Loeffler from the Property and Local Tax Division to which was referred:

H. F. No. 2348, A bill for an act relating to taxation; property tax refunds; increasing the maximum refund for the homestead credit refund; amending Minnesota Statutes 2018, section 290A.04, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
PROPERTY TAXES

Section 1. Minnesota Statutes 2018, section 138.053, is amended to read:

138.053 COUNTY HISTORICAL SOCIETY; TAX LEVY; CITIES OR TOWNS.

The governing body of any home rule charter or statutory city or town may annually appropriate from its general fund an amount not to exceed 0.02418 percent of estimated market value, derived from ad valorem taxes on property or other revenues, to be paid to the historical society of its respective city, town, or county to be used for the promotion of historical work and to aid in defraying the expenses of carrying on the historical work in the city, town, or county. No city or town may appropriate any funds for the benefit of any historical society unless the society is affiliated with and approved by the Minnesota Historical Society.

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

Sec. 2. Minnesota Statutes 2018, section 162.145, subdivision 3, is amended to read:

Subd. 3. Administration. (a) Subject to funds made available by law, the commissioner shall allocate all funds as provided in subdivision 4 and shall notify, by June 1, certify to the commissioner of revenue the amounts to be paid.
(b) Following certification from the commissioner of transportation, the commissioner of revenue shall distribute the specified funds to cities in the same manner as local government aid under chapter 477A. An appropriation to the commissioner of transportation under this section is available to the commissioner of revenue for the purposes specified in this paragraph.

c) Notwithstanding other law to the contrary, in order to receive distributions under this section, a city must conform to the standards in section 477A.017, subdivision 2. A city that receives funds under this section must make and preserve records necessary to show that the funds are spent in compliance with subdivision 4.

EFFECTIVE DATE. This section is effective for aids payable in 2019 and thereafter.

Sec. 3. Minnesota Statutes 2018, section 197.603, subdivision 2, is amended to read:

Subd. 2. Records; data privacy. Pursuant to chapter 13 the county veterans service officer is the responsible authority with respect to all records in the officer's custody. The data on clients' applications for assistance is private data on individuals, as defined in section 13.02, subdivision 12. The county veterans service officer may disclose to the county assessor private data necessary to determine a client's eligibility for the disabled veteran's homestead market value exclusion under section 273.13, subdivision 34.

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

Sec. 4. Minnesota Statutes 2018, section 270C.85, subdivision 2, is amended to read:

Subd. 2. Powers and duties. The commissioner shall have and exercise the following powers and duties in administering the property tax laws:

(a) (1) confer with, advise, and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(b) (2) direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the property tax laws, and cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;
(e) (3) require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture, and punishment, for violation of the property tax laws in their respective districts or counties;

(d) (4) require town, city, county, and other public officers to report and certify information, at the parcel level or in the aggregate, as to the assessment and taxation of real and personal property, and such other information as may be needful in the work of the commissioner, in such form as the commissioner may prescribe. The commissioner shall prescribe the content, format, manner, and time of filing of all required reports and certifications;

(e) (5) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even-numbered year, the report of the department for the preceding years, showing all the taxable property subject to the property tax laws and the value of the same, in tabulated form;

(f) (6) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties; and

(g) (7) assist local assessors in determining the estimated market value of industrial special-use property. For purposes of this paragraph clause, "industrial special-use property" means property that:

(i) (i) is designed and equipped for a particular type of industry;
(ii) (ii) is not easily adapted to some other use due to the unique nature of the facilities;
(iii) (iii) has facilities totaling at least 75,000 square feet in size; and
(iv) (iv) has a total estimated market value of $10,000,000 or greater based on the assessor's preliminary determination.

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

Sec. 5. Minnesota Statutes 2018, section 270C.89, subdivision 1, is amended to read:

Subdivision 1. **Initial report.** Each county assessor shall file by April 1 with the commissioner a copy of the abstract preliminary assessment information that the commissioner may require under section 270C.85, subdivision 2, clause (4), that will be acted upon by the local and county boards of review. The abstract must list the real and personal property in the county itemized by assessment district. The assessor of each county in the state shall file with the commissioner, within ten working days following final action.
of the local board of review or equalization and within five days following final action of
the county board of equalization, any changes made by the local or county board. The
information must be filed in the manner prescribed by the commissioner.

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

Sec. 6. Minnesota Statutes 2018, section 270C.89, subdivision 2, is amended to read:

**Subd. 2. Final report.** The final abstract of assessment information after
adjustments by the State Board of Equalization and inclusion of any omitted property shall
be submitted reported to the commissioner on or before September 1 of each calendar year
under section 270C.85, subdivision 2, clause (4). The final abstract must separately report
the captured tax capacity of tax increment financing districts under section 469.177,
subdivision 2, the areawide net tax capacity contribution values determined under sections
276A.05, subdivision 1, and 473F.07, subdivision 1, and the value subject to the power line
credit under section 273.42.

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

Sec. 7. Minnesota Statutes 2018, section 270C.91, is amended to read:

**270C.91 RECORD OF PROCEEDINGS CHANGING NET TAX CAPACITY;**

**DUTIES OF COUNTY AUDITOR.**

A record of all proceedings of the commissioner affecting any change in the net tax
capacity of any property, as revised by the State Board of Equalization, shall be kept by the
commissioner and a copy thereof, duly certified, shall be mailed each year to the auditor of
each county wherein such property is situated, on or before June 30 or 30 days after
submission of the abstract required by section 270C.89, whichever is later. This record shall
specify the amounts or amount, or both, added to or deducted from the net tax capacity of
the real property of each of the several towns and cities, and of the real property not in towns
or cities, also the percent or amount of both, added to or deducted from the several classes
of personal property in each of the towns and cities, and also the amount added to or deducted
from the assessment of any person. The county auditor shall add to or deduct from such
tract or lot, or portion thereof, of any real property in the county the required percent or
amount, or both, on the net tax capacity thereof as it stood after equalized by the county
board, adding in each case a fractional sum of 50 cents or more, and deducting in each case
any fractional sum of less than 50 cents, so that no net tax capacity of any separate tract or
lot shall contain any fraction of a dollar; and add to, or deduct from, the several classes of
personal property in the county the required percent or amount, or both, on the net tax
capacity thereof as it stood after equalized by the county board, adding or deducting in manner aforesaid any fractional sum so that no net tax capacity of any separate class of personal property shall contain a fraction of a dollar, and add to or deduct from assessment of any person, as they stood after equalization by the county board, the required amounts to agree with the assessments as returned by the commissioner.

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

Sec. 8. Minnesota Statutes 2018, section 272.02, subdivision 49, is amended to read:

Subd. 49. Agricultural historical society property. Property is exempt from taxation if it is owned by a nonprofit charitable or educational organization that qualifies for exemption under section 501(c)(3) of the Internal Revenue Code and meets the following criteria:

1. the property is primarily used for storing and exhibiting tools, equipment, and artifacts useful in providing an understanding of local or regional agricultural history. Primary use is determined each year based on the number of days the property is used solely for storage and exhibition purposes;

2. the property is limited to a maximum of 20 acres per owner per county, but includes the land and any taxable structures, fixtures, and equipment on the land;

3. the property is not used for a revenue-producing activity for more than ten days in each calendar year; and

4. the property is not used for residential purposes on either a temporary or permanent basis.

Notwithstanding section 272.025, applications for exemptions under this subdivision filed in assessment year 2019 must be filed with the assessor by July 1, 2019.

EFFECTIVE DATE. This section is effective for assessments beginning in 2019.

Sec. 9. Minnesota Statutes 2018, section 272.02, is amended by adding a subdivision to read:

Subd. 102. Certain property owned by an Indian tribe. (a) Property is exempt that:

1. is located in a city of the first class with a population of more than 380,000 as of the 2010 federal census;
(2) was on January 1, 2016, and is for the current assessment, owned by a federally recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota; and

(3) is used exclusively as a pharmacy.

(b) Property that qualifies for the exemption under this subdivision is limited to parcels and structures that do not exceed, in the aggregate, 4,000 square feet. Property acquired for single-family housing, market-rate apartments, agriculture, or forestry does not qualify for this exemption. The exemption created by this subdivision expires with taxes payable in 2029.

EFFECTIVE DATE. This section is effective beginning with taxes payable in 2020 and thereafter.

Sec. 10. Minnesota Statutes 2018, section 272.02, is amended by adding a subdivision to read:

Subd. 103. Charitable farmland. Property owned by an organization exempt under subdivision 4, 6, or 58 and used in the production of agricultural products as defined in section 273.13, subdivision 23, is exempt, provided that any proceeds from the sale of the agricultural products are used to support the mission of an organization exempt under subdivision 4, 6, or 58.

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2020.

Sec. 11. Minnesota Statutes 2018, 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 $4,000 $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 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 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 for certificates of value filed after December 31, 2019.

Sec. 12. Minnesota Statutes 2018, section 272.12, is amended to read:

**272.12 CONVEYANCES, TAXES PAID BEFORE RECORDING.**

When:

(a) a deed or other instrument conveying land,

(b) a plat of any townsite or addition thereto,

(c) a survey required pursuant to section 508.47,

(d) a condominium plat subject to chapter 515 or 515A or a declaration that contains such a plat, or
8.1 (e) a common interest community plat subject to chapter 515B or a declaration that
8.2 contains such a plat,
8.3 is presented to the county auditor for transfer, the auditor shall ascertain from the records
8.4 if there be taxes delinquent upon the land described therein, or if it has been sold for taxes.
8.5 An assignment of a sheriff's or referee's certificate of sale, when the certificate of sale
8.6 describes real estate, and certificates of redemption from mortgage or lien foreclosure sales,
8.7 when the certificate of redemption encompasses real estate and is issued to a junior creditor,
8.8 are considered instruments conveying land for the purposes of this section and section
8.9 272.121. If there are taxes delinquent, the auditor shall certify to the same; and upon payment
8.10 of such taxes or confession of judgment under section 279.37 stating that delinquent taxes
8.11 are being paid by the senior citizens' property tax deferral under chapter 290B, or in case
8.12 no taxes are delinquent, shall transfer the land upon the books of the auditor's office, and
8.13 note upon the instrument, over official signature, the words, "no delinquent taxes and transfer
8.14 entered," or, if the land described has been sold or assigned to an actual purchaser for taxes,
8.15 the words "paid by sale of land described within;" and, unless such statement is made upon
8.16 such instrument, the county recorder or the registrar of titles shall refuse to receive or record
8.17 the same; provided, that sheriff's or referees' certificates of sale on execution or foreclosure
8.18 of a lien or mortgage, certificates of redemption from mortgage or lien foreclosure sales
8.19 issued to the redeeming mortgagor or lienee, deeds of distribution made by a personal
8.20 representative in probate proceedings, transfer on death deeds under section 507.071, decrees
8.21 and judgments, receivers receipts, patents, and copies of town or statutory city plats, in case
8.22 the original plat filed in the office of the county recorder has been lost or destroyed, and
8.23 the instruments releasing, removing and discharging reversionary and forfeiture provisions
8.24 affecting title to land and instruments releasing, removing or discharging easement rights
8.25 in land or building or other restrictions, may be recorded without such certificate; and, 
8.26 provided that instruments conveying land and, as appurtenant thereto an easement over
8.27 adjacent tract or tracts of land, may be recorded without such certificate as to the land
8.28 covered by such easement; and provided further, that any instrument granting an easement
8.29 made in favor of any public utility or pipe line for conveying gas, liquids or solids in
8.30 suspension, in the nature of a right-of-way over, along, across or under a tract of land may
8.31 be recorded without such certificate as to the land covered by such easement. Documents
8.32 governing homeowners associations of condominiums, townhouses, common interest
8.33 ownership communities, and other planned unit developments may be recorded without the
8.34 auditor's certificate to the extent provided in section 515B.1-116(e).
A deed of distribution made by a personal representative in a probate proceeding, a
decree, or a judgment that conveys land shall be presented to the county auditor, who shall
transfer the land upon the books of the auditor's office and note upon the instrument, over
official signature, the words, "transfer entered", and the instrument may then be recorded.
A decree or judgment that affects title to land but does not convey land may be recorded
without presentation to the auditor.

A violation of this section by the county recorder or the registrar of titles shall be a gross
misdemeanor, and, in addition to the punishment therefor, the recorder or registrar shall be
liable to the grantee of any instrument so recorded for the amount of any damages sustained.

When, as a condition to permitting the recording of deed or other instrument affecting
the title to real estate previously forfeited to the state under the provisions of sections 281.16
to 281.25, county officials, after such real estate has been purchased or repurchased, have
required the payment of taxes erroneously assumed to have accrued against such real estate
after forfeiture and before the date of purchase or repurchase, the sum required to be so paid
shall be refunded to the persons entitled thereto out of moneys in the funds in which the
sum so paid was placed. Delinquent taxes are those taxes deemed delinquent under section
279.02.

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

Sec. 13. [272.72] DOCUMENTATION OF TITLE.

For the purposes of any program administered by the Department of Revenue, a copy
of a court order transferring title to the applicant is sufficient to demonstrate that title is held
by the applicant.

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

Sec. 14. Minnesota Statutes 2018, section 273.061, subdivision 9, is amended to read:

Subd. 9. Additional general duties. Additional duties of the county assessor shall be
are as follows:

1) to make all assessments, based upon the appraised values reported by the local
assessors or assistants and the county assessor's own knowledge of the value of the property
assessed;

2) to personally view and determine the value of any property which that because of
its type or character may be difficult for the local assessor to appraise;
(3) to make all changes ordered by the local boards of review, relative to the net tax
capacity of the property of any individual, firm or corporation after notice has been given
and hearings held as provided by law;
(4) to enter all assessments in the assessment books, furnished by the county auditor,
with each book and the tabular statements for each book in correct balance;
(5) to prepare all assessment cards, charts, maps and any other forms prescribed by the
commissioner of revenue;
(6) to attend the meeting of the county board of equalization; to investigate and report
on any assessment ordered by said board; to enter all changes made by said board in the
assessment books and prepare the abstract of assessments for the commissioner of revenue
information reported to the commissioner under section 270C.85, subdivision 2, clause (4);
to enter all changes made by the State Board of Equalization in the assessment books; to
deduct all exemptions authorized by law from each assessment and certify to the county
auditor the taxable value of each parcel of land, as described and listed in the assessment
books by the county auditor, and the taxable value of the personal property of each person,
firm, or corporation assessed;
(7) to investigate and make recommendations relative to all applications for the abatement
of taxes or applications for the reduction of the net tax capacity of any property; and
(8) to perform all other duties relating to the assessment of property for the purpose of
taxation which may be required by the commissioner of revenue.

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

Sec. 15. Minnesota Statutes 2018, 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, 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 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 (i) (1) a person on the assessor's
staff who is certified by the Department of Revenue in sales ratio calculations, (ii) (2) an
officer or employee who is certified by the Department of Revenue in tax calculations, and

Article 1 Sec. 15.
11.1 (iii) (3) an officer or employee who is certified by the Department of Revenue in the proper
preparation of abstracts of assessment. The commissioner of revenue may require that each
county have an officer or employee who is certified by the Department of Revenue in the
proper preparation of abstracts of tax lists information reported to the commissioner under
section 270C.85, subdivision 2, clause (4). Certifications under this paragraph expire after
four years.

11.7 (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.

11.13 (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.

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

11.24 Sec. 16. Minnesota Statutes 2018, section 273.113, subdivision 3, is amended to read:

Subd. 3. Reimbursement for lost revenue. The county auditor shall certify to the
commissioner of revenue, as part of the abstracts of tax lists required to be filed with the
commissioner under section 275.29 270C.85, subdivision 2, clause (4), the amount of tax
lost to the county from the property tax credit under subdivision 2. Any prior year adjustments
must also be certified in the abstracts of tax lists. The commissioner of revenue shall review
the certifications to determine their accuracy. The commissioner may make the changes in
the certification that are considered necessary or return a certification to the county auditor
for corrections. The commissioner shall reimburse each taxing district, other than school
districts, for the taxes lost. The payments must be made at the time provided in section
473H.10 for payment to taxing jurisdictions in the same proportion that the ad valorem tax
is distributed. Reimbursements to school districts must be made as provided in section
The amount necessary to make the reimbursements under this section is annually appropriated from the general fund to the commissioner of revenue.

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

Sec. 17. Minnesota Statutes 2018, section 273.119, subdivision 2, is amended to read:

Subd. 2. **Reimbursement for lost revenue.** The county may transfer money from the county conservation account created in section 40A.152 to the county revenue fund to reimburse the fund for the cost of the property tax credit. The county auditor shall certify to the commissioner of revenue, as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29, subdivision 2, clause (4), the amount of tax lost to the county from the property tax credit under subdivision 1 and the extent that the tax lost exceeds funds available in the county conservation account. Any prior year adjustments must also be certified in the abstracts of tax lists. The commissioner of revenue shall review the certifications to determine their accuracy. The commissioner may make the changes in the certification that are considered necessary or return a certification to the county auditor for corrections. The commissioner shall reimburse each taxing district, other than school districts, from the Minnesota conservation fund under section 40A.151 for the taxes lost in excess of the county account. The payments must be made at the time provided in section 473H.10, subdivision 3, for payment to taxing jurisdictions in the same proportion that the ad valorem tax is distributed.

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

Sec. 18. Minnesota Statutes 2018, section 273.1231, subdivision 3, is amended to read:

Subd. 3. **Disaster or emergency area.** (a) "Disaster or emergency area" means a geographic area for which:

(1)(i) the president of the United States, the secretary of agriculture, or the administrator of the Small Business Administration has determined that a disaster exists pursuant to federal law, or

(ii) a local emergency has been declared pursuant to section 12.29; and

(2) an application by the local unit of government requesting property tax relief under this section has been received by the governor and approved by the executive council.

(b) The executive council must not approve an application unless:

(1) a completed disaster survey is included; and
(2) within the boundaries of the applicant, (i) the average damage for the buildings that are damaged is at least $5,000, and (ii) either at least 25 taxable buildings were damaged, or the total dollar amount of damage to all taxable buildings equals or exceeds one percent of the total taxable market value of buildings for the applicant as reported to the commissioner of revenue under section 270C.89, subdivision 2 270C.85, subdivision 2, clause (4), for the assessment in the year prior to the year of the damage.

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

Sec. 19. Minnesota Statutes 2018, 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 and the property taxes assessed against the park shall not be included in the determination of taxes payable for rent paid under section 296A.63.

**EFFECTIVE DATE.** This section is effective beginning with claims for taxes payable in 2020.

Article 1 Sec. 19.
Sec. 20. Minnesota Statutes 2018, 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) Agricultural property held by a trustee under a trust is eligible for agricultural homestead classification under this paragraph if the qualifications in clause (i) are met, except that "owner" means the grantor of the trust.

(iii) 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.

(iv) (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 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
18.1 (6) none of the property's acres have been enrolled in a federal or state farm program since the initial application.

18.2 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.

18.9 (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:

18.10 (1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of damage caused by the August 2007 floods;

18.11 (2) the property is located in the county of Dodge, Fillmore, Houston, Olmsted, Steele, Wabasha, or Winona;

18.12 (3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 2007 assessment year;

18.13 (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

18.14 (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.

18.15 (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:

18.16 (1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of the March 2009 floods;

18.17 (2) the property is located in the county of Marshall;
19.1 (3) the agricultural land and buildings remain under the same ownership for the current
19.2 assessment year as existed for the 2008 assessment year and continue to be used for
19.3 agricultural purposes;
19.4 (4) the dwelling occupied by the owner is located in Minnesota and is within 50 miles
19.5 of one of the parcels of agricultural land that is owned by the taxpayer; and
19.6 (5) the owner notifies the county assessor that the relocation was due to the 2009 floods,
19.7 and the owner furnishes the assessor any information deemed necessary by the assessor in
19.8 verifying the change in dwelling. Further notifications to the assessor are not required if the
19.9 property continues to meet all the requirements in this paragraph and any dwellings on the
19.10 agricultural land remain uninhabited.

**EFFECTIVE DATE.** This section is effective beginning for property taxes payable in

19.12 Sec. 21. Minnesota Statutes 2018, section 273.124, subdivision 21, is amended to read:
19.13 Subd. 21. **Trust property; homestead.** Real or personal property, including agricultural
19.14 property, held by a trustee under a trust is eligible for classification as homestead property
19.15 if the property satisfies the requirements of paragraph (a), (b), (c), or (d), or (e).
19.16 (a) The grantor or surviving spouse of the grantor of the trust occupies and uses the
19.17 property as a homestead.
19.18 (b) A relative or surviving relative of the grantor who meets the requirements of
19.19 subdivision 1, paragraph (c), in the case of residential real estate; or subdivision 1, paragraph
19.20 (d), in the case of agricultural property, occupies and uses the property as a homestead.
19.21 (c) A family farm corporation, joint farm venture, limited liability company, or partnership
19.22 operating a family farm in which the grantor or the grantor's surviving spouse is a
19.23 shareholder, member, or partner rents the property; and, either (1) a shareholder, member,
19.24 or partner of the corporation, joint farm venture, limited liability company, or partnership
19.25 occupies and uses the property as a homestead; or (2) the property is at least 40 acres,
19.26 including undivided government lots and correctional 40's, and a shareholder, member, or
19.27 partner of the tenant-entity is actively farming the property on behalf of the corporation,
19.28 joint farm venture, limited liability company, or partnership.
19.29 (d) A person who has received homestead classification for property taxes payable in
19.30 2000 on the basis of an unqualified legal right under the terms of the trust agreement to
19.31 occupy the property as that person's homestead and who continues to use the property as a
19.32 homestead; or, a person who received the homestead classification for taxes payable in 2005
under paragraph (c) who does not qualify under paragraph (c) for taxes payable in 2006 or thereafter but who continues to qualify under paragraph (c) as it existed for taxes payable in 2005.

(e) The qualifications under subdivision 14, paragraph (b), clause (i), are met. For purposes of this paragraph, "owner" means the grantor of the trust or the surviving spouse of the grantor.

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

(1) "agricultural property" means the house, garage, other farm buildings and structures, and agricultural land;

(2) "agricultural land" has the meaning given in section 273.13, subdivision 23, except that the phrases "owned by same person" or "under the same ownership" as used in that subdivision mean and include contiguous tax parcels owned by:

(i) an individual and a trust of which the individual, the individual's spouse, or the individual's deceased spouse is the grantor; or

(ii) different trusts of which the grantors of each trust are any combination of an individual, the individual's spouse, or the individual's deceased spouse; and

For purposes of this subdivision, (3) "grantor" is defined as means the person creating or establishing a testamentary, inter Vivos, revocable or irrevocable trust by written instrument or through the exercise of a power of appointment.

(g) Noncontiguous land is included as part of a homestead under this subdivision, only if the homestead is classified as class 2a, as defined in section 273.13, subdivision 23, 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.

EFFECTIVE DATE. This section is effective beginning for property taxes payable in 2020.

Sec. 22. Minnesota Statutes 2018, section 273.124, is amended by adding a subdivision to read:

Subd. 23. Fractional homesteads. In the case of property that is classified as part homestead and part nonhomestead solely because not all the owners occupy or farm the
property, not all the owners have qualifying relatives occupying or farming the property,
or not all the spouses of owners occupy the property, the portions of property classified as
part homestead and part nonhomestead must correspond to the ownership percentages that
each owner has in the property, as determined by the land records in the county recorder’s
office or registrar of titles. If the ownership percentages of each owner cannot be determined
by reference to the land records, the portions of property classified as part homestead and
part nonhomestead must correspond to the ownership percentages each owner would have
if they each owned an equal share of the property.

**EFFECTIVE DATE.** This section is effective for assessments beginning in 2019.

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Sec. 23. Minnesota Statutes 2018, section 273.1245, subdivision 2, is amended to read:

Subd. 2. **Disclosure.** The assessor shall disclose the data described in subdivision 1 to
the commissioner of revenue as provided by law. The assessor shall also disclose all or
portions of the data described in subdivision 1 to:

(1) the county treasurer solely for the purpose of proceeding under the Revenue Recapture
Act to recover personal property taxes owing; and

(2) the county veterans service officer for the purpose of determining a person’s eligibility
for the disabled veteran’s homestead market value exclusion under section 273.13, subdivision
34.

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

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Sec. 24. **[273.129] ELDERLY LIVING FACILITY DEFERRAL.**

Subdivision 1. **Requirements.** An elderly living facility is eligible for tax deferment
under this section if it meets all of the following requirements:

(1) the facility is located in a city of the first class with a population of fewer than
110,000;

(2) the facility is owned and operated by a nonprofit organization organized under section
501(c)(3) of the Internal Revenue Code;

(3) construction of the facility was completed between January 1, 1963, and January 1,
1964;

(4) the facility has a housing with services license under chapter 144D and a
comprehensive home care license under chapter 144A;

(5) residents of the facility must be (i) at least 62 years of age, or (ii) disabled; and

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(6) at least 30 percent of the units in the facility are occupied by persons whose annual income does not exceed 50 percent of the median family income for the area.

Subd. 2. Deferral of taxes. Property meeting the requirements of subdivision 1 must, upon timely application by the owner in the manner provided in subdivision 3, be treated as exempt property as defined in section 272.02. However, the assessor must make a separate determination of market value of such property and the tax based upon the appropriate tax rate applicable to such property in the taxing district must be recorded on the property assessment records.

Subd. 3. Application. Application for the deferment of taxes under this section must be filed by December 1 of the year prior to the year in which the taxes are payable. Any application filed under this subdivision and granted shall continue in effect for subsequent years until the property no longer qualifies. The application must be filed with the assessor in the taxing district in which the property is located on the form prescribed by the commissioner of revenue.

Subd. 4. Payment of taxes. Property receiving the tax deferment under this section continues to qualify until it is sold, transferred, or no longer qualifies under subdivision 1. The portion of the property that is sold, transferred, or no longer qualifying under subdivision 1 is subject to taxes in the amount equal to the tax that would have been due on the property had it not been treated as exempt property under subdivision 2. These taxes must be extended against the property for taxes payable in the current year, plus the four prior years, to the extent that the property has qualified for a tax deferment under this section. No interest or penalties shall be levied on the taxes due under this subdivision if timely paid.

Subd. 5. Lien. The taxes imposed by this section are a lien upon the property assessed to the same extent and for the same duration as other taxes imposed on the property in this state. The tax shall be annually extended by the county auditor and if and when payable shall be collected and distributed in the manner provided by law for the collection and distribution of other property taxes.

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2020.

Sec. 25. Minnesota Statutes 2018, 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

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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. 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.
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
(i) (A) under this subdivision for taxes payable in 2003 because of its enrollment in a
qualifying program and the land remains enrolled or (ii) (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

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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, 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 2019 and thereafter.
Sec. 26. Minnesota Statutes 2018, section 273.13, subdivision 34, is amended to read:

Subd. 34. Homestead of disabled veteran 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 disabled veteran 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 for the current taxes payable year and for eight additional taxable years or until such time as the spouse remarries, or sells, transfers, or otherwise disposes of the property, whichever comes first 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), for eight taxable years, or until such time as the spouse remarries or sells, transfers, or otherwise disposes of the property, whichever comes first 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 July 1 December 15 of the first assessment year for which the
exclusion is sought. For an application received after July 1 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. When a property qualifying for a market value exclusion under this
subdivision is sold or transferred, the exclusion must be removed for the current assessment
year, provided that the new owner may file a claim for an exclusion if eligible.

(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), for eight taxable years or 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 grossly disabled veterans, 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 for current enrollees and by December 15 for new applications, 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 2019, for taxes payable in 2020.
Sec. 27. Minnesota Statutes 2018, section 273.13, subdivision 35, is amended to read:

Subd. 35. **Homestead market value exclusion.** (a) Prior to determining a property's net tax capacity under this section, property classified as class 1a or 1b under subdivision 22, and the portion of property classified as class 2a under subdivision 23 consisting of the house, garage, and surrounding one acre of land, shall be eligible for a market value exclusion as determined under paragraph (b).

(b) For a homestead valued at $76,000 or less, the exclusion is 40 percent of market value. For a homestead valued between $76,000 and $413,800, the exclusion is $30,400 minus nine percent of the valuation over $76,000. For a homestead valued at $413,800 or more, there is no valuation exclusion. The valuation exclusion shall be rounded to the nearest whole dollar, and may not be less than zero.

(c) Any valuation exclusions or adjustments under section 273.11 shall be applied prior to determining the amount of the valuation exclusion under this subdivision.

(d) In the case of a property that is classified as part homestead and part nonhomestead, (i) the exclusion shall apply only to the homestead portion of the property, but (ii) if a portion of a property is classified as nonhomestead solely because not all the owners occupy the property, not all the owners have qualifying relatives occupying the property, or solely because not all the spouses of owners occupy the property, the exclusion amount shall be initially computed as if that nonhomestead portion were also in the homestead class and then prorated to the owner-occupant's percentage of ownership, as determined by the land records in the county recorder's office or registrar of titles. For the purpose of this section, when an owner-occupant's spouse does not occupy the property, the percentage of ownership for the owner-occupant spouse is one-half of the couple's ownership percentage.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2020 and thereafter.

Sec. 28. Minnesota Statutes 2018, section 273.156, subdivision 2, is amended to read:

Subd. 2. **Reduction amounts submitted to county.** The commissioner of revenue shall determine, not later than April 1 of each year, the amount of reduction resulting from section 273.135 in each county containing a tax relief area as defined by section 273.134, paragraph (b), basing determinations on a review of abstracts of tax lists submitted by the county auditors pursuant to section 275.29 information reported to the commissioner under section 270C.85, subdivision 2, clause (4). The commissioner may make changes in the abstracts of tax lists as deemed necessary. The commissioner of revenue, after such review, shall submit to the St. Louis County auditor, on or before April 15, the amount of the first half...
payment payable hereunder and on or before September 15 the amount of the second half payment.

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

Sec. 29. Minnesota Statutes 2018, section 273.1384, subdivision 2, is amended to read:

Subd. 2. **Agricultural homestead market value credit.** Property classified as agricultural homestead under section 273.13, subdivision 23, paragraph (a), is eligible for an agricultural credit. The credit is computed using the property's agricultural credit market value, defined for this purpose as the property's market value excluding the market value of the house, garage, and immediately surrounding one acre of land. The credit is equal to 0.3 percent of the first $115,000 of the property's agricultural credit market value plus 0.1 percent of the property's agricultural credit market value in excess of $115,000, subject to a maximum credit of $490. In the case of property that is classified as part homestead and part nonhomestead solely because not all the owners occupy or farm the property, not all the owners have qualifying relatives occupying or farming the property, or solely because not all the spouses of owners occupy the property, the credit is computed on the amount of agricultural credit market value corresponding to the owner-occupant's percentage of homestead. the percentage of homestead is equal to 100 divided by the number of owners of the property, or, in the case of a trust, the number of grantors of the trust that owns the property ownership, as determined by the land records in the county recorder's office or registrar of titles.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2020 and thereafter.

Sec. 30. Minnesota Statutes 2018, section 273.1384, subdivision 3, is amended to read:

Subd. 3. **Credit reimbursements.** The county auditor shall determine the tax reductions allowed under subdivision 2 within the county for each taxes payable year and shall certify that amount to the commissioner of revenue as a part of the abstracts of tax lists submitted by the county auditors under section 275.39 under section 270C.85, subdivision 2, clause (4). Any prior year adjustments shall also be certified on the abstracts of tax lists. The commissioner shall review the certifications for accuracy, and may make such changes as are deemed necessary, or return the certification to the county auditor for correction. The credit under this section must be used to proportionately reduce the net tax capacity-based property tax payable to each local taxing jurisdiction as provided in section 273.1393.

**EFFECTIVE DATE.** This section is effective the day following final enactment.
Sec. 31. Minnesota Statutes 2018, section 273.1387, subdivision 3, is amended to read:

Subd. 3. **Credit reimbursements.** The county auditor shall determine the tax reductions allowed under this section within the county for each taxes payable year and shall certify that amount to the commissioner of revenue as a part of the abstracts of tax lists submitted under section 275.29 under section 270C.85, subdivision 2, clause (4). Any prior year adjustments shall also be certified on the abstracts of tax lists. The commissioner shall review the certifications for accuracy, and may make such changes as are deemed necessary, or return the certification to the county auditor for correction. The credit under this section must be used to reduce the school district net tax capacity-based property tax as provided in section 273.1393.

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

Sec. 32. Minnesota Statutes 2018, 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) For purposes of the apportionment of fire state aid under section 69.021, subdivision 7, the county auditor shall include on the abstract of assessment of exempt real property filed under this section 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. 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. 33. Minnesota Statutes 2018, section 274.14, is amended to read:

274.14 LENGTH OF SESSION; RECORD.

The board must meet after the second Friday in June on at least one meeting day and may meet for up to ten consecutive meeting days. The actual meeting dates must be contained on the valuation notices mailed to each property owner in the county as provided in section 273.121. For this purpose, "meeting days" is defined as any day of the week excluding Sunday. At the board's discretion, "meeting days" may include Saturday. No action taken by the county board of review after June 30 is valid, except for corrections permitted in sections 273.01 and 274.01. The county auditor shall keep an accurate record of the proceedings and orders of the board. The record must be published like other proceedings of county commissioners. A copy of the published record must be sent to the commissioner of revenue, with the abstract of assessment required by section 274.16 within five days following final action of the county board of equalization.

For counties that conduct either regular board of review meetings or open book meetings, at least one of the meeting days must include a meeting that does not end before 7:00 p.m. For counties that require taxpayer appointments for the board of review, appointments must include some available times that extend until at least 7:00 p.m. The county may have a Saturday meeting in lieu of, or in addition to, the extended meeting times under this paragraph.

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

Sec. 34. Minnesota Statutes 2018, section 274.16, is amended to read:

274.16 CORRECTED LISTS, ABSTRACTS.

The county assessor or, in Ramsey County, the official designated by the board of county commissioners shall calculate the changes of the assessment lists determined by the county board of equalization, and make corrections accordingly, in the real or personal lists, or both, and shall make duplicate abstracts duplicates of them. One must be filed in the assessor's office, and one must be forwarded to the commissioner of revenue as provided in section 270C.89.

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

Sec. 35. Minnesota Statutes 2018, 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 $784,590,000 for taxes payable in 2018 and thereafter. The state general levy for seasonal-recreational property is $44,190,000 for taxes payable in 2018 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 on the abstracts of tax lists submitted under section 275.29 that was not reported on the abstracts of assessment submitted under section 270C.89 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 the day following final enactment.

Sec. 36. Minnesota Statutes 2018, section 282.01, subdivision 6, is amended to read:

Subd. 6. Duties of commissioner after sale. (a) When any sale has been made by the county auditor under sections 282.01 to 282.13, the auditor shall immediately certify to the commissioner of revenue such information relating to such sale, on such forms as the commissioner of revenue may prescribe as will enable the commissioner of revenue to prepare an appropriate deed if the sale is for cash, or keep necessary records if the sale is on terms; and not later than October 31 of each year the county auditor shall submit to the commissioner of revenue a statement of all instances wherein any payment of principal, interest, or current taxes on lands held under certificate, due or to be paid during the preceding calendar years, are still outstanding at the time such certificate is made. When such statement shows that a purchaser or the purchaser’s assignee is in default, the commissioner of revenue may instruct the county board of the county in which the land is located to cancel said certificate of sale in the manner provided by subdivision 5, provided that upon recommendation of the county board, and where the circumstances are such that the
commissioner of revenue after investigation is satisfied that the purchaser has made every effort reasonable to make payment of both the annual installment and said taxes, and that there has been no willful neglect on the part of the purchaser in meeting these obligations, then the commissioner of revenue may extend the time for the payment for such period as the commissioner may deem warranted, not to exceed one year. On payment in full of the purchase price, appropriate conveyance in fee, in such form as may be prescribed by the attorney general, shall be issued by the commissioner of revenue, which conveyance must be recorded by the county and shall have the force and effect of a patent from the state subject to easements and restrictions of record at the date of the tax judgment sale, including, but without limitation, permits for telephone and electric power lines either by underground cable or conduit or otherwise, sewer and water lines, highways, railroads, and pipe lines for gas, liquids, or solids in suspension.

(b) The commissioner of revenue shall issue an appropriate conveyance in fee when approval from the county auditor is given based upon written confirmation from a licensed closing agent, title insurer, or title insurance agent as specified in section 82.641. For purposes of this paragraph, "written confirmation" means a written commitment or approval that the funding for the conveyance is held in an escrow account available for disbursement upon delivery of a conveyance. The conveyance issued by the commissioner of revenue shall not be effective as a conveyance until it is recorded. The conveyance shall be issued to the county auditor where the land is located. Upon receipt of the conveyance, the county auditor shall hold the conveyance until the conveyance is requested from a licensed closing agent, title insurer, or title insurance agent to settle and close on the conveyance. If a request for the conveyance is not made within 30 days of the date the conveyance is issued by the commissioner of revenue, the county auditor shall return the conveyance to the commissioner. If the conveyance is delivered to the licensed closing agent, title insurer, or title insurance agent and the closing does not occur within ten days of the request, the licensed closing agent, title insurer, or title insurance agent shall immediately return the conveyance to the county auditor and, upon receipt, the county auditor shall return the conveyance to the commissioner of revenue. The commissioner of revenue shall cancel and destroy all conveyances returned by the county auditor pursuant to this subdivision. The licensed closing agent, title insurer, or title insurance agent must promptly record the conveyance after the closing and must deliver an attested or certified copy to the county auditor and to the grantee or grantees named on the conveyance.

EFFECTIVE DATE. This section is effective for conveyances issued by the commissioner of revenue after December 31, 2019.
Sec. 37. Minnesota Statutes 2018, section 287.21, subdivision 1, is amended to read:

Subdivision 1. Determination of tax. (a) A tax is imposed on each deed or instrument by which any real property in this state is granted, assigned, transferred, or otherwise conveyed. The tax applies against the net consideration. For purposes of the tax, the conversion of a corporation to a limited liability company, a limited liability company to a corporation, a partnership to a limited partnership, a limited partnership to another limited partnership or other entity, or a similar conversion of one entity to another does not grant, assign, transfer, or convey real property.

(b) The tax is determined in the following manner: (1) when transfers are made by instruments pursuant to (i) consolidations or mergers, or (ii) designated transfers, the tax is $1.65; (2) when there is no consideration or when the consideration, exclusive of the value of any lien or encumbrance remaining thereon at the time of sale, is $500 $3,000 or less, the tax is $1.65; or (3) when the consideration, exclusive of the value of any lien or encumbrance remaining at the time of sale, exceeds $500 $3,000, the tax is .0033 of the net consideration.

(c) If, within six months from the date of a designated transfer, an ownership interest in the grantee entity is transferred by an initial owner to any person or entity with the result that the designated transfer would not have been a designated transfer if made to the grantee entity with its subsequent ownership, then a tax is imposed at .0033 of the net consideration for the designated transfer. If the subsequent transfer of ownership interests was reasonably expected at the time of the designated transfer, the applicable penalty under section 287.31, subdivision 1, must be paid. The deed tax imposed under this paragraph is due within 30 days of the subsequent transfer that caused the tax to be imposed under this paragraph. Involuntary transfers of ownership shall not be considered transfers of ownership under this paragraph. The commissioner may adopt rules defining the types of transfers to be considered involuntary.

(d) The tax is due at the time a taxable deed or instrument is presented for recording, except as provided in paragraph (c). The commissioner may require the tax to be documented in a manner prescribed by the commissioner, and may require that the documentation be attached to and recorded as part of the deed or instrument. The county recorder or registrar of titles shall accept the attachment for recording as part of the deed or instrument and may not require, as a condition of recording a deed or instrument, evidence that a transfer is a designated transfer in addition to that required by the commissioner. Such an attachment shall not, however, provide actual or constructive notice of the information contained therein for purposes of determining any interest in the real property. The commissioner shall
Sec. 38.39

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the taxes. of the year in prescribed the taxes. whose decision shall be referred to the commissioner of revenue whose decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable," the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.124, on or before December 15 of the assessment year to which the "property taxes payable" relate; or (ii) the claimant must provide documentation from the local assessor that application for

EFFECTIVE DATE. This section is effective for deeds recorded after December 31, 2019.

Sec. 38. Minnesota Statutes 2018, section 290A.03, subdivision 13, is amended to read:

Subd. 13. Property taxes payable. "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead after deductions made under sections 273.135, 273.1384, 273.1391, 273.42, subdivision 2, and any other state paid property tax credits in any calendar year, and after any refund claimed and allowable under section 290A.04, subdivision 2h, that is first payable in the year that the property tax is payable. In the case of a claimant who makes ground lease payments, "property taxes payable" includes the amount of the payments directly attributable to the property taxes assessed against the parcel on which the house is located. Regardless of the limitations in section 280A(c)(5) of the Internal Revenue Code, "property taxes payable" must be apportioned or reduced for the use of a portion of the claimant's homestead for a business purpose if the claimant deducts any business depreciation expenses for the use of a portion of the homestead or deducts expenses under section 280A of the Internal Revenue Code for a business operated in the claimant's homestead. For homesteads which are manufactured homes as defined in section 273.125, subdivision 8, and for homesteads which are manufactured homes located in a manufactured home community owned by a cooperative organized under chapter 308A or 308B, and park trailers taxed as manufactured homes under section 168.012, subdivision 9, "property taxes payable" shall also include 17 percent of the gross rent paid in the preceding year for the site on which the homestead is located. When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable," the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.124, on or before December 15 of the assessment year to which the "property taxes payable" relate; or (ii) the claimant must provide documentation from the local assessor that application for
homestead classification has been made on or before December 15 of the year in which the
"property taxes payable" were payable and that the assessor has approved the application.

**EFFECTIVE DATE.** This section is effective beginning with claims for tax payable
in 2020.

Sec. 39. Minnesota Statutes 2018, section 290B.04, subdivision 1, is amended to read:

Subdivision 1. **Initial application.** (a) A taxpayer meeting the program qualifications
under section 290B.03 may apply to the commissioner of revenue for the deferral of taxes.
Applications are due on or before July November 1 for deferral of any of the following
year's property taxes. A taxpayer may request an early notification of approval or denial at
any time. The commissioner must notify a taxpayer in writing of the reasons for an
application denial and that the application may be amended and resubmitted by the due date
specified in this subdivision. A taxpayer may apply in the year in which the taxpayer becomes
65 years old, provided that no deferral of property taxes will be made until the calendar
year after the taxpayer becomes 65 years old. The application, which shall be prescribed
by the commissioner of revenue, shall include the following items and any other information
which the commissioner deems necessary:

(1) the name, address, and Social Security number of the owner or owners;

(2) a copy of the property tax statement for the current payable year for the homesteaded
property;

(3) the initial year of ownership and occupancy as a homestead;

(4) the owner's household income for the previous calendar year; and

(5) information on any mortgage loans or other amounts secured by mortgages or other
liens against the property, for which purpose the commissioner may require the applicant
to provide a copy of the mortgage note, the mortgage, or a statement of the balance owing
on the mortgage loan provided by the mortgage holder. The commissioner may require the
appropriate documents in connection with obtaining and confirming information on unpaid
amounts secured by other liens.

The application must state that program participation is voluntary. The application must
also state that the deferred amount depends directly on the applicant's household income,
and that program participation includes authorization for the annual deferred amount, the
cumulative deferral and interest that appear on each year's notice prepared by the county
under subdivision 6, is public data.
The application must state that program participants may claim the property tax refund based on the full amount of property taxes eligible for the refund, including any deferred amounts. The application must also state that property tax refunds will be used to offset any deferral and interest under this program, and that any other amounts subject to revenue recapture under section 270A.03, subdivision 7, will also be used to offset any deferral and interest under this program.

(b) If an application is denied, the applicant must be allowed to correct and resubmit the denied application within 90 days of the application deadline. The submission date of the resubmitted application is considered to be the same as the submission date of the original application.

(b) (c) As part of the initial application process, the commissioner may require the applicant to obtain at the applicant's own cost and submit:

(1) if the property is registered property under chapter 508 or 508A, a copy of the original certificate of title in the possession of the county registrar of titles (sometimes referred to as "condition of register"); or

(2) if the property is abstract property, a report prepared by a licensed abstracter showing the last deed and any unsatisfied mortgages, liens, judgments, and state and federal tax lien notices which were recorded on or after the date of that last deed with respect to the property or to the applicant; or

(3) a copy of a court order transferring title to the applicant.

The commissioner may also require the county recorder or county registrar of the county where the property is located to provide copies of recorded documents related to the applicant or the property, for which the recorder or registrar shall not charge a fee. The commissioner may use any information available to determine or verify eligibility under this section. The household income from the application is private data on individuals as defined in section 13.02, subdivision 12.

EFFECTIVE DATE. This section is effective beginning with applications submitted in 2019, except that paragraphs (b) and (c), clause (3), are effective the day following final enactment and apply to applications resubmitted on or after that date.

Article 1 Sec. 39.
Sec. 40. Minnesota Statutes 2018, section 290B.09, subdivision 1, is amended to read:

Subdivision 1. Determination; payment. The county auditor shall determine the total current year’s deferred amount of property tax under this chapter in the county, and submit report those amounts as part of the abstracts of tax lists submitted by the county auditors under section 275.29 to the commissioner under section 270C.85, subdivision 2, clause (4).

The commissioner may make changes in the abstracts of tax lists as deemed necessary. The commissioner of revenue, after such review, shall pay the deferred amount of property tax to each county treasurer on or before August 31.

The county treasurer shall distribute as part of the October settlement the funds received as if they had been collected as a part of the property tax.

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

Sec. 41. Minnesota Statutes 2018, section 469.177, subdivision 1, is amended to read:

Subdivision 1. Original net tax capacity. (a) Upon or after adoption of a tax increment financing plan, the auditor of any county in which the district is situated shall, upon request of the authority, certify the original net tax capacity of the tax increment financing district and that portion of the district overlying any subdistrict as described in the tax increment financing plan and shall certify in each year thereafter the amount by which the original net tax capacity has increased or decreased as a result of a change in tax exempt status of property within the district and any subdistrict, reduction or enlargement of the district or changes pursuant to subdivision 4. The auditor shall certify the amount within 30 days after receipt of the request and sufficient information to identify the parcels included in the district.

The certification relates to the taxes payable year as provided in subdivision 6.

(b) If the classification under section 273.13 of property located in a district changes to a classification that has a different assessment ratio, the original net tax capacity of that property must be redetermined at the time when its use is changed as if the property had originally been classified in the same class in which it is classified after its use is changed.

(c) The amount to be added to the original net tax capacity of the district as a result of previously tax exempt real property within the district becoming taxable equals the net tax capacity of the real property as most recently assessed pursuant to section 273.18 information reported to the commissioner under section 270C.85, subdivision 2, clause (4), or, if that assessment was made more than one year prior to the date of title transfer rendering the property taxable, the net tax capacity assessed by the assessor at the time of the transfer. If improvements are made to tax exempt property after the municipality approves the district
43.1 and before the parcel becomes taxable, the assessor shall, at the request of the authority, separately assess the estimated market value of the improvements. If the property becomes taxable, the county auditor shall add to original net tax capacity, the net tax capacity of the parcel, excluding the separately assessed improvements. If substantial taxable improvements were made to a parcel after certification of the district and if the property later becomes tax exempt, in whole or part, as a result of the authority acquiring the property through foreclosure or exercise of remedies under a lease or other revenue agreement or as a result of tax forfeiture, the amount to be added to the original net tax capacity of the district as a result of the property again becoming taxable is the amount of the parcel's value that was included in original net tax capacity when the parcel was first certified. The amount to be added to the original net tax capacity of the district as a result of enlargements equals the net tax capacity of the added real property as most recently certified by the commissioner of revenue as of the date of modification of the tax increment financing plan pursuant to section 469.175, subdivision 4.

43.15 (d) If the net tax capacity of a property increases because the property no longer qualifies under the Minnesota Agricultural Property Tax Law, section 273.111; the Minnesota Open Space Property Tax Law, section 273.112; or the Metropolitan Agricultural Preserves Act, chapter 473H, the Rural Preserve Property Tax Program under section 273.114, or because platted, unimproved property is improved or market value is increased after approval of the plat under section 273.11, subdivision 14a or 14b, the increase in net tax capacity must be added to the original net tax capacity. If the net tax capacity of a property increases because the property no longer qualifies for the homestead market value exclusion under section 273.13, subdivision 35, the increase in net tax capacity must be added to original net tax capacity if the original construction of the affected home was completed before the date the assessor certified the original net tax capacity of the district.

43.16 (e) The amount to be subtracted from the original net tax capacity of the district as a result of previously taxable real property within the district becoming tax exempt or qualifying in whole or part for an exclusion from taxable market value, or a reduction in the geographic area of the district, shall be the amount of original net tax capacity initially attributed to the property becoming tax exempt, being excluded from taxable market value, or being removed from the district. If the net tax capacity of property located within the tax increment financing district is reduced by reason of a court-ordered abatement, stipulation agreement, voluntary abatement made by the assessor or auditor or by order of the commissioner of revenue, the reduction shall be applied to the original net tax capacity of the district when the property upon which the abatement is made has not been improved
since the date of certification of the district and to the captured net tax capacity of the district
in each year thereafter when the abatement relates to improvements made after the date of
certification. The county auditor may specify reasonable form and content of the request
for certification of the authority and any modification thereof pursuant to section 469.175,
subdivision 4.

(f) If a parcel of property contained a substandard building or improvements described
in section 469.174, subdivision 10, paragraph (e), that were demolished or removed and if
the authority elects to treat the parcel as occupied by a substandard building under section
469.174, subdivision 10, paragraph (b), or by improvements under section 469.174,
subdivision 10, paragraph (e), the auditor shall certify the original net tax capacity of the
parcel using the greater of (1) the current net tax capacity of the parcel, or (2) the estimated
market value of the parcel for the year in which the building or other improvements were
demolished or removed, but applying the classification rates for the current year.

(g) For a redevelopment district qualifying under section 469.174, subdivision 10,
paragraph (a), clause (4), as a qualified disaster area, the auditor shall certify the value of
the land as the original tax capacity for any parcel in the district that contains a building
that suffered substantial damage as a result of the disaster or emergency.

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

Sec. 42. Minnesota Statutes 2018, section 473H.08, subdivision 1, is amended to read:

Subdivision 1. Till expiration started. Agricultural preserves shall continue until either
the landowner or, the authority, or a state agency or governmental unit initiates expiration
as provided in this section.

EFFECTIVE DATE. This section is effective the day following final enactment and
applies to any agricultural preserve where the previously required eight-year termination
period under Minnesota Statutes, section 473H.08, has not yet expired.

Sec. 43. Minnesota Statutes 2018, section 473H.08, is amended by adding a subdivision
to read:

Subd. 3a. Expiration for park and trail purposes. (a) An agricultural preserve expires
immediately when a state agency or other governmental unit purchases the property or
obtains an easement over the property for the purpose of creating or expanding a public
trail or public park. This subdivision applies only to the portion of the agricultural preserve
acquired for trail or park purposes, and any portion of the property not acquired for trail or
45.1 park purposes shall remain an agricultural preserve regardless if the remaining total acreage
45.2 is below 40 acres.

45.3 (b) The acquiring state agency or governmental unit shall give notice to the authority as
45.4 provided in subdivision 4. The notice must specify the portion of the property being removed
45.5 from the agricultural preserve and the date on which that portion expires.

45.6 **EFFECTIVE DATE.** This section is effective the day following final enactment and
45.7 applies to any agricultural preserve where the previously required eight-year termination
45.8 period under Minnesota Statutes, section 473H.08, has not yet expired.

45.9 Sec. 44. Minnesota Statutes 2018, section 473H.08, subdivision 4, is amended to read:

45.10 Subd. 4. Notice to others. Upon receipt of the notice provided in subdivision 2 or 3a,
45.11 or upon notice served by the authority as provided in subdivision 3, the authority shall
45.12 forward the original notice to the county recorder for recording, or to the registrar of titles
45.13 if the land is registered, and shall notify the county auditor, county assessor, the Metropolitan
45.14 Council, and the county soil and water conservation district of the date of expiration.
45.15 Designation as an agricultural preserve and all benefits and limitations accruing through
45.16 sections 473H.02 to 473H.17 for the preserve shall cease on the date of expiration. The
45.17 restrictive covenant contained in the application shall terminate on the date of expiration.

45.18 **EFFECTIVE DATE.** This section is effective the day following final enactment and
45.19 applies to any agricultural preserve where the previously required eight-year termination
45.20 period under Minnesota Statutes, section 473H.08, has not yet expired.

45.21 Sec. 45. Laws 2008, chapter 366, article 5, section 33, the effective date, as amended by
45.22 Laws 2013, chapter 143, article 4, section 35, is amended to read:

45.23 **EFFECTIVE DATE.** This section is effective for taxes levied in 2008, payable in 2009,
45.24 and is repealed effective for taxes levied in 2018 2024, payable in 2019 2025, and thereafter.

45.25 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

45.26 Sec. 46. Laws 2009, chapter 88, article 2, section 46, subdivision 1, as amended by Laws
45.27 2013, chapter 143, article 4, section 36, is amended to read:

45.28 Subdivision 1. Agreement. The city of Cloquet and Perch Lake Township, by resolution
45.29 of each of their governing bodies, may establish the Cloquet Area Fire and Ambulance
45.30 Special Taxing District for the purpose of providing fire or ambulance services, or both,
45.31 throughout the district. In this section, "municipality" means home rule charter and statutory
cities, towns, and Indian tribes. The district may exercise all the powers relating to fire and
ambulance services of the municipalities that receive fire or ambulance services, or both,
from the district. Upon application, any other municipality may join the district with the
agreement of the municipalities that comprise the district at the time of its application to
join.

EFFECTIVE DATE. This section is effective upon compliance by the Cloquet Area
Fire and Ambulance Special Taxing District Board with Minnesota Statutes, section 645.021,
subsection 3.

Sec. 47. Laws 2009, chapter 88, article 2, section 46, subdivision 2, is amended to read:

Subd. 2. Board. The Cloquet Area Fire and Ambulance Special Taxing District Board
is governed by a board made up initially of one or more elected officials of the governing
body of each participating municipality 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 municipality's representatives serve at the pleasure of that municipality's
governing body.

EFFECTIVE DATE. This section is effective upon compliance by the Cloquet Area
Fire and Ambulance Special Taxing District Board with Minnesota Statutes, section 645.021,
subsection 3.

Sec. 48. Laws 2009, chapter 88, article 2, section 46, subdivision 3, as amended by Laws
2013, chapter 143, article 4, section 37, 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. A property tax levied by the district to make debt service payments
for obligations issued by the district pursuant to subdivision 4 shall not be included when
calculating the tax levy limits imposed in this subdivision.

Article 1 Sec. 48.
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 upon compliance by the Cloquet Area Fire and Ambulance Special Taxing District Board with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 49. Laws 2009, chapter 88, article 2, section 46, subdivision 4, is amended to read:

Subd. 4. Public indebtedness. The district may incur debt in the manner provided for in Minnesota Statutes, chapter 475, and the district shall be considered a municipality by Minnesota Statutes, chapter 475, when necessary to accomplish its duties, as defined in Minnesota Statutes, sections 475.51, subdivision 2, and 475.521, subdivision 1, paragraph (c), and may issue certificates of indebtedness or capital notes in the manner provided for a city under Minnesota Statutes, section 412.301, when necessary to accomplish its duties. Any tax levied to pay debt of the district shall be levied in the amounts required and in accordance with Minnesota Statutes, section 475.61. The debt service for debt, the proceeds of which financed capital costs for ambulance service, shall be levied against taxable property within those municipalities in the primary service area. The debt service for debt, the proceeds of which financed capital costs for fire service, shall be levied against taxable property within those municipalities receiving fire services.

EFFECTIVE DATE. This section is effective upon compliance by the Cloquet Area Fire and Ambulance Special Taxing District Board with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 50. Laws 2009, chapter 88, article 2, section 46, subdivision 5, is amended to read:

Subd. 5. Withdrawal. Notice of intent to withdraw from participation in the district may be given only in the month of January, with a minimum of twelve months notice of intent to withdraw. Withdrawal becomes effective for taxes levied pursuant to subdivision 3 in the year when the notice is given. A property tax levied by the district on taxable property located in a withdrawing municipality to make debt service payments for obligations issued by the district pursuant to subdivision 4 shall remain in effect until the obligations

Article I Sec. 50.
48.1 outstanding on the date of withdrawal are satisfied, including any property tax levied in connection with a refunding of such obligations. The district and its members may develop and agree upon other continuing obligations after withdrawal of a municipality.

**EFFECTIVE DATE.** This section is effective upon compliance by the Cloquet Area Fire and Ambulance Special Taxing District Board with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 51. Laws 2017, First Special Session chapter 1, article 10, section 4, the effective date, is amended to read:

**EFFECTIVE DATE; APPLICATION.** This section is effective for applications and certifications made in 2018 and thereafter, except the repeal of the exclusion of land under item (iii) is effective retroactively for payments due under Minnesota Statutes, section 290C.08, beginning for payments due to be made in 2014. In order to qualify for retroactive payments, the following requirements must be met: (1) the owner of land exceeding 60,000 acres that is subject to a single conservation easement funded under Minnesota Statutes, section 97A.056 or a comparable permanent easement conveyed to a governmental or nonprofit entity, must submit an application to the commissioner of revenue, in a form and manner and at a time acceptable to the commissioner, establishing that the affected property and its use met the requirement of Minnesota Statutes, chapter 290C, as amended by this section; (2) the owner and each county in which the land is located must certify to the commissioner that no petitions challenging the market value of the property are pending under Minnesota Statutes, chapter 278; and (3) the requirements of clauses (1) and (2) must be satisfied by October 1, 2017. No interest accrues on payment under this section for periods before November 1, 2017.

**EFFECTIVE DATE.** This section is effective retroactively for certifications made in 2018 and thereafter.

Sec. 52. **VALUATION METHOD OF STATE-ASSESSED PROPERTY; REPORT.**

Subdivision 1. **Report.** (a) The commissioner of revenue must prepare a report on the valuation of certain state-assessed property as described in Minnesota Statutes, sections 273.33, 273.35, 273.36, 273.37, and 273.3711. The report must include the following information:

(1) a detailed description of administrative appeals and tax court petitions filed since 2012, containing the following information:
49.1 (i) the basis for each appeal and petition;
49.2 (ii) the current stage in the process of each appeal and petition, and if it is resolved,
whether it was resolved by an agreement, dismissal, settlement, or judgment;
49.3 (iii) the final valuation and extent to which the market value was increased or reduced
under an agreement, settlement, or judgment from an appeal or petition, and if an appeal or
petition has not yet reached the final disposition, the report must state the commissioner's
or tax court's valuation amounts as of its current stage in the process, whichever is most
recent;
49.4 (iv) detail regarding the amount of the commissioner's most recent valuation compared
to the taxpayer's opinion of valuation for appeals and petitions that have not yet resulted in
a final disposition, if available at its current stage of litigation;
49.5 (v) detail regarding the amount of refund paid by each affected taxing local jurisdiction
if the final disposition resulted in the lowering of market value; and
49.6 (vi) detail regarding the potential refund to be paid by each affected local taxing
jurisdiction for appeals and petitions that have not yet resulted in a final disposition, as if
the final disposition were to result in a finding of market value equal to the taxpayer's opinion
of market value;
49.7 (2) an overview of the administrative appeal process, specifically explaining the criteria
used by the commissioner to determine an increase or reduction of the original valuation;
49.8 (3) a detailed description of the process by which the commissioner determines
preliminary and final valuation orders, including an examination of the form and contents
of each order, as well as a description of the time frame for issuing each order in relation
to affected local taxing jurisdictions' levy and budget process and options for issuing these
valuation orders earlier than current practice; and
49.9 (4) a detailed comparison of the methodology used by the commissioner to administer
Rule 8100 to methods used to value utility and pipeline property by other states, including
but not limited to two neighboring states and three non-neighboring states.

Subd. 2. Report deadline. 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 by February 1, 2020.

EFFECTIVE DATE. This section is effective the day following final enactment.
Sec. 53. 4D AFFORDABLE HOUSING PROGRAMS REPORT.

(a) No later than January 15, 2020, the commissioner of revenue, in consultation with
Minnesota Housing Finance Agency and the Department of Human Services, must produce
a report on class 4d property, as defined in section 273.13, subdivision 25, and 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 include the following:

(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;

(ii) the number of units not classified as 4d in each property in the previous assessment
year;

(iii) the property tax paid in 2019;

(iv) the property tax reduction in 2019 resulting from 4d classification;

(v) the average household income, as a percent, of the area median income, for residents
of 4d units; and

(vi) the total number of units that qualified for 4d in each of the last ten assessment
years; and

(2) a profile of income limits and area median incomes used in Minnesota by the United
States Department of Housing and Urban Development to determine eligibility for assisted
housing programs.

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

Sec. 54. SPECIAL REFUND PROVISION; DISABLED VETERANS HOMESTEAD
EXCLUSION.

A veteran who received a disability rating of 70 percent or more in 2016 or 2017 but
did not receive the disabled veterans homestead exclusion for assessment year 2016 or 2017
may apply for a refund of taxes paid in 2017 or 2018 if the veteran would have qualified
for the benefit in Minnesota Statutes, section 273.13, subdivision 34, paragraph (b), in one
or both of those years. To qualify for a refund, a property owner must apply to the assessor
by December 15, 2019, and must have paid all tax due in 2017 and 2018. After verifying
that the applicant qualified for an exclusion for taxes payable in either or both of those years,
the county assessor must notify the county auditor, and the auditor must recalculate the
taxes on the property for taxes payable in 2017 and 2018 based on the exclusion the applicant
was qualified for. The county treasurer must then issue a refund of tax paid in 2017 and
2018 equal to the difference between the taxes as initially calculated for each taxes payable
year and the taxes based on the value remaining after the exclusion.

**EFFECTIVE DATE.** This section is effective for refund applications received in 2019,
for refunds of tax paid in 2017 and 2018.

Sec. 55. **REPEALER.**

Minnesota Statutes 2018, section 275.29, is repealed.

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

**ARTICLE 2**

**AIDS AND CREDITS**

Section 1. Minnesota Statutes 2018, section 273.1385, subdivision 4, is amended to read:

Subd. 4. **Aid termination.** The aid provided under this section terminates on June 30,
2020, continues until the earlier of:

(1) the last day of the fiscal year immediately following the fiscal year in which the
actuarial value of assets of the general employees retirement plan of the Public Employees
Retirement Association first equals or exceeds the actuarial accrued liabilities of the plan
as reported in the annual actuarial valuation prepared under section 356.215; or

(2) June 30, 2048.

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

Sec. 2. Minnesota Statutes 2018, section 273.1387, subdivision 2, is amended to read:

Subd. 2. **Credit amount.** For each qualifying property, the school building bond
agricultural credit is equal to 40 70 percent of the property's eligible net tax capacity
multiplied by the school debt tax rate determined under section 275.08, subdivision 1b.

**EFFECTIVE DATE.** This section is effective beginning with property taxes payable
in 2020.
Sec. 3. Minnesota Statutes 2018, 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.

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Percent of Income</th>
<th>Percent Paid by Claimant</th>
<th>Maximum State Refund</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 to 1,619</td>
<td>1.0 percent</td>
<td>15 percent</td>
<td>$2,580</td>
</tr>
<tr>
<td>$0 to 1,769</td>
<td>1.1 percent</td>
<td>15 percent</td>
<td>$2,580</td>
</tr>
<tr>
<td>1,620 to 3,229</td>
<td>1.2 percent</td>
<td>15 percent</td>
<td>$2,580</td>
</tr>
<tr>
<td>1,770 to 3,529</td>
<td>1.3 percent</td>
<td>20 percent</td>
<td>$2,580</td>
</tr>
<tr>
<td>3,230 to 4,889</td>
<td>1.4 percent</td>
<td>20 percent</td>
<td>$2,580</td>
</tr>
<tr>
<td>3,530 to 5,349</td>
<td>1.5 percent</td>
<td>20 percent</td>
<td>$2,580</td>
</tr>
<tr>
<td>4,890 to 6,519</td>
<td>1.6 percent</td>
<td>20 percent</td>
<td>$2,580</td>
</tr>
<tr>
<td>5,350 to 7,129</td>
<td>1.7 percent</td>
<td>20 percent</td>
<td>$2,580</td>
</tr>
<tr>
<td>6,520 to 8,129</td>
<td>1.8 percent</td>
<td>20 percent</td>
<td>$2,580</td>
</tr>
<tr>
<td>7,130 to 8,899</td>
<td>1.9 percent</td>
<td>20 percent</td>
<td>$2,580</td>
</tr>
<tr>
<td>8,130 to 11,389</td>
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<td>$2,580</td>
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<td>8,900 to 12,459</td>
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<td>$2,580</td>
</tr>
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<td>11,390 to 13,009</td>
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<td>25 percent</td>
<td>$2,580</td>
</tr>
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<td>12,460 to 14,239</td>
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<td>25 percent</td>
<td>$2,580</td>
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<td>13,010 to 14,649</td>
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<td>25 percent</td>
<td>$2,580</td>
</tr>
<tr>
<td>14,240 to 16,029</td>
<td>2.5 percent</td>
<td>25 percent</td>
<td>$2,580</td>
</tr>
<tr>
<td>14,650 to 16,269</td>
<td>2.6 percent</td>
<td>25 percent</td>
<td>$2,580</td>
</tr>
<tr>
<td>16,030 to 17,799</td>
<td>2.7 percent</td>
<td>25 percent</td>
<td>$2,580</td>
</tr>
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<td>16,270 to 17,879</td>
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<td>25 percent</td>
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<tr>
<td>17,800 to 19,569</td>
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</tr>
<tr>
<td>17,880 to 22,779</td>
<td>3.0 percent</td>
<td>25 percent</td>
<td>$2,580</td>
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<td>19,570 to 24,929</td>
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<td>25 percent</td>
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<td>26,700 to 30,269</td>
<td>3.5 percent</td>
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<td>$2,580</td>
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<tr>
<td>27,660 to 39,029</td>
<td>3.6 percent</td>
<td>25 percent</td>
<td>$2,580</td>
</tr>
<tr>
<td>30,270 to 42,709</td>
<td>3.7 percent</td>
<td>25 percent</td>
<td>$2,580</td>
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<td>39,030 to 56,919</td>
<td>3.8 percent</td>
<td>25 percent</td>
<td>$2,580</td>
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<td>25 percent</td>
<td>$2,580</td>
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<td>62,280 to 71,179</td>
<td>4.1 percent</td>
<td>25 percent</td>
<td>$2,580</td>
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</table>

Article 2 Sec. 3.
<table>
<thead>
<tr>
<th>Percentage</th>
<th>Payment Made</th>
<th>Income Level</th>
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<tbody>
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<td>2.1 percent</td>
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<td>$1,850</td>
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</tr>
<tr>
<td>2.5 percent</td>
<td>45 percent</td>
<td>$830</td>
</tr>
<tr>
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<td>50 percent</td>
<td>$920</td>
</tr>
<tr>
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<td>50 percent</td>
<td>$730</td>
</tr>
<tr>
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<td>55 percent</td>
<td>$350</td>
</tr>
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<td>3.3 percent</td>
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<td>$150</td>
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<tr>
<td>3.5 percent</td>
<td>55 percent</td>
<td>$100</td>
</tr>
</tbody>
</table>

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 $105,500 or more.

**EFFECTIVE DATE.** This section is effective for refunds based on property taxes payable after December 31, 2019.

Sec. 4. Minnesota Statutes 2018, 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.
<table>
<thead>
<tr>
<th>Household Income</th>
<th>Percent of Income</th>
<th>Percent Paid by Claimant</th>
<th>Maximum State Refund</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 to 4,909</td>
<td>1.0 percent</td>
<td>5</td>
<td>$ 2,000</td>
</tr>
<tr>
<td>$0 to 5,369</td>
<td>1.0 percent</td>
<td>10</td>
<td>$ 2,190</td>
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<td>4,910 to 6,529</td>
<td>1.0 percent</td>
<td>10</td>
<td>$ 2,000</td>
</tr>
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<td>5,370 to 7,149</td>
<td>1.0 percent</td>
<td>10</td>
<td>$ 2,190</td>
</tr>
<tr>
<td>6,530 to 8,199</td>
<td>1.1 percent</td>
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<td>$ 2,130</td>
</tr>
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<td>7,150 to 8,929</td>
<td>1.1 percent</td>
<td>10</td>
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<td>15</td>
<td>$ 2,080</td>
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<td>8,930 to 12,519</td>
<td>1.2 percent</td>
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<td>$ 2,080</td>
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<td>11,440 to 14,709</td>
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<td>15 percent</td>
<td>$ 1,910</td>
</tr>
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<td>20</td>
<td>$ 1,750</td>
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<td>$ 1,650</td>
</tr>
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<td>1.6 percent</td>
<td>15 percent</td>
<td>$ 1,810</td>
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<td>23,240 to 25,029</td>
<td>1.6 percent</td>
<td>15 percent</td>
<td>$ 1,810</td>
</tr>
<tr>
<td>22,870 to 24,499</td>
<td>1.7 percent</td>
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<td>$ 1,810</td>
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<tr>
<td>24,500 to 27,779</td>
<td>1.7 percent</td>
<td>25</td>
<td>$ 1,650</td>
</tr>
<tr>
<td>26,810 to 30,399</td>
<td>1.8 percent</td>
<td>20 percent</td>
<td>$ 1,810</td>
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<td>27,780 to 29,399</td>
<td>1.8 percent</td>
<td>30</td>
<td>$ 1,650</td>
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<td>30,400 to 32,169</td>
<td>1.9 percent</td>
<td>25 percent</td>
<td>$ 1,810</td>
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<tr>
<td>29,400 to 34,299</td>
<td>2.0 percent</td>
<td>30</td>
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</tr>
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<td>32,170 to 37,529</td>
<td>2.0 percent</td>
<td>27.5 percent</td>
<td>$ 1,810</td>
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<td>34,300 to 39,199</td>
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<td>35</td>
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<td>37,530 to 42,889</td>
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<td>32.5 percent</td>
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<td>40 percent</td>
<td>$ 1,640</td>
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<td>2.0 percent</td>
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<td>55,420 to 57,199</td>
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<td>$ 900</td>
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<td>$ 750</td>
</tr>
<tr>
<td>55,540 to 57,169</td>
<td>2.0 percent</td>
<td>50 percent</td>
<td>$ 200</td>
</tr>
</tbody>
</table>

Article 2 Sec. 4.
55.1 65,000 to 67,499  2.0 percent  55 percent  $ 550
55.2 67,500 to 69,999  2.1 percent  55 percent  $ 350
55.3 70,000 to 72,499  2.2 percent  55 percent  $ 250
55.4 72,500 to 74,999  2.3 percent  55 percent  $ 150

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 $57,500 or more.

**EFFECTIVE DATE.** This section is effective for refunds based on rent paid after December 31, 2018.

Sec. 5. Minnesota Statutes 2018, section 290A.19, is amended to read:

**290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.**

Subdivision 1. **Owner or managing agent to furnish rent certificate.** (a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead must furnish a certificate of rent paid to a person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves before December 31, the owner or managing agent may give the certificate to the renter at the time of moving, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate must be made available to the renter before February 1 of the year following the year in which the rent was paid. The owner or managing agent must retain a duplicate of each certificate or an equivalent record showing the same information for a period of three years. The duplicate or other record must be made available to the commissioner upon request.

(b) The commissioner may require the owner or managing agent, through a simple process, to furnish to the commissioner on or before March 1 a copy of each certificate of rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe the content, format, and manner prescribed by the commissioner of the form pursuant to section 270C.30. Prior to implementation, the commissioner, after consulting with representatives of owners or managing agents, shall develop an implementation and administration plan for the requirements of this paragraph that attempts to minimize financial burdens, administration and compliance costs, and takes into consideration existing systems of owners and managing agents.

Article 2 Sec. 5. 55
(c) For the purposes of this section, "owner" includes a park owner as defined under section 327C.01, subdivision 6, and "property" includes a lot as defined under section 327C.01, subdivision 3.

(d) Beginning with certificates of rent paid for 2021 rents, an owner or managing agent must furnish certificates of rent paid that were created using the system developed under subdivision 3 or provide equivalent data to the commissioner in a form and manner approved by the commissioner. The commissioner must retain data collected under this paragraph at least as long as is necessary to ensure compliance with this chapter. Data gathered under this paragraph are return information, as defined in section 270B.02.

Subd. 2. Rental market information. (a) Beginning with certificates of rent paid for 2021 rents, an owner or managing agent must submit the following data elements to the commissioner about any property for which the owner or managing agent provides a certificate of rent paid under subdivision 1:

(1) the number of bedrooms in the rental unit;

(2) whether utilities are included in the rent amount reported;

(3) whether the renter paid a different rent amount than the market rate due to a subsidy;

and

(4) the city, county, and five-digit zip code of the rental unit.

(b) An owner or managing agent may submit the data using the electronic system developed under subdivision 3, or provide equivalent data in a form and manner approved by the commissioner.

(c) The commissioner must retain data collected through the system at least as long as is necessary to prepare the annual report required under section 290A.29. Data collected under this subdivision are return information, as defined in section 270B.02.

(d) Notwithstanding paragraph (a), an owner or managing agent is not required to provide the data elements in paragraph (a) if equivalent data is available from a publicly accessible source, including a data source from the United States Census Bureau or the United States Department of Housing and Urban Development.

Subd. 3. Electronic system for certificates of rent paid. (a) The commissioner must develop and implement an electronic system for generating certificates of rent paid. The system must allow an owner or managing agent to enter the information necessary to generate a certificate of rent paid, and use the information provided to create a completed certificate for distribution to renters. An owner or managing agent is responsible for furnishing the
certificate to a renter in accordance with subdivision 1. The system must be available by January 1, 2021, for use for certificates of rent paid for 2020 rents.

(b) In addition to any information required by the commissioner to administer the renter's credit program and ensure compliance with this chapter, the system developed under this subdivision must be capable of capturing the rental market information required under subdivision 2.

**EFFECTIVE DATE.** (a) The amendments to subdivisions 1 and 2 are effective for refunds based on rents paid in 2021 and following years.

(b) Subdivision 3 is effective July 1, 2019.

Sec. 6. [290A.29] **ANNUAL REPORT ON RENTS PAID IN MINNESOTA.**

(a) Using data collected under section 290A.19, subdivision 2, the commissioner must annually prepare and publish a report on rents in Minnesota. The report must provide aggregated summary data on rents, broken out by number of bedrooms, county, and other significant geographical regions. At a minimum, the report must describe:

(1) average and median rent amounts paid in the most recent year for which data is available; and

(2) to the extent data is available, year-to-year changes in the amount of rent paid.

(b) By March 15, 2022, and March 15 of each following year, the commissioner must submit the report to the chairs and ranking members of the house and senate committees with jurisdiction over taxes, property taxes, and housing policy.

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

Sec. 7. Minnesota Statutes 2018, section 298.225, subdivision 1, is amended to read:

Subdivision 1. **Guaranteed distribution.** (a) Except as provided under paragraph (c), the distribution of the taconite production tax as provided in section 298.28, subdivisions 3 to 5, 6, paragraph (b), 7, and 8, shall equal the lesser of the following amounts:

(1) the amount distributed pursuant to this section and section 298.28, with respect to 1983 production if the production for the year prior to the distribution year is no less than 42,000,000 taxable tons. If the production is less than 42,000,000 taxable tons, the amount of the distributions shall be reduced proportionately at the rate of two percent for each 1,000,000 tons, or part of 1,000,000 tons by which the production is less than 42,000,000 tons; or
(2)(i) for the distributions made pursuant to section 298.28, subdivisions 4, paragraphs (b) and (c), and 6, paragraph (c), 31.2 percent of the amount distributed pursuant to this section and section 298.28, with respect to 1983 production;

(ii) for the distributions made pursuant to section 298.28, subdivision 5, paragraphs (b) and (d), 75 percent of the amount distributed pursuant to this section and section 298.28, with respect to 1983 production provided that the aid guarantee for distributions under section 298.28, subdivision 5, paragraph (b), shall be reduced by five cents per taxable ton for production years 2014 and thereafter.

(b) The distribution of the taconite production tax as provided in section 298.28, subdivision 2, shall equal the following amount:

(1) if the production for the year prior to the distribution year is at least 42,000,000 taxable tons, the amount distributed pursuant to this section and section 298.28 with respect to 1999 production; or

(2) if the production for the year prior to the distribution year is less than 42,000,000 taxable tons, the amount distributed pursuant to this section and section 298.28 with respect to 1999 production, reduced proportionately at the rate of two percent for each 1,000,000 tons or part of 1,000,000 tons by which the production is less than 42,000,000 tons.

(c) The distribution of the taconite production tax under section 298.28, subdivision 3, paragraph (a), must equal the amount distributed under 298.28, with respect to 1983 production.

EFFECTIVE DATE. This section is effective for distributions in 2020 and thereafter.

Sec. 8. Minnesota Statutes 2018, section 298.28, subdivision 3, is amended to read:

Subd. 3. Cities; towns. (a) 12.5 cents per taxable ton, less any amount distributed under subdivision 8, and paragraph (b), must be allocated to the taconite municipal aid account to be distributed as provided in section 298.282. The amount allocated to the taconite municipal aid account must be annually increased in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1.

(b) An amount must be allocated to towns or cities that is annually certified by the county auditor of a county containing a taconite tax relief area as defined in section 273.134, paragraph (b), within which there is (1) an organized township if, as of January 2, 1982, more than 75 percent of the assessed valuation of the township consists of iron ore or (2) a city if, as of January 2, 1980, more than 75 percent of the assessed valuation of the city consists of iron ore.
(c) The amount allocated under paragraph (b) will be the portion of a township's or city's certified levy equal to the proportion of (1) the difference between 50 percent of January 2, 1982, assessed value in the case of a township and 50 percent of the January 2, 1980, assessed value in the case of a city and its current assessed value to (2) the sum of its current assessed value plus the difference determined in (1), provided that the amount distributed shall not exceed $55 per capita in the case of a township or $75 per capita in the case of a city. For purposes of this limitation, population will be determined according to the 1980 decennial census conducted by the United States Bureau of the Census. If the current assessed value of the township exceeds 50 percent of the township's January 2, 1982, assessed value, or if the current assessed value of the city exceeds 50 percent of the city's January 2, 1980, assessed value, this paragraph shall not apply. For purposes of this paragraph, "assessed value," when used in reference to years other than 1980 or 1982, means the appropriate net tax capacities multiplied by 10.2.

(d) In addition to other distributions under this subdivision, three cents per taxable ton for distributions in 2009 must be allocated for distribution to towns that are entirely located within the taconite tax relief area defined in section 273.134, paragraph (b). For distribution in 2010 through 2014 and for distribution in 2018 and subsequent years, the three-cent amount must be annually increased in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount available under this paragraph will be distributed to eligible towns on a per capita basis, provided that no town may receive more than $50,000 in any year under this paragraph. Any amount of the distribution that exceeds the $50,000 limitation for a town under this paragraph must be redistributed on a per capita basis among the other eligible towns, to whose distributions do not exceed $50,000.

EFFECTIVE DATE. This section is effective for distributions in 2020 and thereafter.

Sec. 9. Minnesota Statutes 2018, section 469.169, is amended by adding a subdivision to read:

Subd. 21. Additional border city allocations. (a) In addition to the tax reductions authorized in subdivisions 12 to 20, the commissioner shall annually allocate $1,000,000 for tax reductions to border city enterprise zones in cities located on the western border of the state. The commissioner shall allocate this amount among cities on a per capita basis.

Allocations made under this subdivision may be used for tax reductions under sections 469.171, 469.1732, and 469.1734, or for other offsets of taxes imposed on or remitted by businesses located in the enterprise zone as provided by law, but only if the municipality...
determines that the granting of the tax reduction or offset is necessary to retain a business

within or attract a business to the zone.

(b) The allocations under this subdivision do not cancel or expire, but remain available

until used by the city.

**EFFECTIVE DATE.** This section is effective July 1, 2020.

Sec. 10. Minnesota Statutes 2018, section 469.171, subdivision 4, is amended to read:

Subd. 4. **Restriction.** The tax reductions provided by this section shall not apply to (1)

a facility the primary purpose of which is one of the following: retail food and beverage

services, automobile sales or service, or the provision of recreation or entertainment, or a

private or commercial golf course, country club, massage parlor, tennis club, skating facility

including roller skating, skateboard, and ice skating, racquet sports facility, including any

handball or racquetball court, hot tub facility, suntan facility, or racetrack; (2) property of

a public utility; (3) property used in the operation of a financial institution; (4) property

owned by a fraternal or veterans' organization; or (5) property of a business operating under

a franchise agreement that requires the business to be located in the state; except that tax

reductions may be provided to a retail food or beverage facility or an automobile sales or

service facility, or a business a retail food or beverage facility operating under a franchise

agreement that requires the business to be located in this state except for such a franchised

retail-food or beverage facility.

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

Sec. 11. Minnesota Statutes 2018, section 477A.011, subdivision 45, is amended to read:

Subd. 45. **Sparsity adjustment.** For the sparsity adjustment is $200 for either:

(1) a city with a population of 10,000 or more, the sparsity adjustment is 100 for any

city with and an average population density less than 150 per square mile, according to the

most recent federal census. For; or

(2) a city with a population less than 10,000, the sparsity adjustment is 200 for any city

with and an average population density less than 30 per square mile, according to the most

recent federal census.

The sparsity adjustment is zero for all other cities.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2020

and thereafter.
Sec. 12. Minnesota Statutes 2018, 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 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.

(d) The city of Floodwood shall have its total aid under subdivision 9 increased by $20,000 for aids payable in 2020 through 2024.

(e) The city of Hermantown shall have its total aid under subdivision 9 increased by $200,000 for aids payable in 2020 through 2024.

(f) The city of West St. Paul shall have its total aid under subdivision 9 increased by $920,000 for aids payable in 2020 through 2024.

(g) The city of Flensburg shall have its total aid under subdivision 9 increased by $38,400 for aids payable in 2020 only.

(f) The city of Lilydale shall have its total aid under subdivision 9 increased by $275,000 for aids payable in 2020 only.

(g) The city of Scanlon shall have its total aid under subdivision 9 increased by $40,000 for aids payable in 2020 to 2029.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2020 and thereafter.

Sec. 13. Minnesota Statutes 2018, 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 thereafter, the total aid paid under section 477A.013, subdivision 9, is $564,990,952.
EFFECTIVE DATE. This section is effective for aids payable in calendar year 2020 and thereafter.

Sec. 14. Minnesota Statutes 2018, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. Counties. (a) For aids payable in 2018 through 2024 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 through 2024, the total aid payable under section 477A.0124, subdivision 3, is $119,091,470 and is subject to the allocations under paragraph (c). For aids payable in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is $100,795,000 $116,091,470. Each calendar year, $500,000 of this appropriation shall be retained by the commissioner of revenue to make reimbursements to the commissioner of management and budget for payments made under section 611.27. The reimbursements shall be to defray the additional costs associated with court-ordered counsel under section 611.27. Any retained amounts not used for reimbursement in a year shall be included in the next distribution 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 thereafter 2019, the total aid under section 477A.0124, subdivision 4, is $130,873,444. For aids payable in 2020 and thereafter, the total aid under section 477A.0124, subdivision 4, is $146,169,914. 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.

(c) For aids payable under paragraph (a) in 2020 through 2024, $3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable under paragraph (a) in 2020, an additional $750,000 must be allocated to Mahnomen County before the money appropriated to county need aid is apportioned among the counties. Of this increased aid amount allocated to Mahnomen County, one-third must be used by the county for the Mahnomen Health Center and one-third must be paid from the county to the
63.1 White Earth Band of Ojibwe to reimburse the band for the costs of delivering child welfare services.

63.3 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2020 and thereafter.

63.5 Sec. 15. **STATE FIRE AID PENALTY FORGIVENESS; AUSTIN.**

63.6 Notwithstanding any contrary provision of law, the city of Austin shall receive both its 2016 state fire aid payment under Minnesota Statutes, section 69.021, subdivision 7, and its 2016 supplemental state aid payment under Minnesota Statutes, section 423A.022, provided that the sum of the fire state aid and the supplemental state aid that the city transmitted to the Austin Parttime Firefighters Relief Association in calendar year 2015 to fund the volunteers firefighters' service pensions met or exceeded the amount required under the bylaws of that association. The commissioner of revenue shall make a payment of $103,891.48 for the state fire aid and $25,201.92 for the supplemental aid to the city no later than June 30, 2019. $129,093.40 in fiscal year 2019 is appropriated from the general fund to the commissioner of revenue to make the payments under this section.

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

63.17 Sec. 16. **APPROPRIATION OF LAPSED AMOUNTS; FIRE REMEDIATION GRANTS.**

63.19 (a) $643,729 in fiscal year 2019 is appropriated from the general fund to the commissioner of public safety for grants to remediate the effects of fires in the city of Melrose 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.

63.23 (b) 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. This is a onetime appropriation and is available until June 30, 2022.

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

63.29 Sec. 17. **APPROPRIATION.**

63.30 $5,000 in fiscal year 2020 only is appropriated from the general fund to the commissioner of revenue for a grant of $2,600 to the city of Mazeppa and a grant of $2,400 to Wabasha
County. The grants shall be paid by July 20, 2019, and may be used for property tax abatements and other costs incurred by public and private entities as a result of a fire in the city of Mazeppa on March 11, 2018. This is a onetime appropriation.

**EFFECTIVE DATE.** This section is effective July 1, 2019.

### ARTICLE 3

#### LOCAL TAXES

Section 1. Minnesota Statutes 2018, section 297A.99, subdivision 1, is amended to read:

**Subdivision 1. Authorization; scope.** (a) A political subdivision of this state may impose a general sales tax (1) under section 297A.992, (2) under section 297A.993, (3) if permitted by special law, or (4) if the political subdivision enacted and imposed the tax before January 1, 1982, and its predecessor provision.

(b) This section governs the imposition of a general sales tax by the political subdivision. The provisions of this section preempt the provisions of any special law:

(1) enacted before June 2, 1997, or

(2) enacted on or after June 2, 1997, that does not explicitly exempt the special law provision from this section's rules by reference.

(c) This section does not apply to or preempt a sales tax on motor vehicles or a special excise tax on motor vehicles.

(d) A political subdivision may not advertise or expend funds for the promotion of a referendum to support imposing a local option sales tax, and may only spend funds related to imposing a local sales tax to:

(e) Notwithstanding paragraph (d), a political subdivision may expend funds to:

(1) conduct the referendum;

(2) disseminate information included in the resolution adopted under subdivision 2, but only if the disseminated information includes a list of specific projects and the cost of each individual project;

(3) provide notice of, and conduct public forums at which proponents and opponents on the merits of the referendum are given equal time to express their opinions on the merits of the referendum;

(4) provide facts and data on the impact of the proposed local sales tax on consumer purchases; and

Article 3 Section 1.
(5) provide facts and data related to the individual programs and projects to be funded with the local sales tax.

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

Sec. 2. Minnesota Statutes 2018, section 297A.99, is amended by adding a subdivision to read:

**Subd. 1a. Purpose statement.** Local sales taxes are to be used instead of traditional local revenues only for construction and rehabilitation of capital projects when a clear regional benefit beyond the taxing jurisdiction can be demonstrated. Use of local sales tax revenues for local projects decreases the benefits to taxpayers of the deductibility of local property taxes and the state assistance provided through the property tax refund system and increases the fiscal inequities between similar communities.

Sec. 3. Minnesota Statutes 2018, section 297A.99, subdivision 2, is amended to read:

**Subd. 2. Local resolution before application for authority.** (a) Before the governing body of a political subdivision requests legislative approval of to impose a local sales tax authorized by a special law for a local sales tax that is administered under this section, it shall adopt a resolution indicating its approval of the tax. The resolution must include, at a minimum, the following information on:

(1) the proposed tax rate, how the revenues will be used;

(2) a detailed description of no more than five capital projects that will be funded with revenue from the tax;

(3) documentation of the share of the economic benefit to or use of each project by persons residing, or businesses located, outside of the jurisdiction;

(4) the amount of local sales tax revenue that would be used for each project and the estimated time needed to raise that amount of revenue; and

(5) the total revenue that will be raised for all projects before the tax expires, and the estimated length of time that the tax will be in effect if all proposed projects are funded.

This subdivision applies to local laws enacted after June 30, 1998. (b) The jurisdiction seeking authority to impose a local sales tax by special law must submit the resolution in paragraph (a) along with underlying documentation indicating how the benefits under paragraph (a), clause (3), were determined, to the chairs of both the senate and house...
committees with jurisdiction over taxes no later than January 31 of the year in which the
jurisdiction is seeking a special law authorizing the tax.

(c) The special legislation granting local sales tax authority is not required to allow
funding for all projects listed in the resolution with the revenue from the local sales tax, but
must not include any projects not contained in the resolution.

EFFECTIVE DATE. This section is effective the day following final enactment and
applies to all local sales taxes not authorized by the legislature before July 1, 2019.

Sec. 4. Minnesota Statutes 2018, section 297A.99, subdivision 3, is amended to read:

Subd. 3. Legislative authority required before voter approval; requirements for
adoption, use, termination. (a) A political subdivision must receive legislative authority
to impose a local sales tax before submitting the tax for approval by voters of the political
subdivision. Imposition of a local sales tax is subject to approval by voters of the political
subdivision at a general election. The election must be conducted before at a general election
within the two-year period after the governing body of the political subdivision requests
legislative approval of has received authority to impose the tax. If the authorizing legislation
allows the tax to be imposed for more than one project, there must be a separate question
approving the use of the tax revenue for each project. Notwithstanding the authorizing
legislation, a project that is not approved by the voters may not be funded with the local
sales tax revenue and the termination date of the tax set in the authorizing legislation must
be reduced proportionately based on the share of that project's cost to the total costs of all
projects included in the authorizing legislation.

(b) The proceeds of the tax must be dedicated exclusively to payment of the cost of a
construction and rehabilitation costs and associated bonding costs related to the specific
capital improvement which is designated at least 90 days before the referendum on imposition
of the tax is conducted projects that were approved by the voters under paragraph (a).

(c) The tax must terminate after the improvement designated under paragraph (b) has
been completed the revenues raised are sufficient to fund the projects approved by the voters
under paragraph (a).

(d) After a sales tax imposed by a political subdivision has expired or been terminated,
the political subdivision is prohibited from imposing a local sales tax for a period of one
year. Notwithstanding subdivision 13, this paragraph applies to all local sales taxes in effect
at the time of or imposed after May 26, 1999.
(e) Notwithstanding paragraph (a), if a political subdivision received voter approval to seek authority for a local sales tax at the November 6, 2018, general election and is granted authority to impose a local sales tax before January 1, 2021, the tax may be imposed without an additional referendum provided that it meets the requirements of subdivision 2 and the list of specific projects contained in the resolution does not conflict with the projects listed in the approving referendum.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all local sales taxes not authorized by the legislature before July 1, 2019.

Sec. 5. Laws 1980, chapter 511, section 1, subdivision 1, is amended to read:

Subdivision 1. (a) Minnesota Statutes, section 477A.01, subdivision 18 477A.016, shall not be deemed to prohibit the city of Duluth from amending its sales and use tax ordinances so as to impose a sales or use tax at the rate of one percent upon any or all sales or uses which are taxed by the state of Minnesota pursuant to Minnesota Statutes, chapter 297A or 297B.

(b) Notwithstanding Minnesota Statutes, section 477A.016, or any ordinance, city charter, or other provision of law, pursuant to the approval of the voters at the election on November 7, 2017, the city of Duluth may impose by ordinance an additional sales and use tax of one-half of one percent for the purposes specified in paragraph (c). The provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the taxes authorized under this paragraph. The tax may not be imposed until the city complies with the provisions of section 31.

(c) Revenues received from the tax authorized by paragraph (b) must be used to pay all or part of the capital and administrative costs of street, curb, gutter, sidewalk, and bridge improvements including related lighting and signals in the city of Duluth as outlined in the Duluth Street Improvement Program 2017, developed by the engineer of the city of Duluth as designated August 8, 2017.

(d) The city of Duluth, pursuant to the approval of the voters at the November 7, 2017, referendum authorizing the imposition of the taxes in this section, may issue bonds under Minnesota Statutes, chapter 475, to pay capital and administrative expenses for the projects described in paragraph (c), until the tax terminates as provided in paragraph (e). A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

(e) The tax authorized under this subdivision terminates at the earlier of: (1) 25 years after the date of initial imposition of the tax; or (2) when the city council determines that...
sufficient funds have been raised from the tax to finance the capital and administrative costs
of the improvements described in paragraph (c), plus the additional amount needed to pay
the costs related to issuance of bonds under paragraph (d), including interest bonds. Any
funds remaining after completion of the projects specified in paragraph (c) and retirement
or redemption of bonds in paragraph (d) shall be placed in the general fund of the city. The
tax imposed under paragraph (b) 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 Duluth and its chief clerical officer comply with Minnesota Statutes, section 645.021,
subdivisions 2 and 3.

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

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

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

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

(2) a sales tax of not more than three percent on the gross receipts from the furnishing
for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming
house, tourist court, or trailer camp located within the city by a hotel or motel which has
more than 50 rooms available for lodging; the tax imposed under this clause shall be at a
rate that, when added to the sum of the rate of the sales tax imposed under Minnesota
Statutes, chapter 297A, the rate of the sales tax imposed under section 4, and the rate of any
other taxes on lodging in the city of Minneapolis, equals 13 percent; and

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

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

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2019.

Sec. 7. Laws 1986, chapter 462, section 31, as amended by Laws 1991, chapter 291, article 8, section 24, and Laws 2011, chapter 112, article 4, section 6, is amended to read:

Sec. 31. AUTHORITY FOR TAXATION.

Notwithstanding Minnesota Statutes, section 477A.016, or any other law, and supplemental to the tax imposed by Laws 1982, chapter 523, article 25, section 1, the city of St. Paul may impose, by ordinance, a tax, at a rate not greater than three percent, on the gross receipts from the furnishing for consideration of lodging and related services at a hotel, boarding house, tourist court, motel, or resort, other than the renting or leasing of space for a continuous period of 30 days or more. The tax does not apply to the furnishing of lodging and related services by a business having less than 50 lodging rooms. The tax shall be collected by and its proceeds paid to the city. Ninety-five percent of the revenues generated by this tax shall be used to fund a convention bureau to market and promote the city as a tourist or convention center.

EFFECTIVE DATE. This section is effective the first day of the calendar quarter beginning at least 30 days after the governing body of the city of St. Paul and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 8. Laws 1994, chapter 587, article 9, section 11, is amended to read:

Sec. 11. TWO HARBORS LODGING TAX.

Notwithstanding Minnesota Statutes, section 477A.016, or other law, in addition to a tax authorized in Minnesota Statutes, section 469.190, the city of Two Harbors may impose,
by ordinance, a tax of up to one percent on the gross receipts subject to the lodging tax
under Minnesota Statutes, section 469.190. The proceeds of the tax shall be dedicated and
used to provide preservation, display, and interpretation of the tug boat Edna G. The total
tax imposed by the city under this section, by Lake County under section 23, and under
Minnesota Statutes, section 469.190, shall not exceed threefive percent.

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

Sec. 9. Laws 1998, chapter 389, article 8, section 45, subdivision 1, is amended to read:

**Subdivision 1. Sales and use taxes.** (a) Notwithstanding Minnesota Statutes, section
477A.016, or any other provision of law, ordinance, or city charter, if approved by the voters
of the city at the next general election held after the date of final enactment of this act, the
city of Two Harbors may impose by ordinance, a sales and use tax at a rate of up to one-half
of one percent for the purposes specified in subdivision 3, paragraph (a).

(b) In addition to the tax in paragraph (a) and notwithstanding Minnesota Statutes,
sections 297A.99 and 477A.016, or any other law, ordinance, or city charter, and as approved
by the voters at the November 6, 2018, general election, the city of Two Harbors may, by
 ordinance, impose an additional sales and use tax at a rate of one-half of one percent for
the purposes specified in subdivision 3, paragraph (b). The tax may not be imposed until
the city complies with the provisions of section 31.

(c) The provisions of Minnesota Statutes, section 297A.48 297A.99, govern the
imposition, administration, collection, and enforcement of the tax authorized under this
subdivision.

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

Sec. 10. Laws 1998, chapter 389, article 8, section 45, subdivision 3, as amended by Laws
2008, chapter 366, article 7, section 11, is amended to read:

**Subd. 3. Use of revenues.** (a) Revenues received from the taxes authorized under
subdivision 1, paragraph (a), must be used for sanitary sewer separation, wastewater
treatment, water system improvements, and harbor refuge development projects.
(b) Revenues from the tax authorized under subdivision 1, paragraph (b), must be used by the city of Two Harbors to pay the costs of collecting and administering the tax and to finance the capital and administrative costs of water and sewer infrastructure projects including gravity-fed sewer mains, water mains, drain tile, service lines, street patching, acquiring property, related engineering, and construction expenses.

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

Sec. 11. Laws 1998, chapter 389, article 8, section 45, subdivision 4, is amended to read:

Subd. 4. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance the capital expenditure and improvement projects under subdivision 1, paragraph (a). An election to approve the bonds under Minnesota Statutes, section 475.58, may be held in combination with the election to authorize imposition of the tax under subdivision 1, paragraph (a). Whether to permit imposition of the tax and issuance of bonds may be posed to the voters as a single question. The question must state that the sales tax revenues are pledged to pay the bonds, but that the bonds are general obligations and will be guaranteed by the city's property taxes.

(b) The city may issue bonds under Minnesota Statutes, chapter 475, to pay capital and administrative expenses for the projects described in subdivision 3, paragraph (b), in an amount that does not exceed $30,000,000. An election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

(c) The issuance of bonds under this subdivision is not subject to Minnesota Statutes, section 275.60.

(d) The bonds are not included in computing any debt limitation applicable to the city, and the 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.

The aggregate principal amount of bonds, plus the aggregate of the taxes used directly to pay eligible capital expenditures and improvements under subdivision 3, paragraph (a), may not exceed $20,000,000, plus an amount equal to the costs related to issuance of the bonds.

(e) The taxes may be pledged to and used for the payment of the bonds and any bonds issued to refund them, only if the bonds and any refunding bonds are general obligations of the city.
72.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the city of Two Harbors and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

72.2 Sec. 12. Laws 1998, chapter 389, article 8, section 45, subdivision 5, is amended to read:

72.3 Subd. 5. *Termination of taxes.* (a) The authority granted under subdivision 1, paragraph (a), to the city of Two Harbors to impose sales and use taxes expires when the costs of the projects described in subdivision 3, paragraph (a), have been paid.

72.4 (b) The authority granted under subdivision 1, paragraph (b), expires at the earlier of:

72.5 (1) 25 years after the tax is first imposed; or (2) when the city council determines that the amount of revenues received from the taxes first equals or exceeds $30,000,000, plus the additional amount needed to pay the costs related to issuance of bonds under subdivision 4, paragraph (b), including interest on the bonds. Any funds remaining after completion of the project and retirement or redemption of the bonds may be placed in the general fund of the city. The taxes imposed under subdivision 1, paragraph (b), may expire at an earlier time if the city so determines by ordinance.

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

72.7 Sec. 13. Laws 2011, First Special Session chapter 7, article 4, section 10, subdivision 3, is amended to read:

72.8 Subd. 3. *Use of revenues.* Revenues received from taxes authorized by subdivisions 1 and 2 must be used by the city to pay the cost of collecting the taxes and to pay for the following projects:

72.9 (1) $4,500,000 for construction and completion of park improvement projects, including St. Louis River riverfront improvements; Veteran's Park construction and improvements; improvements to the Hilltop Park soccer complex and Braun Park baseball complex; capital equipment and building and grounds improvements at the Pine Valley Park/Pine Valley Hockey Arena/Cloquet Area Recreation Center; and development of pedestrian trails within the city;

72.10 (2) $5,800,000 for extension of utilities and the construction of all improvements associated with the development of property adjacent to Highway 33 and Interstate Highway 35, including payment of all debt service on bonds issued for these; and

Article 3 Sec. 13.
(3) $6,200,000 for engineering and construction of infrastructure improvements, including, but not limited to, storm sewer, sanitary sewer, and water in areas identified as part of the city's comprehensive land use plan.

Authorized expenses include, but are not limited to, acquiring property and paying construction expenses related to these improvements, and paying debt service on bonds or other obligations issued to finance acquisition and construction of these improvements.

Notwithstanding the revenue allocations in clauses (1) and (3), if the amount spent for the improvements under clause (2) are less than the $5,800,000 allowed under that clause, the total amount spent for the purposes listed in clauses (1) and (3) may be increased by the difference between $5,800,000 and the amount actually spent under clause (2). However, the total expenditures for projects under this subdivision may not exceed $16,500,000, excluding any costs related to issuance of bonds under subdivision 4.

**EFFECTIVE DATE.** This section is effective the day after the governing body of the city of Cloquet and its chief clerical officer comply with the provisions of section 645.021, subdivisions 2 and 3.

**Sec. 14. CITY OF AVON; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax; authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city charter, the city of Avon, pursuant to approval by the voters at the general election on November 6, 2018, may impose by ordinance a sales and use tax of up to 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 may not be imposed until the city complies with the provisions of section 31.

Subd. 2. **Use of revenues.** Revenues received from taxes authorized by subdivision 1 must be used by the city to:

(1) pay the costs of collecting and administering the tax;

(2) pay the capital and administrative costs of transportation improvement projects as adopted in the city of Avon's street priority improvement plan; and

(3) pay debt service on bonds issued under subdivision 3 or other obligations issued to finance the improvements listed in this subdivision in the city.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to pay the costs of the projects authorized in subdivision 2. The aggregate
principal amount of bonds issued under this subdivision may not exceed $1,500,000 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, 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,
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. (a) The tax imposed under subdivision 1 expires at the
earlier of: (1) December 31, 2045; or (2) when the city council determines that $1,500,000
has been received from the tax to pay for the cost of the projects authorized under subdivision
2, plus an amount sufficient to pay the costs related to issuance of the bonds authorized
under subdivision 3, including interest on the bonds.

(b) 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. 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 and its chief clerical officer comply with Minnesota Statutes, section 645.021,
subdivisions 2 and 3.

Sec. 15. CITY OF BLUE EARTH; LOCAL TAX AUTHORIZED,

Subd. 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
section 477A.016, or any other law, ordinance, or city charter, and as approved by the voters
at the general election of November 6, 2018, the city of Blue Earth 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 may not be imposed until the city complies with
the provisions of section 31.

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 Blue Earth to pay the costs of collecting
and administering the tax and to finance the capital and administrative costs of constructing
and funding sewer plant improvements, street reconstruction projects, and recreational

Article 3 Sec. 15. 74
amenities. The total that may be raised from the tax to pay for these projects is limited to $5,000,000, plus the costs related to the issuance and paying debt service on bonds for these projects.

Subd. 3. Bonding authority. (a) The city of Blue Earth 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 $5,000,000, 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 Blue Earth, 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 Blue Earth, 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) 25 years after the tax is first imposed; or (2) when the city council determines that $5,000,000, plus an amount sufficient to pay the costs related to issuing the bonds authorized under subdivision 3, including interest on the bonds, has been received from the tax to pay for the cost of the projects authorized under subdivision 2. Any funds remaining after payment of all such costs and retirement or redemption of the bonds due to timing of the termination under Minnesota Statutes, section 297A.99, 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 Blue Earth and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 16. CITY OF CAMBRIDGE; TAX 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 as approved by the voters at the November 6, 2018, general election, the city of Cambridge 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 may not
be imposed until the city complies with the provisions of section 31 as it relates to funding
of the street improvements in subdivision 2, clause (2).

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 Cambridge to pay the costs of collecting
and administering the tax and paying for the following infrastructure projects in the city,
including securing and paying debt service on bonds issued to finance all or part of the
following projects:

(1) $8,000,000 plus associated bonding costs for construction of a new facility to house
the Cambridge Public Library and the East Central Regional Library Headquarters; and

(2) $14,000,000 plus associated bonding costs for street improvements outlined in the
Street Capital Improvement Program approved by the city council as of January 22, 2019,
and outdoor park improvements described in the park master plan as of January 22, 2019.

Subd. 3. Bonding authority. (a) The city of Cambridge 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) $8,000,000 for the project listed in subdivision 2, clause (1), plus an amount
applied to the payment of costs of issuing the bonds; and (2) $14,000,000 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
Cambridge, 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) December 31, 2043; or (2) when the city council determines that the city has
received from this tax $22,000,000 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. 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.
77.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the city of Cambridge and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

77.4 **Sec. 17. CITY OF DETROIT LAKES; LOCAL SALES AND USE TAX AUTHORIZED.**

77.6 **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 as approved by the voters at the November 6, 2018, general election, the city of Detroit Lakes 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.

77.13 **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 Detroit Lakes to pay the costs of collecting and administering the tax, and construction of a new police department facility in the city, including securing and paying debt service on bonds issued to finance all or part of this project. The total amount of the police department facility to be funded with the tax imposed under subdivision 1 shall not exceed $6,700,000, excluding associated debt service costs.

77.19 **Subd. 3. Bonding authority.** (a) The city of Detroit Lakes 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 $6,700,000, 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 Detroit Lakes, 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.

77.27 (b) The bonds are not subject to any provisions of the home rule charter of the city of Detroit Lakes and 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.

77.32 **Subd. 4. Termination of taxes.** The tax imposed under subdivision 1 expires at the earlier of: (1) ten years after the tax is first imposed; or (2) when the city council determines that the city has received $6,700,000 from this tax to fund the projects listed in subdivision 2.
2 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 Detroit Lakes and its chief clerical officer comply with Minnesota Statutes, section
645.021, subdivisions 2 and 3.

Sec. 18. CITY OF ELK RIVER; TAX 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 as approved
by the voters at the November 6, 2018, general election, the city of Elk River 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. (a) The revenues derived from the tax
authorized under subdivision 1 must be used by the city of Elk River to:

(1) pay the costs of collecting and administering the tax;

(2) pay the capital and administrative costs of various recreational facility and park
improvements including any or all of the following: a multipurpose recreational facility
such as an ice arena, a community meeting and activity space, and a synthetic turf field
house; senior center facility improvements; Lion John Weicht Park improvements, Lions
Park Center space improvements, and a community picnic pavilion addition; youth athletic
complex improvements; Orono Park improvements; dredging Lake Orono; and citywide
trail connection improvements; and

(3) secure and pay debt service on bonds issued to finance all or part of the projects
listed in clause (2).

(b) The total that may be raised from the tax to pay for these projects is limited to
$35,000,000, plus the costs related to the issuance and paying debt service on bonds for
these projects.

Subd. 3. Bonding authority. (a) The city of Elk River may issue bonds under Minnesota
Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in

Article 3 Sec. 18.
subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
not exceed $35,000,000, 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 Elk
River, 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 subject to any provisions of the home rule charter of the city of
Elk River and 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 $35,000,000 from this tax 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. Any funds remaining after payment of the allowed
costs due to timing of the termination under 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 Elk River and its chief clerical officer comply with Minnesota Statutes, section
645.021, subdivisions 2 and 3.

Sec. 19. CITY OF EXCELSIOR; LOCAL SALES AND USE TAX AUTHORIZED.

Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city
charter, the city of Excelsior may impose, by ordinance, a sales and use tax of up to one-half
of one percent for the purposes specified in subdivision 2, if approved by the voters at a
general election held before December 31, 2020. 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 Excelsior to pay the costs of collecting and
administering the tax and to finance the capital and administrative costs of improvements
to the commons as indicated in the Commons Master Plan as adopted by the city council
on November 20, 2017. Authorized expenses include, but are not limited to, improvements
for walkability and accessibility, enhancement of beach area and facilities, prevention and
management of shoreline erosion, redesign of the port and band shell, improvement of
playground equipment, and securing and paying debt service on bonds issued under
subdivision 3 or other obligations issued to the improvements listed in this subdivision in
the city of Excelsior.

Subd. 3. Bonding authority. (a) If the imposition of the tax is approved by the voters
under subdivision 1, the city of Excelsior may issue bonds under Minnesota Statutes, chapter
475, to finance all or a portion of the costs of the projects authorized in subdivision 2,
without a second vote. The aggregate principal amount of bonds issued under this subdivision
may not exceed $7,000,000, 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 Excelsior, 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 Excelsior, 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 later
of: (1) 25 years after the tax is first imposed; or (2) when the city council determines that
$7,000,000 has been received from the tax to pay for the cost of the projects authorized
under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the
bonds authorized under subdivision 3, including interest on the bonds. 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. 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 Excelsior and its chief clerical officer comply with Minnesota Statutes, section
645.021, subdivisions 2 and 3.

Sec. 20. CITY OF GLENWOOD: TAX AUTHORIZED.

Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
section 477A.016, or any other law, ordinance, or city charter, and as approved by the voters
at the November 6, 2018, general election, the city of Glenwood may impose, by ordinance,
a sales and use tax of up to 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
Sec. 20.

The city's ordinances by determining the city's tax shall be placed under subdivision 1. The tax imposed under subdivision 1 must be used by the city of Glenwood to pay the costs of collecting and administering the tax and to finance, including securing and paying debt service on, all or part of the following projects:

1. The capital costs of the Phases II and III improvements to 2nd Street SE as set forth in the city's capital improvement plan;
2. The development and expansion of, and improvements to, city parks, trails, and recreational facilities; and
3. Improvements to Glenwood City Hall and police station.

Subd. 3. Bonding authority. (a) The city of Glenwood 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 $2,800,000, 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 Glenwood, 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 subject to any provisions of the home rule charter of the city of Glenwood and 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 city has received $2,800,000 from this tax 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 1. 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 Glenwood and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 21. CITY OF INTERNATIONAL FALLS; TAX 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 as approved by the voters at the November 6, 2018, general election, the city of International Falls may impose, by ordinance, a sales and use tax of up to 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 may not be imposed until the city complies with the provisions of section 31.

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 International Falls to pay the costs of collecting and administering the tax, and paying for transportation and other public infrastructure projects in the city, including securing and paying debt service on bonds issued to finance all or part of these projects. The total amount of transportation and other public infrastructure projects to be funded with the tax imposed under subdivision 1 shall not exceed $30,000,000, excluding associated debt service costs.

Subd. 3. Bonding authority. (a) The city of International 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. The aggregate principal amount of bonds issued under this subdivision may not exceed $30,000,000, 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 International 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 subject to any provisions of the home rule charter of the city of International Falls and 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) 30 years after the tax is first imposed; or (2) when the city council determines...
that the city has received $30,000,000 from this tax 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. Any funds remaining after payment of the allowed
costs due to timing of the termination under section 297A.99 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 International Falls and its chief clerical officer comply with Minnesota Statutes,
section 645.021, subdivisions 2 and 3.

Sec. 22. CITY OF LA CRESCENT; LOCAL LODGING TAX AUTHORIZED.

Notwithstanding Minnesota Statutes, section 477A.016, or other law, in addition to a
tax authorized in Minnesota Statutes, section 469.190, the city of La Crescent may impose
by ordinance a tax of up to two percent on the gross receipts subject to the lodging tax under
Minnesota Statutes, section 469.190. The proceeds of the tax shall be split evenly between
(1) the city chamber of commerce to promote tourism in southeastern Minnesota, and (2)
the La Crescent Area Event Center to promote local tourism.

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

Sec. 23. LAKE COUNTY; LOCAL LODGING TAX AUTHORIZED.

Subdivision 1. LODGING TAX. (a) Notwithstanding Minnesota Statutes, section 477A.016,
or any other provision of law, ordinance, or city charter, the Board of Commissioners of
Lake County may impose, by ordinance, a tax of up to four 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. The total tax imposed by
the county under this section, by the city of Two Harbors under Laws 1994, chapter 587,
article 9, section 11, and under Minnesota Statutes, section 469.190, must not exceed seven
percent.

(b) No other city or town located in Lake County that did not impose a local sales tax
under Minnesota Statutes, section 469.190, prior to May 1, 2019, may impose a tax under
Minnesota Statutes, section 469.190, while a tax is in effect under this section.
Subd. 2. **Allowed use of revenues.** The revenues derived from the taxes imposed in subdivision 1 must be used to fund a new Lake County Event and Visitors Bureau as established by or contracted with the Board of Commissioners of Lake County. The Board of Commissioners must use 75 percent of revenues for marketing the county and 25 percent of revenues to fund and promote community events and festivals in the county. The Board of Commissioners of Lake County must annually review the budget of the Lake County Event and Visitors Bureau. The event and visitors bureau may not receive revenues raised from the taxes imposed in subdivision 1 until the Board of Commissioners approves the annual budget.

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

Sec. 24. **CITY OF NORTH MANKATO; LOCAL FOOD AND BEVERAGE TAX AUTHORIZED.**

Subdivision 1. **Food and beverage tax authorized.** Notwithstanding Minnesota Statutes, section 477A.016, or any ordinance, city charter, or other provision of law, the city of North Mankato may, by ordinance, impose a sales tax of up to one percent on the gross receipts on all sales of food and beverages by a restaurant or place of refreshment, as defined by resolution of the city, that are located within the city. For purposes of this section, "food and beverages" includes retail on-sale of intoxicating liquor and fermented malt beverages.

Subd. 2. **Use of proceeds from tax.** (a) The proceeds of any tax imposed under subdivision 1 shall be used by the city to pay all or a portion of the expenses of:

1. operation, maintenance, and capital expenses for the Caswell Park Regional Sporting Complex; and

2. for costs related to regional tourism events.

(b) Authorized capital expenses include securing or paying debt service on bonds or other obligations issued to finance the construction of the Caswell Park Regional Sporting Complex facilities.

Subd. 3. **Collection, administration, and enforcement.** If the city desires, it may enter into an agreement with the commissioner of revenue to administer, collect, and enforce the taxes authorized under subdivisions 1 and 2. If the commissioner agrees to collect the tax, the provisions of Minnesota Statutes, section 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 North Mankato and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 25. CITY OF PERHAM; LOCAL SALES AND USE TAX AUTHORIZED.

Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes, section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law or ordinance, and based on the approval by the voters at the November 6, 2018, election, the city of Perham may impose by ordinance a sales and use tax of up to 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 revenues. The revenues derived from the tax authorized under subdivision 1 must be used by the city of Perham to:

(1) pay the costs of collecting and administering the tax;
(2) finance the capital costs of site preparation, redevelopment, renovation, and construction of buildings, land, and infrastructure at the site of the Perham Area Community Center; and
(3) pay debt service on bonds issued under subdivision 3 or other obligations issued to finance the improvements listed in this subdivision in the city of Perham.

Subd. 3. Bonding authority. (a) The city of Perham 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 $5,200,000, 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 Perham, 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 Perham, 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) 20 years after the tax is first imposed; or (2) when the city council determines that $5,200,000 has been received from the tax to pay for the cost of the projects authorized.
under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the
bonds authorized under subdivision 3, including interest on the bonds. 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. 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 Perham and its chief clerical officer comply with Minnesota Statutes, section 645.021,
subdivisions 2 and 3.

Sec. 26. 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) five years after
the tax is first imposed; or (2) December 31, 2025.

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

Sec. 27. CITY OF SAUK CENTRE; TAXES AUTHORIZED.

Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city
charter, the city of Sauk Centre, pursuant to approval by the voters at the general election
on November 6, 2018, may impose by ordinance a sales and use tax of up to one-half of
one percent and a $20 motor vehicle excise tax for the purposes specified in subdivision 2.

Except as otherwise provided in this section, the provisions of Minnesota Statutes, section

Article 3 Sec. 27.
Subd. 2. **Use of revenues.** Revenues received from taxes authorized by subdivision 1 must be used by the city to:

1. pay the costs of collecting and administering the tax;
2. pay the capital costs of city infrastructure improvement projects directly related to the reconstruction of Trunk Highway 71; and
3. pay debt service on bonds issued under subdivision 3 or other obligations issued to finance the improvements listed in this subdivision in the city.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to pay the costs of the projects authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed $10,000,000 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, 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, 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) December 31, 2045; or (2) when the city council determines that $10,000,000 has been received from the tax to pay for the cost of the projects authorized under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the bonds authorized under subdivision 3, including interest on the bonds. 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. 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 Sauk Centre and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.
Sec. 28. CITY OF VIRGINIA; LOCAL SALES AND USE TAX 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 as approved by the voters at the November 6, 2018, general election, the city of Virginia may impose, by ordinance, a sales and use tax of up to 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 Virginia to pay the costs of collecting and administering the tax, and to finance the costs of renovation, reconstruction, expansion, and improvements of the Miner's Memorial recreation complex and convention center. Authorized costs include engineering and construction costs and associated bond issuance costs.

Subd. 3. Bonding authority. (a) The city of Virginia 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 $30,000,000, 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 Virginia, 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 subject to any provisions of the home rule charter of the city of Virginia and 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 city has received $30,000,000 from this tax 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. Any funds remaining after payment of the allowed costs due to timing of the termination under 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 Virginia and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 29. CITY OF WILLMAR; TAX 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 as approved by the voters at the November 6, 2018, general election, the city of Willmar may impose, by ordinance, a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 3. 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. Excise tax authorized. Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Willmar may impose by ordinance, for the purposes specified in subdivision 3, an excise tax of up to $20 per motor vehicle, as defined by ordinance, purchased or acquired from any person engaged in the business of selling motor vehicles at retail.

Subd. 3. Use of revenues. (a) The revenues derived from the taxes authorized under subdivisions 1 and 2 must be used by the city of Willmar to pay the costs of collecting and administering the taxes, and to pay for the projects listed in this subdivision, including securing and paying debt service on bonds issued to finance all or part of these projects. The total amount of projects to be funded with the taxes imposed under subdivisions 1 and 2 shall not exceed $30,000,000 plus the costs related to the issuance and paying debt service on bonds for these projects. The amount that may be spent on each project is limited to:

(1) $2,000,000 for a community center replacement;
(2) $6,000,000 for new athletic fields;
(3) $3,000,000 for infrastructure improvements at Robins Island Regional Park;
(4) $2,000,000 for a new playground and spectator amenities at Swanson Field Regional Park;
(5) $7,000,000 for storm water management infrastructure improvements; and
(6) $10,000,000 for a new recreation and event center.
(b) Notwithstanding the limits listed in paragraph (a) the city may by ordinance reallocate up to ten percent of the funds designated for one or more projects listed in that paragraph to other projects listed in that paragraph.

Subd. 4. Bonding authority. (a) The city of Willmar may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 3. The aggregate principal amount of bonds issued under this subdivision may not exceed $30,000,000, 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 Willmar, including the taxes authorized under subdivisions 1 and 2. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not subject to any provisions of the home rule charter of the city of Willmar and 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. 5. Termination of taxes. The taxes imposed under subdivisions 1 and 2 expire at the earlier of: (1) 13 years after the taxes are first imposed; or (2) when the city council determines that the city has received $30,000,000 from this tax to fund the projects listed in subdivision 3 plus an amount sufficient to pay interest on and the costs of the issuance of the bonds authorized in subdivision 4. 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 taxes imposed under subdivisions 1 and 2 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 Willmar and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 30. CITY OF WORTHINGTON; TAX 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 as approved by the voters at the November 6, 2018, general election, the city of Worthington may impose, by ordinance, a sales and use tax of one-half of one percent for the purposes specified in subdivision 3. 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 taxes under...
this subdivision and subdivision 2 may not be imposed until the city complies with the
provisions of section 31.

Subd. 2. Excise tax authorized. Notwithstanding Minnesota Statutes, section 477A.016,
or any other contrary provision of law, ordinance, or city charter, the city of Worthington
may impose by ordinance, for the purposes specified in subdivision 3, an excise tax of up
to $20 per motor vehicle, as defined by ordinance, purchased or acquired from any person
engaged within the city of Worthington in the business of selling motor vehicles at retail.

Subd. 3. Use of tax revenues. (a) The revenues derived from the taxes authorized under
subdivisions 1 and 2 must be used by the city of Worthington to pay the costs of collecting
and administering the tax and paying for the projects listed in this subdivision, including
securing and paying debt service on bonds issued to finance all or part of the following
projects:

(1) improvements to the aquatic center;

(2) improvements to the field house;

(3) improvements to the ice arena;

(4) other park and recreation capital projects and improvements;

(5) lake quality improvement; and

(6) improvements to the 10th Street plaza.

(b) The total amount of projects to be funded with the taxes imposed under subdivisions
1 and 2 shall not exceed $25,000,000 plus the costs related to the issuance of and paying
debt service on bonds for these projects.

Subd. 4. Bonding authority. (a) The city of Worthington may issue bonds under
Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects
authorized in subdivision 3. The aggregate principal amount of bonds issued under this
subdivision may not exceed $25,000,000 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 Worthington, including the taxes authorized under subdivisions 1 and 2. The issuance
of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and
275.61.

(b) The bonds are not subject to any provisions of the home rule charter of the city of
Worthington and 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. 5. Termination of taxes. The taxes imposed under subdivisions 1 and 2 expire
at the earlier of: (1) 15 years after the taxes are first imposed; or (2) when the city council
determines that the city has received $25,000,000 from this tax to fund the projects listed
in subdivision 3 plus an amount sufficient to pay interest on and the costs of the issuance
of the bonds authorized in subdivision 4. 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 taxes imposed under subdivisions 1 and 2 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 Worthington and its chief clerical officer comply with Minnesota Statutes, section
645.021, subdivisions 2 and 3.

Sec. 31. RESOLUTION AND PUBLIC NOTICE OF SPECIFIC PROJECTS TO
BE FUNDED WITH A LOCAL SALES TAX.

(a) A city authorized to impose a local sales tax based on voter approval at the November
2018 general election that is subject to this provision must meet the requirements in this
section before imposing the tax. The city must pass a resolution at a regularly scheduled
city council meeting outlining each of the specific capital projects that will be funded by
the tax and the anticipated amount of the revenues to be raised from the tax that will be used
for each project. Within allowed funding areas listed in the authorized uses of the tax revenue,
the city must give priority to funding projects of regional significance. For purposes of this
section a "specific capital project" means:

(1) a single building or structure including associated infrastructure needed to safely
access or use the building or structure;

(2) improvements within a single park or named recreation area;

(3) a contiguous trail;

(4) a contiguous segment of roadway, or two or more contiguous segments of roadway
provided that all segments of the roadway are listed, and including city infrastructure beneath
the roadway provided the infrastructure is explicitly listed; and

(5) a sanitary sewer, storm sewer, or water project in a contiguous geographic area served
by the project that is specifically described in the resolution.

Article 3 Sec. 31.
(b) The resolution must be sent to the commissioner of revenue and the tax may not be imposed until the commissioner certifies that the resolution meets the requirements of this section. The resolution must also be published on the city’s website in a manner easily accessible to the public either through a link displayed on the city’s home page or by publishing it directly on the city’s home page. The resolution must remain on the website until the tax terminates. Only projects listed in the resolution may be funded by the local sales tax.

(c) The authority to impose a local sales tax that is subject to this section expires on January 1, 2021, if the commissioner has not certified that the city has passed a resolution that meets the requirements of this section by the last business day before December 31, 2020.

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

**ARTICLE 4**

**TAX INCREMENT FINANCING**

Section 1. Laws 2008, chapter 366, article 5, section 26, as amended by Laws 2013, chapter 143, article 9, section 11, is amended to read:

Sec. 26. BLOOMINGTON TAX INCREMENT FINANCING; FIVE-YEAR RULE.

(a) The requirements 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, are increased to a 15-year 25-year period for the Port Authority of the City of Bloomington’s Tax Increment Financing District No. 1-I, Bloomington Central Station.

(b) Notwithstanding the provisions of Minnesota Statutes, section 469.176, or any other law to the contrary, the city of Bloomington and its port authority may extend the duration limits of the district for a period through December 31, 2039.

(c) Effective for taxes payable in 2014, tax increment for the district must be computed using the current local tax rate, notwithstanding the provisions of Minnesota Statutes, section 469.177, subdivision 1a.

**EFFECTIVE DATE.** This section is effective upon compliance by the city of Bloomington with the requirements of Minnesota Statutes, section 645.021, subdivision 3.
Sec. 2. Laws 2014, chapter 308, article 6, section 8, subdivision 1, as amended by Laws 2017, First Special Session chapter 1, article 6, section 11, is amended to read:

Subdivision 1. Authority to create districts. (a) The governing body of the city of Edina or its development authority may establish one or more tax increment financing housing districts in the Southeast Edina Redevelopment Project Area, as the boundaries exist on March 31, 2014.

(b) The authority to request certification of districts under this section expires on December 31, 2019.

EFFECTIVE DATE. This section is effective without local approval under Minnesota Statutes, section 645.023, subdivision 1, paragraph (b).

Sec. 3. Laws 2014, chapter 308, article 6, section 8, subdivision 3, is amended to read:

Subd. 3. Pooling authority. The city may elect to treat expenditures of increment from the Southdale 2 district for a housing project of a district established under this section as expenditures qualifying under Minnesota Statutes, section 469.1763, subdivision 2, paragraph (d): (1) without regard to whether the housing meets the requirement of a qualified building under section 42 of the Internal Revenue Code; and (2) may increase by an additional 25 percentage points the permitted amount of expenditures for activities located outside the geographic area of the district permitted under that section (b).

EFFECTIVE DATE. This section is effective upon local approval by the governing body of the city of Edina and its compliance with the requirements of Minnesota Statutes, section 645.021, subdivision 3.

Sec. 4. CITY OF CHAMPLIN; TAX INCREMENT FINANCING DISTRICT; PROJECT REQUIREMENTS.

Subdivision 1. Five-year rule. The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is extended to a ten-year period for the Mississippi Crossings tax increment financing district.

Subd. 2. Term of district. The term of the Mississippi Crossings tax increment district is extended an additional five years.

Subd. 3. Revenues for decertification. Minnesota Statutes, section 469.1763, subdivision 4, does not apply to the Mississippi Crossings tax increment financing district.
EFFECTIVE DATE. This section is effective upon compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 5. CITY OF MINNEAPOLIS; UPPER HARBOR TERMINAL REDEVELOPMENT PROJECT.

Subdivision 1. Qualifying rules. Notwithstanding the criteria in Minnesota Statutes, section 469.174, subdivision 10, the governing body of the city of Minneapolis may establish by resolution one or more redevelopment tax increment districts within that portion of the North Washington Industrial Park Redevelopment Project Area as its boundaries existed on January 1, 2019, located north of Lowry Avenue. In each resolution, the city must find that each parcel in the district was part of property that was formerly used as a municipally owned intermodal barge shipping facility that can no longer be used for such purpose due to the closure of the Upper St. Anthony Falls Lock under the federal Water Resources Reform and Development Act of 2014. Except as provided in this section, the provisions of Minnesota Statutes, sections 469.174 to 469.1794, apply to each district created under this section.

Subd. 2. Use of increments. Minnesota Statutes, section 469.176, subdivision 4j, does not apply to any district established under this section.

Subd. 3. Five-year rule. The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is extended to ten years for any district established under this section.

Subd. 4. Pooling authority. Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, tax increments from any district established under this section may be expended anywhere within the portion of the project area as described in subdivision 1, on eligible costs permitted under Minnesota Statutes, sections 469.174 to 469.1794.

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

Sec. 6. EXPENDITURE OF HAZARDOUS SUBSTANCE SUBDISTRICT TAX INCREMENT.

Notwithstanding the provisions of Minnesota Statutes, section 469.1763, or any other law to the contrary, the city of Roseville and the Roseville Economic Development Authority may use any or all increment generated from Hazardous Substance Subdistrict No. 17A for the purpose of financing environmental remediation pursuant to one or more response action.
plans on the parcels within or adjacent to the parcels in the subdistrict as originally certified, regardless of the date of approval of the response action plan by the Pollution Control Agency.

EFFECTIVE DATE. This section is effective upon compliance by the governing body of the city of Roseville with the requirements of Minnesota Statutes, section 645.021, subdivision 3.

Sec. 7. CITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT; PROJECT REQUIREMENTS.

Subdivision 1. Establishment. The city of Duluth or the Duluth Economic Development Authority may establish one or more redevelopment tax increment financing districts located in the city of Duluth, St. Louis County, Minnesota, within the area bordered on the northeast by Slip 3 and the Pier B Resort property line extended northwest to Interstate 35, on the southeast by the Duluth Harbor, on the southwest by the Compass Minerals property line extended northwest to Interstate 35, and on the northwest by Interstate 35, together with adjacent roads and rights-of-way; and such property is deemed to meet the requirements of Minnesota Statutes, section 469.174, subdivision 10.

Subd. 2. Eligible expenditures. 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. Minnesota Statutes, section 469.176, subdivision 4j, does not apply to any tax increment financing district established in the area described in subdivision 1. Eligible expenditures for any tax increment financing district established in the area described in subdivision 1 include, without limitation, seawalls and pier facings adjacent to the boundaries of such district.

EFFECTIVE DATE. This section is effective upon compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 8. 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 rights-of-way.
Subd. 2. **Special rules.** If the city of 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; and

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.

**EFFECTIVE DATE.** This section is effective upon approval by the governing body of the city of Burnsville and compliance with the requirements of Minnesota Statutes, section 645.021.

**ARTICLE 5**

PUBLIC FINANCE

Section 1. Minnesota Statutes 2018, section 37.31, subdivision 1, is amended to read:

**Subdivision 1. Bonding authority.** The society may issue negotiable bonds in a principal amount that the society determines necessary to provide sufficient money for achieving its purposes, including the payment of interest on bonds of the society, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the society incident to and necessary or convenient to carry out its corporate purposes and powers. Bonds of the society may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed $20,000,000 $30,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued.

Sec. 2. Minnesota Statutes 2018, section 103E.611, subdivision 2, is amended to read:

**Subd. 2. Interest.** (a) Interest is an additional drainage lien on all property until paid. The interest rate on the drainage lien principal from the date the drainage lien statement is recorded must be set by the board but may not exceed the rate determined by the state court administrator for judgments under section 549.09, or six percent, whichever is greater.

(b) Before the tax lists for the year are given to the county treasurer, the auditor shall compute the interest on the unpaid balance of the drainage lien at the rate set by the board. The amount of interest must be computed on the entire unpaid principal from the date the
drainage lien was recorded to August 15 of the next calendar year, and afterwards from August 15 to August 15 of each year.

(c) Interest is due and payable after November 1 of each year the drainage lien principal or interest is due and unpaid.

Sec. 3. Minnesota Statutes 2018, section 123B.595, subdivision 5, is amended to read:

Subd. 5. Bond authorization. (a) A school district may issue general obligation bonds under this section to finance facilities plans approved by its board and the commissioner. Chapter 475, except sections 475.58 and 475.59, must be complied with. The authority to issue bonds under this section is in addition to any bonding authority authorized by this chapter or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding or net debt limits of this chapter, or any other law other than section 475.53, subdivision 4.

(b) At least 20 days before the earliest of solicitation of bids, the issuance of bonds, or the final certification of levies under subdivision 6, the district must publish notice of the intended projects, the amount of the bond issue, and the total amount of district indebtedness.

(c) The portion of revenue under this section for bonded debt must be recognized in the debt service fund.

Sec. 4. Minnesota Statutes 2018, section 297A.993, subdivision 1, is amended to read:

Subdivision 1. Authorization; rates. Notwithstanding section 297A.99, subdivisions 1, 2, 3, 5, and 13, or 477A.016, or any other law, the board of a county outside the metropolitan transportation area, as defined under section 297A.992, subdivision 1, or more than one county outside the metropolitan transportation area acting under a joint powers agreement, may by resolution of the county board, or each of the county boards, following a public hearing impose (1) a transportation sales tax at a rate of up to one-half of one percent on retail sales and uses taxable under this chapter, and (2) an excise tax of $20 per motor vehicle, as defined in section 297B.01, subdivision 1., purchased or acquired from any person engaged in the business of selling motor vehicles at retail, occurring within the jurisdiction of the taxing authority.
Sec. 5. Minnesota Statutes 2018, section 471.831, is amended to read:

**471.831 MUNICIPALITY MAY FILE BANKRUPTCY PETITION.**

Subdivision 1. **Any relief under bankruptcy code.** A municipality, as defined in subdivision 2, may file a petition and seek any relief available to it under United States Code, title 11, as amended through December 31, 1996.

Subd. 2. **Municipality defined.** In this section, "municipality" means a municipality as defined in United States Code, title 11, section 101, but limited to a county, statutory or home rule charter city, or town; or a housing and redevelopment authority, economic development authority, or rural development financing authority established under chapter 469, a home rule charter, or special law.

Sec. 6. Minnesota Statutes 2018, section 473.39, subdivision 6, is amended to read:

Subd. 6. **Limitation; light rail transit.** The council is prohibited from expending any proceeds from certificates of indebtedness, bonds, or other obligations under this section for project development, land acquisition, or construction to (1) establish a light rail transit line; or (2) expand a light rail transit line, including by extending a line or adding additional stops.

Sec. 7. Minnesota Statutes 2018, section 475.521, subdivision 1, is amended to read:

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

(a) "Bonds" mean an obligation defined under section 475.51.

(b) "Capital improvement" means acquisition or betterment of public lands, buildings or other improvements for the purpose of a city hall, town hall, library, public safety facility, and public works facility. An improvement must have an expected useful life of five years or more to qualify. Capital improvement does not include light rail transit or any activity related to it, or a park, road, bridge, administrative building other than a city or town hall, or land for any of those facilities. For purposes of this section, "capital improvement" includes expenditures for purposes described in this paragraph that have been incurred by a municipality before approval of a capital improvement plan, if such expenditures are included in a capital improvement plan approved on or before the date of the public hearing under subdivision 2 regarding issuance of bonds for such expenditures.

(c) "Municipality" means a home rule charter or statutory city or a town described in section 368.01, subdivision 1 or 1a.
Sec. 8. REPEALER.

Minnesota Statutes 2018, section 37.31, subdivision 8, is repealed.

Delete the title and insert:

"A bill for an act relating to taxation; property; modifying provisions governing property taxes, aids and credits, local taxes, tax increment financing, and public finance; requiring reports; appropriating money; amending Minnesota Statutes 2018, sections 37.31, 103E.611, subdivision 2; 123B.595, subdivision 5; 138.053; 162.145, subdivision 3; 197.603, subdivision 2; 270C.85, subdivision 2; 270C.89, subdivisions 1, 2; 270C.91; 272.02, subdivision 49, by adding subdivisions; 272.115, subdivision 1; 272.12; 273.061, subdivision 9; 273.0755; 273.113, subdivision 3; 273.119, subdivision 2; 273.1231, subdivision 3; 273.124, subdivisions 3a, 14, 21, by adding a subdivision; 273.1245, subdivision 2; 273.13, subdivisions 23, 34, 35; 273.136, subdivision 2; 273.1384, subdivisions 2, 3; 273.1385, subdivision 4; 273.1387, subdivisions 2, 3; 273.18; 274.14; 274.16; 275.025, subdivision 1; 282.01, subdivision 6; 287.21, subdivision 1; 290A.03, subdivision 13; 290A.04, subdivisions 2, 2a; 290A.19; 290B.04, subdivision 1; 290B.09, subdivision 1; 297A.99, subdivisions 1, 2, 3, by adding a subdivision; 297A.993, subdivision 1; 298.225, subdivision 1; 298.28, subdivision 3; 469.169, by adding a subdivision; 469.171, subdivision 4; 469.177, subdivision 1; 471.831; 473.39, subdivision 6; 473H.08, subdivisions 1, 4, by adding a subdivision; 475.521, subdivision 1; 477A.011, subdivision 45; 477A.013, subdivision 13; 477A.03, subdivisions 2a, 2b; Laws 1980, chapter 511, section 1, subdivision 1; Laws 1986, chapter 396, section 5, as amended; Laws 1986, chapter 462, section 31, as amended; Laws 1994, chapter 587, article 9, section 11; Laws 1998, chapter 389, article 8, section 45, subdivisions 1, 3, as amended, 4, 5; Laws 2008, chapter 366, article 5, sections 26, as amended; 33, as amended; Laws 2009, chapter 88, article 2, section 46, subdivisions 1, as amended, 2, 3, as amended, 4, 5; Laws 2011, First Special Session chapter 7, article 4, section 10, subdivision 3; Laws 2014, chapter 308, article 6, section 8, subdivisions 1, as amended, 3; Laws 2017, First Special Session chapter 1, article 10, section 4; proposing coding for new law in Minnesota Statutes, chapters 272; 273; 290A; repealing Minnesota Statutes 2018, sections 37.31, subdivision 8; 275.29."

With the recommendation that when so amended the bill be returned to the Committee on Taxes.

This Division action taken April 1, 2019

Chair

Article 5 Sec. 8.