a DM; thence South 49 degrees 16 minutes 00 seconds East 127.27 feet to a DM; thence South 50 degrees 16 minutes 11 seconds East 187.13 feet to a DM; thence South 67 degrees 11 minutes 35 seconds East 189.33 feet to a DM; thence South 67 degrees 13 minutes 16 seconds East 209.43 feet to a DM; thence South 80 degrees 39 minutes 19 seconds East 167.59 feet to a DM on the east line of said South Half of the Northwest Quarter, and there terminating.

Sec. 13. **DELETIONS FROM STATE PARKS.**

Subdivision 1. **[85.012] [Subd. 18.] Fort Snelling State Park, Dakota County.** The following areas are deleted from Fort Snelling State Park, Dakota County:

(1) all of Section 33, Township 28 North, Range 23 West of the 4th Principal Meridian lying westerly of the westerly right-of-way line of the existing Minnesota Trunk Highway No. 13, excepting the right-of-way owned by the Chicago and Northwestern railway company; and

(2) all of Section 28, Township 28 North, Range 23 West of the 4th Principal Meridian bounded by the Dakota County line along the Minnesota River and the following described lines: Beginning at the south line of said Section 28 at its intersection with the westerly right-of-way line of the existing Minnesota Trunk Highway No. 13; thence northerly along the said westerly right-of-way line of existing Minnesota Trunk Highway No. 13 to the southerly right-of-way line of existing Minnesota Trunk Highway Nos. 55 and 100; thence along the existing southerly right-of-way line of Minnesota Trunk Highway Nos. 55 and 100 to the westerly right-of-way line owned by the Chicago and Northwestern railway company; thence northeasterly along the said westerly right-of-way line of the Chicago and Northwestern railway to the east line of said Section 28, excepting therefrom the right-of-way owned by the Chicago and Northwestern railway company.

Subd. 2. **[85.012] [Subd. 43.] Minneopa State Park, Blue Earth County.** The following area is deleted from Minneopa State Park, Blue Earth County: a tract of land located in the Northwest Quarter of the Northwest Quarter of Section 21, Township 108 North, Range 27 West of the Fifth Principal Meridian, Blue Earth County, Minnesota, more particularly described as follows:

Commencing at the northwest corner of said Section 21; thence on an assumed bearing of South 01 degree 31 minutes 27 seconds East, along the west line of the Northwest Quarter of the Northwest Quarter of said Section 21, a distance of 545.00 feet, to the south line of the North 545.00 feet of the Northwest Quarter of the Northwest Quarter of said Section 21, also being the south line of Minneopa Cemetery and the point of beginning of the tract to be herein described; thence North 88 degrees 22 minutes 26 seconds East, along said south line of Minneopa Cemetery, a distance of 228.95 feet; thence southwesterly 58.5 feet, more or less, to the intersection of the west line of Block 188 and the northerly line of the railroad right-of-way, said point of

intersection being 31.90 feet distant, measured at right angles from the south line of said Minneopa Cemetery; thence continue southwesterly along said railroad right-of-way 187 feet, more or less, to a point on the west line of the Northwest Quarter of the Northwest Quarter of said Section 21; thence North 01 degree 31 minutes 27 seconds West, along said west line to the point of beginning.

Subd. 3. [85.012] [Subd. 60.] William O'Brien State Park, Washington County. The following areas are deleted from William O'Brien State Park, Washington County:

(1) those parts of Section 25, Township 32 North, Range 20 West, Washington County, Minnesota, described as follows:

The West two rods of the Southwest Quarter of the Northeast Quarter, the West two rods of the North two rods of the Northwest Quarter of the Southeast Quarter, and the East two rods of the Southeast Quarter of the Northwest Quarter; and

(2) the East two rods over and across the Northeast Quarter of the Northwest Quarter, excepting therefrom the North 200 feet of said Northeast Quarter of the Northwest Quarter. Also, the West 2 rods of the Northwest Quarter of the Northeast Quarter, excepting therefrom the North 266 feet of said Northwest Quarter of the Northeast Quarter. Also, the South 66 feet of the North 266 feet of that part of said Northwest Quarter of the Northeast Quarter lying southwesterly of the existing public road known as 199th Street North.

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

Sec. 14. **RIVERLANDS STATE FOREST; BOUNDARIES.**

**[89.021] [Subd. 42a.] Riverlands State Forest.** The following areas are designated as the Riverlands State Forest:

(1) those parts of Carlton County in Township 49 North, Range 16 West, described as follows:

(i) Government Lots 4, 5, and 6, the westerly 50 feet of Government Lot 3, the easterly 50 feet of Government Lot 8, and Government Lot 7 except that part conveyed to the State of Minnesota for highway right-of-way, Section 30;

(ii) Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12 and all of Government Lot 14 except the North 890 feet of the West 765 feet and except the railroad right-of-way, Section 31; and

(iii) the South Half of the Northwest Quarter and the Southwest Quarter of Section 32;

(2) those parts of St. Louis County in Township 50 North, Range 17 West, described as follows:

(i) Government Lots 1, 2, 3, and 6 and the Southeast Quarter of the Northwest Quarter of Section 7;

(ii) Government Lots 1, 2, and 3, that part of the Northeast Quarter of the Northeast Quarter lying south of Township Road 5703, the Northwest Quarter of the Northwest Quarter, the Northeast Quarter of the Southeast Quarter, the Southwest Quarter of the Southeast Quarter, the Southeast Quarter of the Northeast Quarter, the Northwest Quarter of the Southeast Quarter, and the Southeast Quarter of the Southeast Quarter, Section 15;

(iii) Government Lots 1, 2, 3, and 4, Section 16;

(iv) Government Lots 1, 2, 3, and 4, Section 17;

(v) Government Lots 1 and 2, Section 18;

(vi) Government Lots 3, 7, 8, and 9, Section 22;

(vii) that part of the Southwest Quarter of the Southwest Quarter lying within 50 feet of the St. Louis River in Section 23;

(viii) Government Lots 11 and 12 and that part of Government Lot 6 lying South of the North 700 feet except the railroad right-of-way, Section 26; and

(ix) Government Lot 3 in Section 27;

(3) those parts of St. Louis County in Township 50 North, Range 18 West, described as follows:

(i) Government Lots 2, 3, 4, 7, 9, and 10, the Southwest Quarter of the Northeast Quarter, the Southeast Quarter of the Northwest Quarter, the Northwest Quarter of the Southeast Quarter, the Northeast Quarter of the Southwest Quarter, reserving a 66-foot-wide access easement across Government Lot 2 for access to Grantor's property in Section 31, Township 51 North, Range 17 West, and that part of Government Lot 6, Section 1, and Government Lot 6, Section 2, described as follows:

Commencing at an iron pin at the centerline curve point of Trunk Highway No. 2, being the Minnesota Department of Transportation Station No. 2637 + 00, said point bears North 76 degrees 18 minutes 00 seconds West, assumed bearing 762.00 feet from the point of intersection of the tangent of said Trunk Highway No. 2, being an aluminum-capped monument on the cap of which are stamped the figures "2644 62.0" and the letters "PI." "Minn Highway Dept. Monument," thence South 13 degrees 42 minutes 00 seconds West 100.00 feet along the prolongation of the radial line from said curve point, to the southerly right-of-way line of said Trunk Highway No. 2, the point of beginning of the tract to be herein described; thence easterly 622.50 feet along said southerly right-of-way line, along a nontangential curve, concave to the North, having a radius of 5,830.00 feet, a central angle of 6 degrees 07 minutes 04 seconds, and the chord of said curve bears South 79 degrees 21 minutes 32 seconds East; thence South 26 degrees 25 minutes 57 seconds West 284.19 feet; thence South 88 degrees 07 minutes 14 seconds West 769 feet, more or less, to the shore of the St. Louis River; thence northerly along said shore to its intersection with a line that bears North 76 degrees 18 minutes 00 seconds West from the point of beginning; thence South 76 degrees 18 minutes 00 seconds East 274 feet, more or less, to the point of beginning, Section 1; and

(ii) Government Lot 1, Section 12;

(4) those parts of St. Louis County in Township 51 North, Range 17 West, described as follows:

(i) Government Lots 3, 4, 5, 6, and 8, Section 3;

(ii) Government Lots 1, 2, 3, 4, 5, 6, 7, 8, and 9 and the Northwest Quarter of the Northeast Quarter, Southeast Quarter of the Northwest Quarter, and East Half of the Southeast Quarter, Section 9;

(iii) Government Lots 1, 2, 5, and 8 and the Southwest Quarter of the Southeast Quarter, Section 16;

(iv) Government Lots 2, 3, 4, 5, 6, 7, 8, and 9 and the Southeast Quarter of the Southeast Quarter of the Northwest Quarter of the Northwest Quarter, Section 20;

(v) Government Lot 1 and the Southwest Quarter of the Southwest Quarter, Section 29;

(vi) Government Lots 4, 5, 6, 7, 8, 9, 10, 11, and 12 and the Northeast Quarter of Southwest Quarter, Section 30; and

(vii) Government Lots 1, 2, 3, 4, 5, and 6, Section 31;

(5) those parts of St. Louis County in Township 51 North, Range 18 West, described as follows:

(i) Government Lots 1 and 2, Section 27;

(ii) Government Lot 1, Section 28, except railroad right-of-way;

(iii) Government Lots 2, 3, and 4, Section 28;

(iv) Government Lots 3 and 4, Section 29;

(v) Government Lots 2, 3, and 4, Section 30;

(vi) Government Lots 3 and 4, Section 35; and

(vii) Government Lots 1, 2, 3, 4, 5, 6, 7, and 8 and the Northeast Quarter of the Northwest Quarter, Northeast Quarter of the Southeast Quarter, Southeast Quarter of the Southeast Quarter, and Southwest Quarter of the Southeast Quarter, Section 36, reserving a 66-foot-wide access easement across Government Lots 5 and 6 and the Southwest Quarter of the Southeast Quarter for access to Grantor's property in Section 31, Township 51 North, Range 17 West;

(6) those parts of St. Louis County in Township 51 North, Range 19 West, described as follows:

(i) that part of Government Lots 1, 2, and 3, Section 26, lying North of the St. Louis River and Government Lot 7, Section 28;

(ii) Government Lot 8, Section 28, lying northerly of G. N. right-of-way and Government Lot 5, Section 30;

(iii) Government Lots 7 and 10, Section 30, except right-of-way;

(iv) Government Lot 9, Section 30; and

(v) Government Lot 1, Section 31, lying northerly of the northerly railroad right-of-way line;

(7) those parts of St. Louis County in Township 51 North, Range 20 West, described as follows:

(i) Government Lot 2, Section 16;

(ii) Government Lot 8, Section 22;

(iii) Government Lot 3, Section 26;

(iv) Government Lots 1, 2, 3, and 4, Section 36; and

(v) Government Lots 6, 7, and 8, Section 36, except railroad right-of-way;

(8) those parts of St. Louis County in Township 52 North, Range 15 West, described as follows:

(i) Government Lots 3, 4, 5, and 6, Section 16;

(ii) Government Lots 1, 2, 3, 4, 5, 7, and 8, Section 17, and Government Lot 6, Section 17, except the West 330 feet; and

(iii) Government Lots 3, 4, 5, 6, and 7, Section 19;

(9) those parts of St. Louis County in Township 52 North, Range 16 West, described as follows:

(i) Government Lots 1, 2, 3, 4, and 5 and the Southeast Quarter of the Southeast Quarter, Northeast Quarter of the Southwest Quarter, and Southwest Quarter of the Southwest Quarter, Section 21;

(ii) Government Lots 2, 3, 4, 5, 6, 7, 8, 9, and 10 and the Northeast Quarter of the Northwest Quarter and Northwest Quarter of the Northwest Quarter, Section 22;

(iii) Government Lot 3, Section 23;

(iv) Government Lot 2, Section 24;

(v) Government Lots 1, 4, 5, 6, 7, 8, 9, and 10, Section 25;

(vi) Government Lot 1, Section 26;

(vii) Government Lots 2 and 7, Section 26;

(viii) Government Lots 3 and 4, Section 27, reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access road easement across said Government Lot 3 for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 1, Section 27, said access road being measured 33 feet from each side of the centerline of that road that is presently existing at various widths and running in a generally southwesterly-northeasterly direction;

(ix) Government Lots 1 and 2, Section 28;

(x) Government Lots 1, 2, 3, and 5 and the Northeast Quarter of the Northeast Quarter and Southwest Quarter of the Northeast Quarter, Section 29;

(xi) Government Lots 1, 2, 3, and 4, Section 31, reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access road easement across said Government Lots 1, 2, and 3 for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned lands that may be sold, assigned, or transferred in Government Lot 4, Section 29, said access road being measured 33 feet from each side of the centerline of that road that is presently existing at various widths and running in a generally East-West direction and any future extensions thereof as may be reasonably necessary to provide the access contemplated herein;

(xii) Government Lots 5, 7, 8, and 9, Section 31;

(xiii) Government Lots 1 and 2, an undivided two-thirds interest in the Northeast Quarter of the Northwest Quarter, an undivided two-thirds interest in the Southeast Quarter of the Northwest Quarter, and an undivided two-thirds interest in the Southwest Quarter of the Northwest Quarter, Section 32, reserving unto Grantor and Grantor's successors and assigns an access road easement across the West 66 feet of the North 66 feet of said Government Lot 1 for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 4, Section 29; and

(xiv) Northeast Quarter of Northeast Quarter, Section 35;

(10) those parts of St. Louis County in Township 52 North, Range 17 West, described as follows:

(i) the Southwest Quarter of the Southeast Quarter and Southeast Quarter of the Southwest Quarter, Section 24, reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access road easement across said Southwest Quarter of the Southeast Quarter for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 4, Section 29, Township 52 North, Range 16 West, said access road being measured 33 feet from each side of the centerline of that road that is presently existing at various widths and running in a generally North-South direction;

(ii) Government Lots 2, 3, 4, 5, and 7 and the Southwest Quarter of the Northeast Quarter, Section 25, reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access road easement across said Government Lots 2 and 5 for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 6, Section 25, said access road being measured 33 feet from each side of the centerline of that road that is presently existing at various widths and running in a generally northwesterly-southeasterly direction and any future extensions thereof as may be reasonably necessary to provide the access contemplated herein;

(iii) Government Lots 2, 4, 5, and 6 and all that part of Government Lot 3 lying East of U.S. Highway 53, Section 26, reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access road easement across said Government Lots 2 and 3 for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 1, Section 26, said access road being measured 33 feet from each side of the centerline of that road that is presently existing at various widths and running in a generally southwesterly-northeasterly direction and reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access road easement across said Government Lots 4, 5, and 6 for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 6, Section 25, said access road being measured 33 feet from each side of the centerline of that road that is presently existing at various widths and running in a generally southwesterly-northeasterly direction and any future extensions thereof as may be reasonably necessary to provide the access contemplated herein; and

(iv) Government Lots 1, 2, and 3, Section 36, reserving unto Grantor and Grantor's successors and assigns an access road easement across the West 66 feet of said Government Lot 2 for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in the Southwest Quarter of the Northeast Quarter, Section 36;

(11) those parts of St. Louis County in Township 52 North, Range 19 West, described as follows:

(i) Government Lot 1, Section 16;

(ii) Government Lots 1 and 2, Section 17; and

(iii) Government Lot 1, Section 19;

(12) those parts of St. Louis County in Township 52 North, Range 20 West, described as follows:

(i) Government Lots 2, 3, and 4, Section 13;

(ii) Government Lot 6, Section 24;

(iii) that part of Government Lot 8, Section 24, described as follows:

Commencing at the West Quarter corner of said Section 24, which is also the northwest corner of Government Lot 8; thence South 01 degree 36 minutes 01 second East (bearing assigned) 1,230.11 feet along the west line of Government Lot 8 to the centerline of St. Louis County Highway 29 and the point of beginning; thence North 46 degrees 59 minutes 59 seconds East along said centerline 445.91 feet; thence South 43 degrees 00 minutes 01 second East 82.57 feet to an iron pipe monument on the westerly bank of the St. Louis River; thence continuing South 43 degrees 00 minutes 01 second East 30 feet, more or less, to the water's edge of the St. Louis River; thence southwesterly along said water's edge to the west line of said Government Lot 8; thence North 01 degree 36 minutes 01 second West along the west line of said Government Lot 8 to the point of beginning;

(iv) Government Lots 3, 4, and 5 and the Southeast Quarter of the Southwest Quarter, Section 26; and

(v) Government Lots 1, 2, 3, and 4, Section 34;

(13) those parts of St. Louis County in Township 53 North, Range 13 West, described as follows:

(i) all that part of the Northwest Quarter of the Northwest Quarter lying North and West of the Little Cloquet River, Section 4;

(ii) Government Lots 1, 2, 3, 4, and 5, the Northeast Quarter of the Northeast Quarter, Northwest Quarter of the Northeast Quarter, Southwest Quarter of the Northeast Quarter, Northeast Quarter of the Northwest Quarter, Southeast Quarter of the Northwest Quarter, Northeast Quarter of the Southwest Quarter, and Southwest Quarter of the Northwest Quarter, Section 5;

(iii) Government Lots 1, 2, and 4 and the Northwest Quarter of the Southeast Quarter, Southeast Quarter of the Southeast Quarter, Southwest Quarter of the Southeast Quarter, Southeast Quarter of the Southwest Quarter, and Southwest Quarter of the Southwest Quarter, Section 6;

(iv) Government Lots 1, 2, 3, 4, 5, 6, and 7 and the Northwest Quarter of the Northeast Quarter, Northeast Quarter of the Northwest Quarter, Northwest Quarter of the Northwest Quarter, Southeast Quarter of the Northwest Quarter, Southwest Quarter of the Northwest Quarter, Southeast Quarter of the Southeast Quarter, and Northeast Quarter of the Southwest Quarter, Section 7;

(v) Government Lots 1 and 2 and the Northeast Quarter of the Northeast Quarter, Northwest Quarter of the Northeast Quarter, Southeast Quarter of the Northeast Quarter, Southwest Quarter of the Northeast Quarter, Northeast Quarter of the Southwest Quarter, Northwest Quarter of the Southwest Quarter, and Southwest Quarter of the Southwest Quarter, Section 8;

(vi) the Northeast Quarter of the Northwest Quarter, Northwest Quarter of the Northwest Quarter, Southeast Quarter of the Northwest Quarter, and Southwest Quarter of the Northwest Quarter, Section 17;

(vii) Government Lots 1 and 4, Section 29;

(viii) Government Lots 1 and 2 and the Northeast Quarter of the Northeast Quarter, Northwest Quarter of the Northeast Quarter, Southeast Quarter of the Northeast Quarter, Northeast Quarter of the Northwest Quarter, Northwest Quarter of the Northwest Quarter, Southeast Quarter of the Northwest Quarter, and Southwest Quarter of the Northwest Quarter, Section 30; and

(ix) Government Lots 1, 2, 3, and 4, Section 31;

(14) Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10, Section 36, Township 53 North, Range 14 West, St. Louis County;

(15) those parts of St. Louis County in Township 53 North, Range 18 West, described as follows:

(i) Government Lots 3, 6, 7, and 8, Section 6; and

(ii) Government Lots 1 and 2, Section 7;

(16) those parts of St. Louis County in Township 53 North, Range 19 West, described as follows:

(i) all that part of Government Lot 5 lying within 50 feet of the St. Louis River, Section 5, and Government Lots 1, 2, 5, 6, 7, and 8, Section 12;

(ii) Government Lots 1, 2, 3, 5, 8, and 9, Section 13;

(iii) all that portion of Government Lot 1, Section 23, that lies within 50 feet of the East bank of the Whiteface River at mean stage of water;

(iv) all that portion of Government Lots 2, 4, and 5, Section 23, that lies within 50 feet of the West bank of the Whiteface River at mean stage of water;

(v) all that part of Government Lot 7, Section 23, lying West of the former DM&IR railroad right-of-way;

(vi) Government Lots 8 and 10, Section 23;

(vii) all that part of the Northwest Quarter of the Southeast Quarter, Section 23, lying West of the former DM&IR railroad right-of-way;

(viii) Government Lots 5, 7, and 8, Section 31; and

(ix) Government Lot 5, Section 33;

(17) those parts of St. Louis County in Township 54 North, Range 13 West, described as follows:

(i) Government Lots 1, 4, 5, 6, and 7, Section 20;

(ii) Government Lots 3, 4, 6, 7, and 8 and the Southeast Quarter of the Southwest Quarter, Section 21;

(iii) Government Lots 1, 2, 3, 4, 5, and 7, Section 29;

(iv) Government Lots 1, 2, 3, 4, 9, and 10, Section 30; and

(v) Government Lots 5, 6, and 7 and the Northeast Quarter of the Northeast Quarter, Northwest Quarter of the Northeast Quarter, Southwest Quarter of the Northeast Quarter, Southeast Quarter of the Northwest Quarter, and Northwest Quarter of the Southeast Quarter, Section 31;

(18) those parts of St. Louis County in Township 54 North, Range 16 West, described as follows:

(i) Government Lots 2, 3, and 4 and the Northwest Quarter of the Southwest Quarter, Southeast Quarter of the Northwest Quarter, Southeast Quarter of the Northeast Quarter, and Southwest Quarter of the Northeast Quarter, Section 1;

(ii) Government Lots 1, 2, 3, 4, 6, 7, and 8 and the Northwest Quarter of the Southeast Quarter, Northeast Quarter of the Southeast Quarter, Southwest Quarter of the Southeast Quarter, Southeast Quarter of the Southeast Quarter, Southeast Quarter of the Southwest Quarter, and Southeast Quarter of the Northeast Quarter, Section 2;

(iii) all that part of Government Lot 9 lying South of the Whiteface River and West of County Road 547, also known as Comstock Lake Road, Section 3; and

(iv) Government Lots 3 and 4 and the Southeast Quarter of the Northeast Quarter and Southwest Quarter of the Northeast Quarter, Section 10;

(19) those parts of St. Louis County in Township 54 North, Range 18 West, described as follows:

(i) the South Half of the Southwest Quarter, except the railroad right-of-way, Section 15;

(ii) Government Lot 2, except the North 660 feet of the East 990 feet, Section 16;

(iii) Government Lots 1, 3, 4, 5, 6, 7, and 8, Section 16;

(iv) Government Lot 3, Section 20;

(v) Government Lots 1, 2, 3, 4, and 5, Section 21;

(vi) Government Lots 1, 4, 5, and 7, Section 22;

(vii) those parts of Government Lots 2 and 9, except railroad right-of-way, Section 22;

(viii) all that part of Government Lot 6, Section 22, lying West of the Duluth Mesaba and Northern Railway Company's right-of-way;

(ix) Government Lot 9, Section 22, except the following parcels:

(A) beginning at a point where the south line of company road, called Kelsey Road, intersects with the west line of the right-of-way of the Duluth, Missabe and Northern Railway on the Northeast Quarter of the Southeast Quarter, Section 22, Township 54, Range 18; thence West along the south line of said company road 627 feet; thence South 348 1/3 feet; thence East 627 feet to the west line of the right-of-way of the Duluth, Missabe and Northern Railway; thence North on the west line of said right-of-way 348 1/3 feet to commencement;

(B) beginning at the quarter corner between Sections 22 and 23, Township 54, Range 18; thence running North along the section line 114 feet, 6 inches, to the south line of Kelsey Road; thence northwesterly along the south line of Kelsey Road 348 feet, 8 inches, to the boundary of the right-of-way of the Duluth, Missabe and Northern Railway, thence South along the easterly boundary of the right-of-way of the Duluth, Missabe and Northern Railway 274 feet to the quarter line on Section 22; thence easterly along said quarter line 304 feet, 6 inches, to the point of beginning; and

(C) commencing at the southwest corner of Riverside Cemetery as recorded in "P" of Plats, Page 15; thence easterly along the south line of said cemetery to a point where said cemetery line intersects the westerly line of Highway No. 7, also known as Mesaba Trunk Highway; thence southerly along the westerly line of said Highway No. 7 to a point where said westerly line of said Highway No. 7 intersects the south line of Lot 9, Section 22, Township 54, Range 18; thence westerly along the southerly line of said Lot 9 to a point where the southerly line intersects the easterly line of the DM & N Railway Company's right-of-way; thence northerly along the easterly side of said DM & N Railway Company's right-of-way to beginning;

(x) Government Lots 2, 3, 4, 5, 6, 7, and 8, Section 29;

(xi) Government Lots 5 and 6, Section 30; and

(xii) Government Lots 3, 4, 5, 6, 9, 10, 11, and 12, Section 31;

(20) those parts of St. Louis County in Township 54 North, Range 19 West, described as follows:

(i) Government Lots 5, 6, 7, 8, and 9, Section 5;

(ii) Government Lots 1, 2, 3, 4, 5, 6, 7, and 8, Section 8;

(iii) Government Lots 1, 2, 3, 4, 5, 6, 7, and 8, Section 20;

(iv) Government Lots 2 and 3, Section 29;

(v) Government Lot 1, Section 32;

(vi) Government Lot 5, except the South 1,320 feet, Section 32; and

(vii) Government Lot 2, Section 33;

(21) those parts of St. Louis County in Township 55 North, Range 15 West, described as follows:

(i) Governments Lot 1 and 2, Section 11;

(ii) Government Lot 9, except Highway 4 right-of-way, Section 11;

(iii) Government Lot 10, except Highway 4 right-of-way, Section 11;

(iv) Government Lots 2, 3, 4, 5, 6, and 7, Section 15;

(v) Government Lots 2, 3, 5, 6, 7, and 8 and the Northeast Quarter of Southwest Quarter, Section 21;

(vi) the Southwest Quarter of the Northeast Quarter, reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access easement across said Southwest Quarter of the Northeast Quarter for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 4, Section 21, Township 55 North, Range 15 West, said access road being measured 33 feet on each side of the centerline of that road that is presently existing and known as the Whiteface Truck Trail, Section 21;

(vii) Government Lots 1, 2, and 3, Section 22;

(viii) Government Lots 1 and 2 and the Northeast Quarter of the Northwest Quarter, Section 28;

(ix) Government Lots 1, 4, 6, 8, and 9 and the Northeast Quarter of the Northeast Quarter, Northeast Quarter of the Southeast Quarter, and Northwest Quarter of the Southwest Quarter, Section 29;

(x) Government Lots 3 and 4 and the Northeast Quarter of the Southeast Quarter, Northeast Quarter of the Southwest Quarter, and Southeast Quarter of the Southwest Quarter, Section 30;

(xi) Government Lots 2, 3, 4, 5, 6, 8, 9, 10, and 11 and the Northeast Quarter of the Southwest Quarter, Section 31; and

(xii) Government Lot 1, Section 32;

(22) those parts of St. Louis County in Township 55 North, Range 16 West, described as follows:

(i) the Southwest Quarter of the Southeast Quarter, reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access road easement across said Southwest Quarter of the Southeast Quarter for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 5, Section 1, Township 54 North, Range 16 West, Section 35; and

(ii) the Southeast Quarter of the Southeast Quarter, reserving unto Grantor and Grantor's successors and assigns a 66-foot-wide access road easement across said Southeast Quarter of the Southeast Quarter for the purpose of access to Grantor's or Grantor's successors or assigns land and Grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 5, Section 1, Township 54 North, Range 16 West, Section 35;

(23) those parts of St. Louis County in Township 55 North, Range 19 West, described as follows:

(i) an undivided two-thirds interest in Government Lot 1, Section 2;

(ii) Government Lots 2, 9, 10, and 12, Section 2;

(iii) Government Lot 11, Section 2, except railroad right-of-way;

(iv) Government Lots 1, 2, 3, 4, and 6, Section 10;

(v) Government Lot 4, Section 11;

(vi) Government Lots 1, 2, 6, 7, and 13, Section 15;

(vii) Government Lots 1 and 2, Section 16;

(viii) Government Lots 1 and 3 and the Southeast Quarter of the Northeast Quarter and Southwest Quarter of the Northeast Quarter, Section 22;

(ix) Government Lots 3, 4, 5, 6, 7, and 8 and the Northeast Quarter of the Northwest Quarter, Section 29;

(x) Government Lot 6, Section 30; and

(xi) Government Lots 4, 7, 8, 9, and 10, Section 31;

(24) those parts of St. Louis County in Township 56 North, Range 17 West, described as follows:

(i) Government Lots 2 and 8 and the Northwest Quarter of the Southeast Quarter and Northeast Quarter of the Southwest Quarter, Section 3;

(ii) Government Lots 4, 5, 6, 7, and 9, Section 3; and

(iii) Government Lots 6 and 9, that part of Government Lot 8 lying North of Highway No. 53, and that part of Government Lot 7 lying West of Highway No. 53, Section 4;

(25) those parts of St. Louis County in Township 56 North, Range 18 West, described as follows:

(i) Government Lots 5 and 6, Section 2;

(ii) Government Lots 5, 7, and 9 and the Northeast Quarter of the Southwest Quarter, Section 3;

(iii) all that part of Government Lot 11, except the following described parcel of land:

Beginning at a point that is located 958 feet North of the southeast corner of said Government Lot 11, which corner is also the southeast corner of said Section 3, and 33 feet West of the east line of said Lot 11; thence running North parallel with the east line of said Lot 11 a distance of 700.5 feet to a point; thence southwesterly to a point that is 331.5 feet West and 1226 feet North of the southeast corner of said Lot 11; thence southerly parallel with the east line of said lot, a distance of 268 feet to a point; thence easterly a distance of 298.5 feet to the place of beginning, Section 3;

(iv) Government Lot 12, Section 3, except the following described parcels of land:

(A) commencing at a point along the East and West One-Quarter line of said Section 3, which point is 33 feet West of the East One-Quarter corner of said Section 3, said point being on the west right-of-way line of County Highway No. 7; thence westerly along said quarter line for a distance of 300 feet to a point; thence southerly at right angles and parallel to the highway right-of-way in question for a distance of 300 feet to a point; thence easterly for a distance of 300 feet to a point in the west right-of-way line of County Highway No. 7; thence northerly along the west right-of-way line of County Highway No. 7 for a distance of 300 feet to the point of beginning;

(B) commencing at the East Quarter corner of said Section 3; thence westerly along the East/West Quarter line of said Section 3 a distance of 33.00 feet to the westerly right-of-way line of County Highway No. 7; thence continuing westerly along said East/West Quarter line a distance of 300.00 feet to the point of beginning; thence southerly, parallel with the westerly right-of-way line of County Highway No. 7 a distance of 400.00 feet; thence westerly, parallel with said East/West Quarter line to the easterly right-of-way line of the DM&IR Railroad; thence northerly along said easterly right-of-way line to said East/West Quarter line; thence easterly along said East/West Quarter line to the point of beginning; and

(C) the East 33 feet of the North 300 feet of said Government Lot 12;

(v) the Southeast Quarter of the Southeast Quarter, Section 4;

(vi) the Southeast Quarter of the Southeast Quarter, Section 7;

(vii) Government Lots 6 and 7, Section 8;

(viii) Government Lots 1 and 2, Section 9;

(ix) Government Lots 2 and 3, Section 17;

(x) Government Lots 5, 6, 7, 9, 10, 11, 12, and 13 and the Southeast Quarter of the Northwest Quarter, Section 18;

(xi) Government Lots 6, 7, 8, 9, 11, and 12 and the Northeast Quarter of the Northwest Quarter, Section 19;

(xii) Government Lots 1, 5, 8, and 9, Section 20;

(xiii) Government Lots 4, 5, 6, 7, and 8 and Government Lot 3, except for 1.0 acre for cemetery, Section 29;

(xiv) Government Lot 9, Section 30;

(xv) Government Lots 1, 2, 3, 6, 8, 9, 10, and 11, Section 31; and

(xvi) Government Lots 1 and 2, Section 32;

(26) those parts of St. Louis County in Township 56 North, Range 19 West, described as follows:

(i) Government Lot 1, Section 35;

(ii) Government Lot 2, Section 35; and

(iii) Government Lots 1, 2, 3, 4, 5, 6, 7, 8, and 9 and the Southeast Quarter of the Southeast Quarter and Southwest Quarter of the Northeast Quarter, Section 36;

(27) those parts of St. Louis County in Township 57 North, Range 16 West, described as follows:

(i) the Southeast Quarter of the Northwest Quarter, Northwest Quarter of the Northeast Quarter, Southwest Quarter of the Southwest Quarter, and Northeast Quarter of the Southwest Quarter, Section 12; and

(ii) the Southeast Quarter of the Northwest Quarter, Section 15; and

(28) those parts of St. Louis County in Township 57 North, Range 17 West, described as follows:

(i) the Northeast Quarter of the Southwest Quarter and Southwest Quarter of the Southwest Quarter, Section 25; and

(ii) the Southeast Quarter of the Southeast Quarter and the Northeast Quarter of the Southeast Quarter, Section 26.

Sec. 15. **PRIVATE SALE OF TAX-FORFEITED LAND; AITKIN COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Aitkin County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Aitkin County and is described as:

The North Half of the Northeast Quarter of the Northeast Quarter lying East of 275th Avenue in Section 11, Township 47 North, Range 25 West, Aitkin County, Minnesota (part of parcel 15-0-017700).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership.

Sec. 16. **PRIVATE SALE OF TAX-FORFEITED LAND; BELTRAMI COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Beltrami County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in Beltrami County and are described as:

(1) the East 285 feet of the North 55 feet of the South Half of the Southeast Quarter, Section 13, Township 149 North, Range 32 West of the Fifth Principle Meridian (parcel identification number 16.00170.00);

(2) Lot 6, Block 12, Plat of Redby, Section 19, Township 151 North, Range 33 West (parcel identification number 36.00027.00);

(3) Lot 7, Block 16, Plat of Redby, Section 20, Township 151 North, Range 33 West (parcel identification number 36.00052.00);

(4) Lot 8, Block 16, Plat of Redby, Section 20, Township 151 North, Range 33 West (parcel identification number 36.00053.00);

(5) Lot 9, Block 16, Plat of Redby, Section 20, Township 151 North, Range 33 West (parcel identification number 36.00054.00);

(6) Lots 10, 11, and 12, Block 16, Plat of Redby, Section 20, Township 151 North, Range 33 West (parcel identification number 36.00055.00);

(7) the southerly 200 feet of vacated Block 28, Plat of Redby, less the northerly 75 feet of the westerly 150 feet thereof and less the easterly 170 feet thereof, Section 20, Township 151 North, Range 33 West (parcel identification number 36.00077.00);

(8) Lot 4, Block 29, Plat of Redby, Section 20, Township 151 North, Range 33 West (parcel identification number 36.00081.00); and

(9) Lot 1, Block 62, Plat of Redby, Section 19, Township 151 North, Range 33 West (parcel identification number 36.00148.00).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 17. **PRIVATE SALE OF SURPLUS STATE LAND; CASS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Cass County and is described as: the westerly 20.00 feet of the West Half of the Northeast Quarter, Section 16, Township 139 North, Range 30 West, Cass County, Minnesota. The Grantor, its employees and agents only, reserves a perpetual easement for ingress and egress over and across the above described land.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 18. **GOODHUE COUNTY; LAND TRANSFERS.**

Subdivision 1. **Land transfers.** (a) Notwithstanding Minnesota Statutes, section 373.01, subdivision 1, paragraph (a), clause (3), Goodhue County may sell, lease, or otherwise convey county-owned land that abuts Lake Byllesby to adjoining property owners who after the transfer will have direct access to Lake Byllesby. Any sale, lease, or other conveyance must be for the market value of the property as appraised by the county. A sale, lease, or other conveyance under this section must reserve to the county mineral rights according to Minnesota Statutes, section 373.01, and flowage easements relating to water levels of Lake Byllesby.

(b) This section does not apply to any county-owned land that has been developed by the county as public parkland.

Subd. 2. **Effective date; local approval.** This section is effective the day after the governing body of Goodhue County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 19. **PRIVATE SALE OF TAX-FORFEITED LANDS; ITASCA COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Itasca County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in Itasca County and are described as:

(1) all that part of Government Lot 2, Section 27, Township 145 North, Range 26 West, lying northeasterly of the northeasterly right-of-way line of CSAH 39 and northwesterly of the following described line: Commencing at the northwest corner of said Government Lot 2; thence South 89 degrees 21 minutes East, along the north line of said Government Lot 2 a distance of 286 feet, more or less, to a point on the northeasterly right-of-way line of the CSAH 39 right-of-way; thence South 51 degrees 01 minute East, 260.41 feet to the point of beginning of the line to be described; thence North 42 degrees 11 minutes East to intersect the water's edge of Ball Club Lake and there said line terminates; and

(2) the South two rods of the East 16 rods of Government Lot 14, Section 4, Township 60 North, Range 26 West of the Fourth Principle Meridian, containing approximately 0.20 acres.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 20. **PRIVATE SALE OF SURPLUS STATE LAND; LAKE OF THE WOODS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Lake of the Woods County and is described as: a strip of land lying in Government Lot 3, Section 5, Township 163 North, Range 34 West of the Fifth Principal Meridian, Lake of the Woods County, Minnesota; said strip of land being 33.00 feet in width lying 16.50 feet on each side of the following described centerline:

Commencing at the southeast corner of said Government Lot 3; thence North 00 degrees 09 minutes 28 seconds West, assumed bearing, along the east line of said Government Lot 3, a distance of 690 feet, more or less, to the south line of that particular tract of land deeded to the State of Minnesota according to Document No. 75286, on file and of record in the Office of the Recorder, Lake of the Woods County, Minnesota; thence South 89 degrees 50 minutes 32 seconds West, along said south line of that particular tract of land, a distance of 200.00 feet; thence South 00 degrees 09 minutes 28 seconds East, parallel with the east line of said Government Lot 3, a distance of 40.00 feet; thence South 89 degrees 50 minutes 32 seconds West, a distance of 16.50 feet to the point of beginning of the centerline to be herein described; thence South 00 degrees 09 minutes 28 seconds East, parallel with the east line of said Government Lot 3, a distance of 650.5 feet, more or less, to the south line of said Government Lot 3 and said centerline there terminating.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 21. **PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATERS; ROSEAU COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus island located in public water that is described in paragraph (d) to a local unit of government for less than market value.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land described in paragraph (d) may be sold by quitclaim deed and the conveyance must provide that the land described in paragraph (d) be used for the public and reverts to the state if the local unit of government fails to provide for public use or abandons the public use of the land. The conveyance is subject to a flowage easement held by the United States of America.

(d) The land that may be conveyed is located in Roseau County and is described as: an unsurveyed island located in the approximate center of the South Half of the Southeast Quarter of Section 29, Township 163 North, Range 36 West, Roseau County, Minnesota; said island contains 6.7 acres, more or less (parcel identification number 563199100).

(e) The island is located in Warroad River and was created after statehood when dredge spoils were deposited on a sandbar in the Warroad River. The Department of Natural Resources has determined that the land is not needed for natural resource purposes, the conveyance would further the public interest, and the state's land management interests would best be served if the land was conveyed to a local unit of government for a public park and other public use.

Sec. 22. **PRIVATE SALE OF SURPLUS STATE LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of natural resources may convey the surplus land that is described in paragraph (c) to a local unit of government for no consideration.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in St. Louis County and is described as: that part of the Southwest Quarter of the Northwest Quarter of Section 27, Township 52 North, Range 17 West, St. Louis County, Minnesota, described as follows:

Commencing at the quarter corner between Sections 27 and 28 of said Township 52 North, Range 17 West; thence running East 624 feet; thence North 629 feet to the point of beginning; thence North 418 feet; thence East 208 feet; thence South 418 feet; thence West 208 feet to the point of beginning.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were conveyed to a local unit of government.

Sec. 23. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) Lot 5, Block 9, including part of vacated Seafield Street adjacent, Bristol Beach 1st Division, Duluth (parcel 010-0300-01030); and

(2) that part of the Southeast Quarter of the Northwest Quarter, Township 58, Range 15, Section 5, lying northerly of the northerly right-of-way line of the town of White road running in an east-west direction connecting County Road No. 138 with State Highway No. 135 and lying westerly of the following described line: commencing at the northeast corner of Government Lot 3; thence South 89 degrees 46 minutes 22 seconds West along the north line of Government Lot 3 558.28 feet; thence South 27 degrees 50 minutes 01 second West 102.75 feet; thence South 41 degrees 51 minutes 46 seconds West 452.29 feet; thence South 28 degrees 19 minutes 22 seconds West 422.74 feet; thence South 30 degrees 55 minutes 42 seconds West 133.79 feet; thence southwesterly 210.75 feet along a tangential curve concave to the southeast having a radius of 300 feet and a central angle of 40 degrees 15 minutes 00 seconds; thence South 09 degrees 19 minutes 19 seconds East tangent to said curve 100.30 feet, more or less, to the north line of said Southeast Quarter of the Northwest Quarter; thence North 89 degrees 09 minutes 31 seconds East along said north line 40.44 feet to the point of beginning of the line; thence South 09 degrees 19 minutes 19 seconds East 148 feet, more or less, to said right-of-way line and said line there terminating. Surface only (parcel 570-0021-00112).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 24. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) the South Half of the North Half of the South Half of the Southwest Quarter of the Northwest Quarter, except the East 470 feet and except the part taken for a road, Township 50 North, Range 15 West, Section 29 (parcel identification number 395-0010-08713);

(2) the East 271 feet of the West 371 feet of the North 669.94 feet of the Northwest Quarter of the Northwest Quarter of Section 34, Township 61 North, Range 15 West of the Fourth Principal Meridian. Together with the West 100 feet of the North 669.94 feet of the Northwest Quarter of the Northwest Quarter of Section 34, Township 61 North, Range 15 West of the Fourth Principal Meridian, which lies South of the North 300 feet thereof (part of parcel identification number 410-0024-00550);

(3) the West 371 feet of the Northwest Quarter of the Northwest Quarter of Section 34, Township 61 North, Range 15 West of the Fourth Principal Meridian, which lies South of the North 669.94 feet thereof (part of parcel identification number 410-0024-00550); and

(4) the Northeast Quarter, except the Southwest Quarter, and the North Half of the Northwest Quarter, Township 52 North, Range 19 West, Section 24 (part of parcel identification number 470-0010-03830).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 25. **ST. LOUIS COUNTY; LAND LEASE.**

Subdivision 1. **St. Louis County; lease.** Notwithstanding Minnesota Statutes, sections 16A.695 and 282.04, St. Louis County may lease property legally described as part of Government Lot 5 except the lake portion of Embarrass Mine, Township 58, Range 15 West, Section 5, for use as a water intake and water treatment project under Laws 2018, chapter 214, article 1, section 22, subdivision 6, for consideration of more than \$12,000 per year and for a period exceeding ten years.

Subd. 2. **Department of Natural Resources; lease.** Notwithstanding Minnesota Statutes, section 92.50, or other law to the contrary, the commissioner may lease property in Township 58, Range 15, Section 5, for use as a water intake and water treatment project under Laws 2018, chapter 214, article 1, section 22, subdivision 6, for a period exceeding 21 years, including a lease term of 40 years.

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

Sec. 26. **PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; SHERBURNE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c) to a local unit of government for less than market value.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Sherburne County and is described as: that part of Government Lot 3, Section 24, Township 33 North, Range 28 West, described as follows:

The East 400 feet of Government Lot 3, Section 24, Township 33 North, Range 28 West, according to the United States Government survey thereof.

(d) The land borders Big Lake. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were conveyed to a local unit of government.

Sec. 27. **PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; WADENA COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Wadena County and is described as: the Northeast Quarter of the Southwest Quarter of Section 26, Township 136 North, Range 34 West, Wadena County, Minnesota, except that part described as follows:

Beginning at the northeast corner of said Northeast Quarter of the Southwest Quarter; thence West 10 rods; thence South 8 rods; thence East 10 rods; thence North 8 rods to the point of beginning and there terminating.

(d) The land borders the Redeye River. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were returned to private ownership."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for environment, natural resources, and tourism; appropriating money from environment and natural resources trust fund; modifying provisions for forestry, wildlife, game and fish, invasive species, aquaculture, farmed Cervidae, pesticides, outdoor recreation, fees, waters of the state, land exchanges, waste management, pollution control and enforcement, and electric-assisted bicycles; modifying and creating accounts; providing for disposition of certain revenue; modifying commissioner authority and duties; establishing grant programs; providing for uniformity in DUI enforcement for recreational vehicles; requiring reimbursement of certain costs; adding and deleting land from certain state parks; establishing new state forest; authorizing private sale of certain tax-forfeited and surplus state land; authorizing certain land leases and transfers; requiring studies and reports; amending Minnesota Statutes 2020, sections 16A.151, subdivision 2; 16B.335, subdivision 2; 17.4982, subdivisions 6, 8, 9, 12, by adding subdivisions; 17.4985, subdivisions 2, 3, 5; 17.4986, subdivisions 2, 4; 17.4991, subdivision 3; 17.4992, subdivision 2; 17.4993, subdivision 1; 18B.09, subdivision 2, by adding a subdivision; 35.155, subdivisions 1, 4, 6, 10, 11, by adding a subdivision; 84.027, subdivisions 13a, 18; 84.415, by adding a subdivision; 84.63; 84.631; 84.66, subdivisions 1, 3; 84.787, subdivision 7; 84.795, subdivision 5; 84.797, subdivision 7; 84.82, subdivisions 1a, 7a; 84.83, subdivision 5; 84.92, subdivision 8; 84.943, subdivisions 3, 5, by adding subdivisions; 84.946, subdivision 4; 84D.02, subdivision 3; 84D.11, subdivision 1a; 84D.15; 85.015, subdivision 10; 85.019, by adding a subdivision; 85.052, subdivisions 1, 2, 6, by adding a subdivision; 85.053, subdivision 2, by adding a subdivision; 85.054, subdivision 1; 85.055, subdivision 1; 85.43; 85.47; 86B.415, subdivisions 1, 1a, 2, 3, 4, 5, 7; 86B.705, subdivision 2; 88.79, subdivision 1; 89.001, subdivision 8; 89.021, by adding a subdivision; 89.17; 89.35, subdivision 2; 89.37, subdivision 3; 89A.03, subdivision 2; 89A.11; 92.50, by adding a subdivision; 92.502; 94.3495, subdivision 3; 97A.015, subdivisions 25, 43; 97A.065, subdivision 2; 97A.401, subdivision 1, by adding a subdivision; 97A.421, subdivision 1; 97A.475, subdivision 41; 97A.505, subdivisions 3b, 8; 97B.071; 97B.811, subdivision 4a; 97C.005, subdivision 3; 97C.081, subdivisions 3, 3a; 97C.342, subdivision 2; 97C.515, subdivision 2; 97C.605, subdivisions 1, 2c, 3; 97C.611; 97C.805, subdivision 2; 97C.836; 103B.103; 103C.315, subdivision 4; 103G.255; 103G.271, subdivision 4a, by adding subdivisions; 103G.287, subdivision 5; 115.03, subdivision 1; 115.061; 115.071, subdivisions 1, 4, by adding subdivisions; 115A.03, by adding subdivisions; 115A.1310, subdivision 12b; 115A.1312, subdivision 1; 115A.1314, subdivision 1; 115A.1316, subdivision 1; 115A.1318, subdivision 2; 115A.1320, subdivision 1; 115A.565, subdivision 1; 115B.17, subdivision 13; 115B.406, subdivisions 1, 9; 115B.407; 115B.421; 115B.49, subdivision 4; 116.06, by adding a subdivision; 116.07, subdivisions 6, 9, by adding subdivisions; 116.11; 116G.07, by adding a subdivision; 116G.15, by adding a subdivision; 168.002, subdivision 18; 168.1295, subdivision 1; 169.011, subdivisions 27, 42, by adding subdivisions; 169.222, subdivisions 4, 6a, by adding a subdivision; 169A.20, subdivision 1; 169A.52, by adding a subdivision; 169A.54, by adding a subdivision; 171.306, by adding a subdivision; 290C.01; 325E.046; Laws 2016, chapter 154, sections 16; 48; Laws 2017, chapter 96, section 2, subdivision 9, as amended; Laws 2018, chapter 214, article 4, section 2, subdivision 6; Laws 2019, First Special Session chapter 4, article 1, section 3, subdivisions 4, 5; proposing coding for new law in Minnesota Statutes, chapters 84; 86B; 97B; 103B; 103C; 103F; 115A; 116; 171; 325F; repealing Minnesota Statutes 2020, sections 84.91, subdivision 1; 85.0505, subdivision 3; 85.0507; 85.054, subdivision 19; 86B.331, subdivision 1; 97C.605, subdivisions 2, 2a, 2b, 5; 115.44, subdivision 9; 115B.48, subdivision 8; 115C.13; 169A.20, subdivisions 1a, 1b, 1c; Minnesota Rules, parts 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, 8; 7044.0350."

The motion prevailed and the amendment was adopted.

Hansen, R., moved to amend S. F. No. 959, the third engrossment, as amended, as follows:

Page 154, after line 24, insert:

"Sec. 23. Minnesota Statutes 2020, section 115A.5501, subdivision 3, is amended to read:

Subd. 3. **Facility cooperation and reports.** (a) The owner or operator of a facility shall allow access upon reasonable notice to authorized agency staff for the purpose of conducting waste composition studies or otherwise assessing the amount of total packaging in the waste delivered to the facility under this section.

(b) ~~Beginning in 1993, by February~~ By March 1 of each year the owner or operator of a facility governed by this subdivision shall submit a report to the commissioner, on a form prescribed by the commissioner, specifying the total amount of solid waste received by the facility between January 1 and December 31 of the previous year. The commissioner shall calculate the total amount of solid waste delivered to solid waste facilities from the reports received from the facility owners or operators and shall report the annual aggregate amount ~~by April 1 of each year~~. The commissioner shall assess a nonforgivable administrative penalty under section 116.072 of \$500 plus any forgivable amount necessary to enforce this subdivision on any owner or operator who fails to submit a report required by this subdivision."

Page 175, after line 22, insert:

"Sec. 48. **SOLID WASTE FACILITY REPORTING; RULEMAKING.**

The commissioner of the Pollution Control Agency must, under the good cause exemption in Minnesota Statutes, section 14.388, subdivision 1, clause (3), amend rules to require reports to the agency from a solid waste facility to be submitted by March 1 for the previous calendar year."

Page 190, line 18, delete "product" and insert "pesticide"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Hansen, R., moved to amend the Hansen, R., amendment to S. F. No. 959, the third engrossment, as amended, as follows:

Page 1, line 1, delete "second" and insert "third"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Hansen, R., amendment, as amended, to S. F. No. 959, the third engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Nash moved to amend S. F. No. 959, the third engrossment, as amended, as follows:

Page 202, after line 27, insert:

"Sec. 62. Minnesota Statutes 2020, section 97A.015, subdivision 51, is amended to read:

Subd. 51. **Unloaded.** "Unloaded" means, with reference to a firearm, without ammunition in the barrels and magazine, if the magazine is in the firearm. A muzzle-loading firearm ~~with~~ is unloaded if:

- (1) for a flintlock ignition is unloaded if, it does not have priming powder in a pan. ~~A muzzle-loading firearm with;~~
- (2) for a percussion ignition is unloaded if, it does not have a percussion cap on a nipple;
- (3) for an electronic ignition system, the battery is removed and is disconnected from the firearm; and
- (4) for an encapsulated powder charge ignition system, the primer and powder charge are removed from the firearm.

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

Page 204, after line 22, insert:

"Sec. 69. Minnesota Statutes 2020, section 97B.031, subdivision 1, is amended to read:

Subdivision 1. **Permissible firearms and ammunition; big game and wolves.** A person may take big game and wolves with a firearm only if:

- (1) ~~the any~~ rifle, shotgun, ~~and or~~ handgun used is a caliber of at least .22 inches and ~~with~~ has centerfire ignition;
- (2) the firearm is loaded only with single projectile ammunition;
- (3) a projectile used is a caliber of at least .22 inches and has a soft point or is an expanding bullet type;
- (4) ~~the any~~ muzzleloader used ~~is incapable of being~~ has the projectile loaded only at the ~~breech~~ muzzle;
- (5) ~~the any~~ smooth-bore muzzleloader used is a caliber of at least .45 inches; and
- (6) ~~the any~~ rifled muzzleloader used is a caliber of at least .40 inches."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Ecklund moved to amend S. F. No. 959, the third engrossment, as amended, as follows:

Page 227, after line 27, insert:

"Sec. 5. Minnesota Statutes 2020, section 35.155, subdivision 7, is amended to read:

Subd. 7. **Inspection.** (a) The Board of Animal Health must annually inspect farmed Cervidae, farmed Cervidae facilities, and farmed Cervidae records. As coordinated by the board, the commissioner of agriculture and an enforcement officer as defined under section 97A.015, subdivision 18, may participate in the annual inspection.

(b) The annual inspection must include a physical inspection of all perimeter fencing around the facility and a viewing to verify that all animals are tagged. The owner of a farmed Cervidae facility must present to the inspectors an accurate inventory of the owner's farmed Cervidae and other records for review. During an annual inspection, the owner must present individual animals in a herd for a physical inventory, if required by the board.

(c) The commissioner of natural resources may inspect farmed Cervidae, farmed Cervidae facilities, and farmed Cervidae records with reasonable suspicion that laws protecting native wild animals have been violated and must notify the owner in writing at the time of the inspection of the reason for the inspection and must inform the owner in writing after the inspection of whether (1) the cause of the inspection was unfounded; or (2) there will be an ongoing investigation or continuing evaluation.

(d) An inspection conducted by the Board of Animal Health of a premises where chronic wasting disease has been detected or has been identified through an epidemiological investigation as a source or trace-out herd from an infected farm must include conservation officers as provided by the Department of Natural Resources."

Page 228, after line 17, insert:

"(1) allow and cooperate with inspections of the premises as determined by the Board of Animal Health and Department of Natural Resources conservation officers and wildlife managers;"

Renumber the clauses in sequence

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

This moved to amend S. F. No. 959, the third engrossment, as amended, as follows:

Page 82, after line 20, insert:

"(m) A recipient of an appropriation from the trust fund under this section that is a children's service provider, as defined in Minnesota Statutes, section 299C.61, subdivision 5, must certify to the commission, as part of the required work plan, that it performs criminal background checks on all employees, contractors, and volunteers that have or may have access to a child to whom the recipient provides children's services."

Page 127, after line 33, insert:

"(m) A recipient of an appropriation from the trust fund under this section that is a children's service provider, as defined in Minnesota Statutes, section 299C.61, subdivision 5, must certify to the commission, as part of the required work plan, that it performs criminal background checks on all employees, contractors, and volunteers that have or may have access to a child to whom the recipient provides children's services."

The motion prevailed and the amendment was adopted.

Green moved to amend S. F. No. 959, the third engrossment, as amended, as follows:

Page 163, after line 15, insert:

"Sec. 32. Minnesota Statutes 2020, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. **Permit fees.** (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of developing, reviewing, and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees ~~shall~~ must include the costs of litigation. The fee schedule must reflect reasonable and routine direct and indirect costs associated with permitting, implementation, and enforcement. The agency may impose an additional enforcement fee to be collected for ~~a period of~~ up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Water fees under this paragraph are subject to legislative approval under section 16A.1283. Any money collected under this paragraph ~~shall~~ must be deposited in the environmental fund.

(b) Notwithstanding paragraph (a), the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to a notification, permit, or license requirement under this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules adopted thereunder. The annual fee ~~shall~~ must be used to pay for all direct and indirect reasonable costs, including legal costs, required to develop and administer the notification, permit, or license program requirements of this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules adopted thereunder. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; and providing information to the public about these activities.

(c) The agency shall set fees that:

(1) will result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated;

(2) may result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (1) that is regulated under this chapter or air quality rules adopted under this chapter; and

(3) shall collect, in the aggregate, from the sources listed in paragraph (b), the amount needed to match grant funds received by the state under United States Code, title 42, section 7405 (section 105 of the federal Clean Air Act).

The agency must not include in the calculation of the aggregate amount to be collected under clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant from a source. The increase in air permit fees to match federal grant funds ~~shall be~~ is a surcharge on existing fees. The commissioner may not collect the surcharge after the grant funds become unavailable. In addition, the commissioner shall use nonfee funds to the extent practical to match the grant funds so that the fee surcharge is minimized.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected

exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph, the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 ~~shall~~ must be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Permit applicants who wish to construct, reconstruct, or modify a project may offer to reimburse the agency for the costs of staff time or consultant services needed to expedite the preapplication process and permit development process through the final decision on the permit, including the analysis of environmental review documents. The reimbursement ~~shall be~~ is in addition to permit application fees imposed by law. When the agency determines that it needs additional resources to develop the permit application in an expedited manner, and that expediting the development is consistent with permitting program priorities, the agency may accept the reimbursement. The commissioner must give the applicant an estimate of costs to be incurred by the commissioner. The estimate must include a brief description of the tasks to be performed, a schedule for completing the tasks, and the estimated cost for each task. The applicant and the commissioner must enter into a written agreement detailing the estimated costs for the expedited permit decision-making process to be incurred by the agency. The agreement must also identify staff anticipated to be assigned to the project. The commissioner must not issue a permit until the applicant has paid all fees in full. The commissioner must refund any unobligated balance of fees paid. Reimbursements accepted by the agency are appropriated to the agency for the purpose of developing the permit or analyzing environmental review documents. Reimbursement by a permit applicant ~~shall~~ must precede and not be contingent upon issuance of a permit; ~~shall~~ must not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations; and ~~shall~~ must not affect final decisions regarding environmental review.

(g) The fees under this subdivision are exempt from section 16A.1285."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Green amendment and the roll was called. There were 62 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Haley	Lucero	O'Driscoll	Schomacker
Albright	Davids	Hamilton	Lueck	Olson, B.	Scott
Anderson	Demuth	Heinrich	McDonald	O'Neill	Swedzinski
Backer	Dettmer	Heintzeman	Mekeland	Petersburg	Theis
Bahr	Drazkowski	Hertaus	Miller	Pfarr	Torkelson
Baker	Erickson	Igo	Mortensen	Pierson	Urdahl
Bennett	Franke	Johnson	Mueller	Poston	West
Bliss	Franson	Jurgens	Munson	Quam	
Boe	Garofalo	Kiel	Nelson, N.	Raleigh	
Burkel	Green	Koznick	Neu Brindley	Rasmusson	
Daniels	Grossell	Kresha	Novotny	Robbins	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Lee	Murphy	Stephenson
Agbaje	Elkins	Hausman	Liebling	Nelson, M.	Sundin
Bahner	Feist	Her	Lillie	Noor	Vang
Becker-Finn	Fischer	Hollins	Lippert	Olson, L.	Wazlawik
Berg	Frazier	Hornstein	Lislegard	Pelowski	Winkler
Bernardy	Frederick	Howard	Long	Pinto	Wolgamott
Bierman	Freiberg	Huot	Mariani	Pryor	Xiong, J.
Boldon	Gomez	Jordan	Marquart	Reyer	Xiong, T.
Carlson	Greenman	Keeler	Masin	Richardson	Youakim
Christensen	Gruenhagen	Klevorn	Moller	Sandell	Spk. Hortman
Davnie	Hansen, R.	Koegel	Moran	Sandstede	
Ecklund	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	

The motion did not prevail and the amendment was not adopted.

Heintzeman moved to amend S. F. No. 959, the third engrossment, as amended, as follows:

Page 167, after line 9, insert:

"Sec. 39. Minnesota Statutes 2020, section 116.07, is amended by adding a subdivision to read:

Subd. 13. **Unadopted rules.** The commissioner of the Pollution Control Agency must not enforce or attempt to enforce an unadopted rule. For purposes of this subdivision, "unadopted rule" means a guideline, bulletin, criterion, manual standard, interpretive statement, policy plan, or similar pronouncement if the guideline, bulletin, criterion, manual standard, interpretive statement, policy plan, or similar pronouncement has not been adopted according to the rulemaking process provided under chapter 14. If an unadopted rule is challenged under section 14.381, the commissioner must cease enforcement of the unadopted rule and overcome a presumption that the unadopted rule must be adopted according to the rulemaking process provided under chapter 14."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Speaker pro tempore Moller called Olson, L., to the Chair.

The question was taken on the Heintzeman amendment and the roll was called. There were 64 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Akland	Baker	Daniels	Drazkowski	Green	Heinrich
Albright	Bennett	Daudt	Erickson	Grossell	Heintzeman
Anderson	Bliss	Davids	Franke	Gruenhagen	Hertaus
Backer	Boe	Demuth	Franson	Haley	Igo
Bahr	Burkel	Dettmer	Garofalo	Hamilton	Johnson

Jurgens	Masin	Nash	O'Neill	Raleigh	Theis
Kiel	Mekeland	Nelson, N.	Petersburg	Rasmusson	Torkelson
Koznick	Miller	Neu Brindley	Pfarr	Robbins	Urdahl
Kresha	Mortensen	Novotny	Pierson	Schomacker	West
Lucero	Mueller	O'Driscoll	Poston	Scott	
Lueck	Munson	Olson, B.	Quam	Swedzinski	

Those who voted in the negative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Vang
Bahner	Feist	Hollins	Lippert	Olson, L.	Wazlawik
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Winkler
Berg	Frazier	Howard	Long	Pinto	Wolgamott
Bernardy	Frederick	Huot	Mariani	Pryor	Xiong, J.
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, T.
Boldon	Gomez	Keeler	McDonald	Richardson	Youakim
Carlson	Greenman	Klevorn	Moller	Sandell	Spk. Hortman
Christensen	Hansen, R.	Koegel	Moran	Sandstede	
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

The motion did not prevail and the amendment was not adopted.

Green moved to amend S. F. No. 959, the third engrossment, as amended, as follows:

Page 19, line 18, delete "\$6,000,000" and insert "\$5,613,000" and delete "\$6,000,000" and insert "\$5,613,000"

Page 20, after line 4, insert:

"The base for this appropriation in fiscal year 2024 and beyond is \$5,500,000.

(j) \$387,000 the first year and \$387,000 the second year are for implementation of the amendments made to Minnesota Statutes, section 103G.223 in this act. The base for this appropriation is \$500,000 in fiscal year 2024 and beyond."

Reletter the paragraphs in sequence

Page 211, after line 27, insert:

"Sec. 82. Minnesota Statutes 2020, section 103G.223, is amended to read:

**103G.223 CALCAREOUS FENS.**

(a) Calcareous fens, as identified by the commissioner by written order published in the State Register, may not be filled, drained, or otherwise degraded, wholly or partially, by any activity, unless the commissioner, under an approved management plan, decides some alteration is necessary or as provided in paragraph (b). Identifications made by the commissioner are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

(b) The commissioner may allow water appropriations that result in temporary reductions in groundwater resources on a seasonal basis under an approved calcareous fen management plan.

(c) If the commissioner determines that a water appropriation permit cannot be issued or renewed because of this section, the commissioner must, within one year of the date of denial and at no cost to the applicant, provide the applicant with a groundwater and surface water hydrologic evaluation that demonstrates by a preponderance of the evidence the basis for that conclusion.

(d) An applicant whose permit is denied under this section may file a written request with the commissioner to designate a mutually agreed upon third party expert to review the evaluation provided under paragraph (c) at no cost to the applicant and to make recommendations to the commissioner about whether or not the permit should be issued. The third party expert must agree to provide the commissioner and applicant with the expert's recommendations within 90 days of agreeing to review the evaluation.

(e) A permit applicant may file for a contested case hearing under chapter 14 within 30 days of the later of the following:

(1) the date by which the hydrologic evaluation was required to have been provided to the applicant under paragraph (c);

(2) receiving the recommendations of the third party who is reviewing the evaluation under paragraph (d); or

(3) determining that no mutually agreed upon third party expert can be found.

(f) Any permit applicant who has had a water appropriation permit previously denied under this section may resubmit a permit application under this section and is entitled to all rights and reviews available under this section."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Adjust amounts accordingly

The motion did not prevail and the amendment was not adopted.

Swedzinski moved to amend S. F. No. 959, the third engrossment, as amended, as follows:

Page 218, after line 14, insert:

"Section 1. Minnesota Statutes 2020, section 103B.101, subdivision 12a, is amended to read:

Subd. 12a. **Authority to issue penalty orders; counties and watershed districts.** (a) A county or watershed district with jurisdiction or the Board of Water and Soil Resources may issue an order requiring violations of the water resources riparian protection requirements under sections 103F.415, and 103F.421, and 103F.48 to be corrected and administratively assessing monetary penalties up to \$500 for noncompliance commencing on day one of the 11th month after the noncompliance notice was issued. The proceeds collected from an administrative penalty order issued under this section must be remitted to the county or watershed district with jurisdiction over the noncompliant site, or otherwise remitted to the Board of Water and Soil Resources.

(b) Before exercising this authority, the Board of Water and Soil Resources must adopt a plan containing procedures for the issuance of administrative penalty orders by local governments and the board as authorized in this subdivision. This plan, and any subsequent amendments, will become effective 30 days after being published in the State Register. The initial plan must be published in the State Register no later than July 1, 2017.

~~(c) Administrative penalties may be reissued and appealed under paragraph (a) according to section 103F.48, subdivision 9."~~

Page 221, after line 20, insert:

"Sec. 6. Minnesota Statutes 2020, section 103C.332, subdivision 1, is amended to read:

Subdivision 1. **Duties.** In addition to any other duty prescribed by law, soil and water conservation districts must:

(1) respond to and provide technical and financial assistance to landowners to maintain and improve the quality, quantity, distribution, and sustainability of natural resources, including surface water, groundwater, soil, and ecological resources;

(2) provide technical assistance in implementing the soil erosion law under ~~sections~~ section 103F.401 ~~to 103F.48;~~

(3) arrange for employees to serve on technical evaluation panels to implement the wetland laws as required under section 103G.2242;

(4) locally administer the reinvest in Minnesota reserve program under section 103F.515 and rules adopted thereunder, using knowledge of local resources to manage each easement to maximize environmental benefits;

(5) participate in administering the Wetland Conservation Act as provided under sections 103G.221 to 103G.2375, either in an advisory capacity or as the designated local government unit administering the program;

(6) participate in the local water management program under chapter 103B, either in an advisory capacity or as the designated local government unit administering the program;

(7) participate, as appropriate, in the comprehensive watershed management planning program under section 103B.801;

(8) participate in disaster response efforts as provided in chapter 12A;

(9) provide technical recommendations to the Department of Natural Resources on general permit applications under section 103G.301;

(10) provide technical assistance and local administration of the agricultural water quality certification program under sections 17.9891 to 17.993;

(11) provide technical assistance for the agricultural land preservation program under chapter 40A, where applicable;

(12) maintain compliance with section 15.99 for deadlines for agency action;

(13) coordinate with appropriate county officials on matters related to electing soil and water conservation district supervisors; and

(14) cooperate to the extent possible with federal, state, and local agencies and with private organizations to avoid duplicating and to enhance implementing public and private conservation initiatives within the jurisdiction of the district."

Page 222, after line 2, insert:

"Sec. 8. Minnesota Statutes 2020, section 103E.315, subdivision 8, is amended to read:

Subd. 8. **Extent of damages.** (a) Damages to be paid may include:

(1) the fair market value of the property required for the channel of an open ditch and the permanent strip of perennial vegetation under section 103E.021;

(2) the diminished value of a farm due to severing a field by an open ditch;

(3) loss of crop production during drainage project construction;

(4) the diminished productivity or land value from increased overflow; and

(5) costs to restore a perennial vegetative cover or structural practice existing under a federal or state conservation program adjacent to the permanent drainage system right-of-way and damaged by the drainage project.

(b) When damages are determined to acquire or otherwise provide compensation for buffer strips or alternative riparian water quality practices previously installed ~~as required by section 103F.48, subdivision 3,~~ the viewers and drainage authority shall consider the land use prior to buffer strip or alternative practice installation in determining the fair market value of the property under paragraph (a), clause (1)."

Page 225, after line 22, insert:

"Sec. 11. **REPEALER.**

Minnesota Statutes 2020, sections 103F.48; and 477A.21, are repealed."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Lueck moved to amend S. F. No. 959, the third engrossment, as amended, as follows:

Page 98, after line 19, insert:

"**(o) Applied Research in State Mineral and Water Resources**

\$2,000,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for academic and applied research through the MnDRIVE program at the Natural Resources Research Institute to develop and demonstrate technologies that

enhance the long-term health and management of Minnesota's mineral and water resources. Of this amount, \$600,000 is to support demonstration of three sulfate reduction technologies for improved water quality and \$1,400,000 is for continued characterization of Minnesota iron resources and for developing next-generation technologies and iron products. This research must be conducted in consultation with the Minerals Coordinating Committee established under Minnesota Statutes, section 93.0015."

Page 116, line 33, delete "\$3,336,000" and insert "\$1,336,000"

Adjust amounts accordingly

A roll call was requested and properly seconded.

The Speaker assumed the Chair.

The question was taken on the Lueck amendment and the roll was called. There were 66 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Kresha	Nelson, N.	Raleigh
Albright	Davids	Haley	Lislegard	Neu Brindley	Rasmusson
Anderson	Demuth	Hamilton	Lucero	Novotny	Robbins
Backer	Dettmer	Heinrich	Lueck	O'Driscoll	Sandstede
Bahr	Drazkowski	Heintzeman	McDonald	Olson, B.	Schomacker
Baker	Erickson	Hertaus	Mekeland	O'Neill	Scott
Bennett	Franke	Igo	Miller	Petersburg	Swedzinski
Bliss	Franson	Johnson	Mortensen	Pfarr	Theis
Boe	Garofalo	Jurgens	Mueller	Pierson	Torkelson
Burkel	Green	Kiel	Munson	Poston	Urdahl
Daniels	Grossell	Koznick	Nash	Quam	West

Those who voted in the negative were:

Acomb	Edelson	Hausman	Liebling	Noor	Vang
Agbaje	Elkins	Her	Lillie	Olson, L.	Wazlawik
Bahner	Feist	Hollins	Lippert	Pelowski	Winkler
Becker-Finn	Fischer	Hornstein	Long	Pinto	Wolgamott
Berg	Frazier	Howard	Mariani	Pryor	Xiong, J.
Bernardy	Frederick	Huot	Marquart	Reyer	Xiong, T.
Bierman	Freiberg	Jordan	Masin	Richardson	Youakim
Boldon	Gomez	Keeler	Moller	Sandell	Spk. Hortman
Carlson	Greenman	Klevorn	Moran	Schultz	
Christensen	Hansen, R.	Koegel	Morrison	Stephenson	
Davnie	Hanson, J.	Kotzya-Witthuhn	Murphy	Sundin	
Ecklund	Hassan	Lee	Nelson, M.	Thompson	

The motion did not prevail and the amendment was not adopted.

Igo offered an amendment to S. F. No. 959, the third engrossment, as amended.

#### POINT OF ORDER

Winkler raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills, that the Igo amendment was not in order. The Speaker ruled the point of order well taken and the Igo amendment out of order.

Igo appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 70 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Thompson
Bahner	Feist	Hollins	Lippert	Olson, L.	Vang
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Wazlawik
Berg	Frazier	Howard	Long	Pinto	Winkler
Bernardy	Frederick	Huot	Mariani	Pryor	Wolgamott
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, J.
Boldon	Gomez	Keeler	Masin	Richardson	Xiong, T.
Carlson	Greenman	Klevorn	Moller	Sandell	Youakim
Christensen	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Davids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

So it was the judgment of the House that the decision of the Speaker should stand.

Nash moved to amend S. F. No. 959, the third engrossment, as amended, as follows:

Page 218, after line 8, insert:

"Sec. 95. **URBAN WOLF REESTABLISHMENT PILOT PROJECT.**

By July 1, 2022, the commissioner of natural resources must reestablish a population of wolves within the seven-county metropolitan area as a pilot project. The commissioner must relocate at least one breeding pack of wolves within Fort Snelling State Park and at least one breeding pack of wolves within Keller Regional Park."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Miller moved to amend S. F. No. 959, the third engrossment, as amended, as follows:

Page 31, delete lines 8 to 13

Page 31, line 14, delete "(i)" and insert "(h)"

Page 31, line 21, delete "(j)" and insert "(i)"

Page 225, delete article 7

Renumber the articles in sequence and correct the internal references

Adjust amounts accordingly

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Heintzeman offered an amendment to S. F. No. 959, the third engrossment, as amended.

#### POINT OF ORDER

Long raised a point of order pursuant to rule 3.21 that the Heintzeman amendment was not in order. The Speaker ruled the point of order well taken and the Heintzeman amendment out of order.

Heintzeman appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The Speaker called Wolgamott to the Chair.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 69 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Vang
Bahner	Feist	Hollins	Lippert	Olson, L.	Wazlawik
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Winkler
Berg	Frazier	Howard	Long	Pinto	Wolgamott
Bernardy	Frederick	Huot	Mariani	Pryor	Xiong, J.
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, T.
Boldon	Gomez	Keeler	Masin	Richardson	Youakim
Carlson	Greenman	Klevorn	Moller	Sandell	Spk. Hortman
Christensen	Hansen, R.	Koegel	Moran	Sandstede	
Davnie	Hanson, J.	Kotzya-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Dauids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	West
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

So it was the judgment of the House that the decision of the Speaker should stand.

The Speaker resumed the Chair.

Heintzeman offered an amendment to S. F. No. 959, the third engrossment, as amended.

#### POINT OF ORDER

Long raised a point of order pursuant to rule 3.21 that the Heintzeman amendment was not in order. The Speaker ruled the point of order well taken and the Heintzeman amendment out of order.

Heintzeman appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 69 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Her	Lillie	Noor	Thompson
Agbaje	Elkins	Hollins	Lippert	Olson, L.	Vang
Bahner	Feist	Hornstein	Lislegard	Pelowski	Wazlawik
Becker-Finn	Fischer	Howard	Long	Pinto	Winkler
Berg	Frazier	Huot	Mariani	Pryor	Wolgamott
Bernardy	Frederick	Jordan	Marquart	Reyer	Xiong, J.
Bierman	Freiberg	Keeler	Masin	Richardson	Xiong, T.
Boldon	Gomez	Klevorn	Moller	Sandell	Youakim
Carlson	Greenman	Koegel	Moran	Sandstede	Spk. Hortman
Christensen	Hansen, R.	Kotyza-Witthuhn	Morrison	Schultz	
Davnie	Hassan	Lee	Murphy	Stephenson	
Ecklund	Hausman	Liebling	Nelson, M.	Sundin	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Robbins
Albright	Davids	Haley	Lucero	Novotny	Schomacker
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Scott
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Swedzinski
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Theis
Baker	Erickson	Hertaus	Miller	Petersburg	Torkelson
Bennett	Franke	Igo	Mortensen	Pfarr	Urdahl
Bliss	Franson	Johnson	Mueller	Pierson	West
Boe	Garofalo	Jurgens	Munson	Quam	
Burkel	Green	Kiel	Nash	Raleigh	
Daniels	Grossell	Koznick	Nelson, N.	Rasmusson	

So it was the judgment of the House that the decision of the Speaker should stand.

S. F. No. 959, A bill for an act relating to state government; appropriating money for environment and natural resources and tourism; modifying fees and programs; creating accounts; authorizing sales and conveyances of certain state land; modifying forestry provisions; modifying game and fish laws; modifying water law; modifying natural resource and environment provisions; requiring reports; making technical corrections; amending Minnesota Statutes 2020, sections 17.4982, subdivisions 6, 8, 9, 12, by adding subdivisions; 17.4985, subdivisions 2, 3, 5; 17.4986, subdivisions 2, 4; 17.4991, subdivision 3; 17.4992, subdivision 2; 17.4993, subdivision 1; 84.027, subdivisions 13a, 18, by adding a subdivision; 84.415, by adding a subdivision; 84.63; 84.631; 84.82, subdivisions 1a, 7a; 84.92, subdivision 8; 84.943, subdivisions 3, 5; 84.944, subdivision 1; 84.946, subdivision 4; 84D.02, subdivision 3; 84D.11, subdivision 1a; 85.052, subdivisions 1, 2, 6; 85.053, subdivision 2, by adding a subdivision; 85.054, subdivision 1; 85.43; 89.021, by adding a subdivision; 89.17; 89A.11; 92.50, by adding a subdivision; 92.502; 94.3495, subdivision 3; 97A.015, subdivision 29; 97A.075, subdivisions 1, 7; 97A.126, by adding a subdivision; 97A.137, subdivision 5; 97A.401, subdivision 1, by adding a subdivision; 97A.421, subdivision 1, by adding a subdivision; 97A.475, subdivisions 2, 3, 3a, 4; 97A.505, subdivision 3b; 97B.022, by adding a subdivision; 97B.036; 97B.055, subdivision 2; 97B.071; 97B.086; 97B.311; 97B.415; 97B.645, subdivision 9; 97B.715, subdivision 1; 97B.801; 97B.811, subdivision 4a; 97C.005, subdivision 3; 97C.081, subdivisions 3, 3a; 97C.211, subdivision 2a; 97C.342, subdivision 2; 97C.515, subdivision 2; 97C.605, subdivisions 2, 3; 97C.611; 97C.805,

subdivision 2; 97C.836; 103A.212; 103C.315, subdivision 4; 103G.201; 103G.223; 103G.271, subdivisions 4a, 7, by adding subdivisions; 103G.287, subdivisions 4, 5; 103G.289; 103G.401; 115.03, subdivision 1; 115.455; 115.77, subdivision 1; 115.84, subdivisions 2, 3; 115A.03, subdivisions 25, 25d, 27, 28, 34, 35, 36, by adding subdivisions; 115A.565, subdivision 1; 115B.40, subdivision 1; 116.03, subdivision 2b; 116.06, subdivision 22; 116.07, subdivisions 2, 4d, 7, by adding a subdivision; 116.155, by adding a subdivision; 116D.04, subdivision 2a; 116G.07, by adding a subdivision; 116G.15, by adding a subdivision; 127A.353, subdivision 4; 282.08; 290C.04; Laws 2016, chapter 154, sections 16; 48; Laws 2016, chapter 186, section 2, subdivision 9, as amended; Laws 2017, chapter 96, section 2, subdivision 9, as amended; Laws 2018, chapter 214, article 4, section 2, subdivision 6; Laws 2019, First Special Session chapter 4, article 1, section 2, subdivision 9; article 3, section 109, as amended; proposing coding for new law in Minnesota Statutes, chapters 11A; 84; 92; 103F; 103G; 115A; 115B; 116; 116P; repealing Minnesota Statutes 2020, sections 85.0505, subdivision 3; 85.0507; 85.054, subdivision 19; 97C.515, subdivisions 4, 5; Laws 2013, chapter 121, section 53; Minnesota Rules, part 6232.0350.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 70 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Thompson
Bahner	Feist	Hollins	Lippert	Olson, L.	Vang
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Wazlawik
Berg	Franke	Howard	Long	Pinto	Winkler
Bernardy	Frazier	Huot	Mariani	Pryor	Wolgamott
Bierman	Frederick	Jordan	Marquart	Reyer	Xiong, J.
Boldon	Freiberg	Keeler	Masin	Richardson	Xiong, T.
Carlson	Gomez	Klevorn	Moller	Sandell	Youakim
Christensen	Greenman	Koegel	Moran	Sandstede	Spk. Hortman
Davnie	Hansen, R.	Kotzya-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

Those who voted in the negative were:

Akland	Daudt	Haley	Lucero	Novotny	Robbins
Albright	Dauids	Hamilton	Lueck	O'Driscoll	Schomacker
Anderson	Demuth	Heinrich	McDonald	Olson, B.	Scott
Backer	Dettmer	Heintzeman	Mekeland	O'Neill	Swedzinski
Bahr	Drazkowski	Hertaus	Miller	Petersburg	Theis
Baker	Erickson	Igo	Mortensen	Pfarr	Torkelson
Bennett	Franson	Johnson	Mueller	Pierson	Urdahl
Bliss	Garofalo	Jurgens	Munson	Poston	West
Boe	Green	Kiel	Nash	Quam	
Burkel	Grossell	Koznick	Nelson, N.	Raleigh	
Daniels	Gruenhagen	Kresha	Neu Brindley	Rasmusson	

The bill was passed, as amended, and its title agreed to.

H. F. No. 729, A bill for an act relating to public safety; providing for a new name for an advisory council; amending Minnesota Statutes 2020, sections 626.8435; 626.8457, subdivision 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Davnie	Hansen, R.	Lee	Nelson, N.	Schomacker
Agbaje	Demuth	Hanson, J.	Liebling	Neu Brindley	Schultz
Akland	Dettmer	Hassan	Lillie	Noor	Scott
Albright	Drazkowski	Hausman	Lippert	Novotny	Stephenson
Anderson	Ecklund	Heinrich	Lislegard	O'Driscoll	Sundin
Backer	Edelson	Heintzeman	Long	Olson, B.	Swedzinski
Bahner	Elkins	Her	Lucero	Olson, L.	Theis
Bahr	Erickson	Hertaus	Lueck	O'Neill	Thompson
Baker	Feist	Hollins	Mariani	Pelowski	Torkelson
Becker-Finn	Fischer	Hornstein	Marquart	Petersburg	Urdahl
Bennett	Franke	Howard	Masin	Pfarr	Vang
Berg	Franson	Huot	McDonald	Pierson	Wazlawik
Bernardy	Frazier	Igo	Mekeland	Pinto	West
Bierman	Frederick	Johnson	Miller	Poston	Winkler
Bliss	Freiberg	Jordan	Moller	Pryor	Wolgamott
Boe	Garofalo	Jurgens	Moran	Quam	Xiong, J.
Boldon	Gomez	Keeler	Morrison	Raleigh	Xiong, T.
Burkel	Green	Kiel	Mortensen	Rasmusson	Youakim
Carlson	Greenman	Klevorn	Mueller	Reyer	Spk. Hortman
Christensen	Grossell	Koegel	Munson	Richardson	
Daniels	Gruenhagen	Kotyza-Witthuhn	Murphy	Robbins	
Daudt	Haley	Koznick	Nash	Sandell	
Davids	Hamilton	Kresha	Nelson, M.	Sandstede	

The bill was passed and its title agreed to.

There being no objection, the order of business reverted to Reports of Standing Committees and Divisions.

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Nelson, M., from the Committee on State Government Finance and Elections to which was referred:

### CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

Carol Flynn

Reported the same back with the recommendation that the appointment be confirmed.

Nelson, M., moved that the report of the Committee on State Government Finance and Elections relating to the appointment of Carol Flynn to the Campaign Finance and Public Disclosure Board be now adopted. The motion prevailed and the report was adopted.

**CONFIRMATION**

Nelson, M., moved that the House, having advised, do now consent to and confirm the appointment of Carol Flynn, 1235 Yale Place #1409, Minneapolis, Minnesota 55403, in the county of Hennepin, effective August 5, 2020, for a term that expires on January 2, 2023. The motion prevailed and the appointment of Carol Flynn was confirmed by the House.

**MESSAGES FROM THE SENATE**

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1065, A bill for an act relating to education finance; providing funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, teachers, charter schools, special education, health and safety, facilities, nutrition and libraries, early childhood, community education, and state agencies; making forecast adjustments; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 13.32, subdivision 3; 119A.52; 120A.22, subdivisions 7, 9, 10; 120A.35; 120A.40; 120B.02, subdivision 1; 120B.021, subdivisions 1, 2, 3, 4; 120B.024, subdivision 1; 120B.11, subdivisions 1, 1a, 2, 3; 120B.132; 120B.15; 120B.21; 120B.30, subdivision 1a, by adding subdivisions; 120B.35, subdivisions 3, 4; 121A.031, subdivisions 5, 6; 121A.41, subdivision 10, by adding subdivisions; 121A.425; 121A.45, subdivision 1; 121A.46, subdivision 4, by adding subdivisions; 121A.47, subdivisions 2, 14; 121A.53, subdivision 1; 121A.55; 121A.58; 121A.61; 122A.06, subdivisions 2, 5, 6, 7, 8, by adding a subdivision; 122A.07, subdivisions 1, 2, 4a; 122A.09, subdivisions 4, 6, 9, 10; 122A.091, subdivisions 1, 2; 122A.15, subdivision 1; 122A.16; 122A.18, subdivisions 7a, 8, 10; 122A.181, subdivisions 1, 2, 3, 4, 5, 6, by adding a subdivision; 122A.182, subdivisions 1, 2, 3, 4, 7; 122A.183, subdivisions 1, 2, 3, by adding a subdivision; 122A.184, subdivisions 1, 2; 122A.185, subdivisions 1, 4; 122A.187; 122A.19, subdivision 4; 122A.21; 122A.26, subdivision 2; 122A.40, subdivisions 5, 8, 10, by adding a subdivision; 122A.41, subdivisions 2, 5, 14a, by adding a subdivision; 122A.61, subdivision 1; 122A.63, subdivisions 6, 9; 122A.635, subdivisions 3, 4; 122A.70; 122A.76; 123B.147, subdivision 3; 123B.595, subdivision 3; 124D.09, subdivisions 3, 5, 7, 8, 12, 13; 124D.095, subdivisions 2, 7; 124D.111; 124D.1158; 124D.128, subdivisions 1, 3; 124D.13, subdivision 2; 124D.142; 124D.151, subdivisions 2, 5, 6; 124D.162; 124D.165, subdivisions 2, 3; 124D.531, subdivision 1; 124D.55; 124D.59, subdivision 2; 124D.65, subdivision 5; 124D.74, subdivisions 1, 3; 124D.78, subdivisions 1, 3; 124D.79, subdivision 2; 124D.791, subdivision 4; 124D.81; 124D.861, subdivision 2; 124E.02; 124E.03, subdivision 2, by adding subdivisions; 124E.05, subdivisions 4, 6, 7; 124E.06, subdivisions 1, 4, 5; 124E.11; 124E.12, subdivision 1; 124E.13, subdivision 1; 124E.16, subdivision 1; 124E.21, subdivision 1; 124E.25, subdivision 1a; 125A.08; 125A.094; 125A.0942; 125A.21, subdivisions 1, 2; 125A.76, subdivision 2e; 126C.05, subdivisions 1, 3, 17; 126C.10, subdivisions 2, 2a, 2e, 4, 18a; 126C.15, subdivisions 1, 2, 5; 126C.17, by adding a subdivision; 126C.40, subdivision 1; 126C.44; 127A.47, subdivision 7; 127A.49, subdivision 3; 134.34, subdivision 1; 134.355, subdivisions 5, 6, 7; 144.4165; 179A.03, subdivision 19; 290.0679, subdivision 2; 469.176, subdivision 2; 609A.03, subdivision 7a; Laws 2019, First Special Session chapter 11, article 1, section 25, subdivisions 3, as amended, 4, as amended, 6, as amended, 7, as amended, 9, as amended; article 2, section 33, subdivisions 2, as amended, 3, as amended, 5, as amended, 6, as amended, 16, as amended, 27; article 3, section 23, subdivision 3, as amended; article 4, section 11, subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended; article 6, section 7, subdivisions 2, as amended, 3, as amended; article 7, section 1, subdivisions 2, as amended, 3, as amended, 4, as amended; article 8, section 13, subdivisions 5, as amended, 14, as

amended; article 9, section 3, subdivision 2, as amended; article 10, section 5, subdivision 2, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 122A; 124D; 125A; 127A; 134; repealing Minnesota Statutes 2020, sections 120B.35, subdivision 5; 122A.091, subdivisions 3, 6; 122A.092; 122A.18, subdivision 7c; 122A.184, subdivision 3; 122A.23, subdivision 3; 122A.2451; Laws 2017, First Special Session chapter 5, article 8, section 9.

CAL R. LUDEMAN, Secretary of the Senate

Davnie moved that the House refuse to concur in the Senate amendments to H. F. No. 1065, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 958, A bill for an act relating to state government; establishing a budget for the Department of Agriculture, the Board of Animal Health, the Agricultural Utilization Research Institute, and broadband development; making policy and technical changes to various provisions related to agriculture, food, rural development, and broadband development, including provisions related to grants, loans, pesticides, feedlots, bioincentive programs, Cervidae, veterinary services, reports, and mapping; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 3.737, by adding a subdivision; 17.1017, subdivision 6; 18B.33, subdivision 1; 18E.04, subdivision 4; 28A.15, by adding a subdivision; 28A.152, subdivisions 1, 3, 4, 5; 31A.15, subdivision 1; 35.155, subdivisions 5, 11; 41A.16, subdivision 5; 41A.17, subdivision 4; 116.07, subdivision 7; 116J.394; 116J.397; 156.12, subdivision 2; Laws 2020, chapter 101, section 5, subdivisions 2, 7; proposing coding for new law in Minnesota Statutes, chapter 25.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Westrom, Dornink, Goggin, Anderson and Murphy.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

CAL R. LUDEMAN, Secretary of the Senate

Sundin moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 958. The motion prevailed.

#### ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1065:

Davnie, Richardson, Pryor, Hassan and Kresha.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1079:

Lillie; Jordan; Xiong, J.; Huot and Green.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 958:

Sundin, Vang, Pelowski, Lippert and Nelson, N.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 972:

Stephenson, Long, Hollins, Acomb and O'Driscoll.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1098:

Noor; Ecklund; Olson, L.; Berg and Hamilton.

### **MOTIONS AND RESOLUTIONS**

Frazier moved that the name of Fischer be added as an author on H. F. No. 593. The motion prevailed.

Gomez moved that the name of Bernardy be added as an author on H. F. No. 640. The motion prevailed.

Pinto moved that the name of Bernardy be added as an author on H. F. No. 946. The motion prevailed.

Her moved that the name of Bernardy be added as an author on H. F. No. 972. The motion prevailed.

Hornstein moved that the name of Bernardy be added as an author on H. F. No. 1691. The motion prevailed.

Kiel moved that the names of Moller and Boe be added as authors on H. F. No. 1828. The motion prevailed.

Sandell moved that the name of Ecklund be added as an author on H. F. No. 1906. The motion prevailed.

Lislegard moved that the name of Daudt be added as an author on H. F. No. 1980. The motion prevailed.

Keeler moved that the name of Bernardy be added as an author on H. F. No. 2124. The motion prevailed.

Vang moved that the name of Bernardy be added as an author on H. F. No. 2297. The motion prevailed.

Lueck moved that the name of Igo be added as an author on H. F. No. 2537. The motion prevailed.

Robbins moved that the name of Baker be added as an author on H. F. No. 2544. The motion prevailed.

Morrison moved that the name of Freiberg be added as an author on H. F. No. 2556. The motion prevailed.

Grossell moved that the name of Poston be added as an author on H. F. No. 2558. The motion prevailed.

## ADJOURNMENT

Winkler moved that when the House adjourns today it adjourn until 11:30 a.m., Monday, April 26, 2021. The motion prevailed.

Winkler moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:30 a.m., Monday, April 26, 2021.

PATRICK D. MURPHY, Chief Clerk, House of Representatives