

1.1 moves to amend H.F. No. 1377 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 PROPERTY TAXES

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

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

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

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

1.17 (2) except as provided in paragraph (c), property of an airport owned by a city, town,
1.18 county, or group thereof ~~which~~ that is:

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

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

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

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

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

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

2.8 (4) except as provided in paragraph (d), property constituting or used as a passenger
 2.9 check-in area or ticket sale counter, boarding area, or luggage claim area in connection with
 2.10 a public airport ~~but not the airports owned or operated by the Metropolitan Airports~~
 2.11 ~~Commission or cities of over 50,000 population or an airport authority therein. Real estate~~
 2.12 ~~owned by a municipality in connection with the operation of a public airport and leased or~~
 2.13 ~~used for agricultural purposes is not exempt;~~

2.14 (5) property leased, loaned, or otherwise made available to a private individual,
 2.15 corporation, or association under a cooperative farming agreement made pursuant to section
 2.16 97A.135; or

2.17 (6) property leased, loaned, or otherwise made available to a private individual,
 2.18 corporation, or association under section 272.68, subdivision 4.

2.19 (c) The exception from taxation provided in paragraph (b), clause (2), does not apply
 2.20 to:

2.21 (1) property located at an airport owned or operated by:

2.22 (i) the Metropolitan Airports Commission; or

2.23 (ii) a city of over 50,000 population according to the most recent federal census or such
 2.24 a city's airport authority, except that, when calculating the tax imposed by this subdivision
 2.25 for property taxes payable in 2024 through 2035, the net tax capacity of such property is
 2.26 reduced by 50 percent if it is owned or operated by a city of over 50,000 but under 150,000
 2.27 in population according to the most recent federal census or by such a city's airport authority;
 2.28 or

2.29 (2) hangars leased by a private individual, association, or corporation in connection with
 2.30 a business conducted for profit other than an aviation-related business.

2.31 (d) The exception from taxation provided in paragraph (b), clause (4), does not apply
 2.32 to:

3.1 (1) the property described in paragraph (b), clause (4), at airports that are owned or
 3.2 operated by:

3.3 (i) the Metropolitan Airports Commission; or

3.4 (ii) a city of over 50,000 population or an airport authority therein, except that, when
 3.5 calculating the tax imposed by this subdivision for property taxes payable in 2024 through
 3.6 2035, the net tax capacity of such property is reduced by 50 percent if it is owned or operated
 3.7 by a city of over 50,000 but under 150,000 in population according to the most recent federal
 3.8 census or by such a city's airport authority; or

3.9 (2) real estate owned by a municipality in connection with the operation of a public
 3.10 airport and leased or used for agricultural purposes.

3.11 ~~(e)~~ (e) Taxes imposed by this subdivision are payable as in the case of personal property
 3.12 taxes and shall be assessed to the lessees or users of real or personal property in the same
 3.13 manner as taxes assessed to owners of real or personal property, except that such taxes shall
 3.14 not become a lien against the property. When due, the taxes shall constitute a debt due from
 3.15 the lessee or user to the state, township, city, county, and school district for which the taxes
 3.16 were assessed and shall be collected in the same manner as personal property taxes. If
 3.17 property subject to the tax imposed by this subdivision is leased or used jointly by two or
 3.18 more persons, each lessee or user shall be jointly and severally liable for payment of the
 3.19 tax.

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

3.25 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
 3.26 in 2024.

3.27 Sec. 2. Minnesota Statutes 2022, section 272.02, subdivision 24, is amended to read:

3.28 Subd. 24. **Solar energy generating systems.** Personal property consisting of solar energy
 3.29 generating systems, as defined in section 272.0295, is exempt. If the real property upon
 3.30 which a solar energy generating system is located is used primarily for solar energy
 3.31 production subject to the production tax under section 272.0295, the real property shall be
 3.32 classified as class 3a. If the real property upon which a solar energy generating system is
 3.33 located is not used primarily for solar energy production subject to the production tax under

4.1 section 272.0295, the real property shall be classified without regard to the system. If real
4.2 property contains more than one solar energy generating system that cannot be combined
4.3 with the nameplate capacity of another solar energy generating system for the purposes of
4.4 the production tax under section 272.0295, but is in aggregate over one megawatt, then the
4.5 real property upon which the systems are located shall be classified as class 3a.

4.6 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
4.7 in 2024 and thereafter.

4.8 Sec. 3. Minnesota Statutes 2022, section 272.02, subdivision 98, is amended to read:

4.9 Subd. 98. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

4.10 (1) was classified as 3a under section 273.13, subdivision 24, for taxes payable in 2013;

4.11 (2) is located in a city of the first class with a population greater than 300,000 as of the
4.12 2010 federal census;

4.13 (3) was on January 2, 2012, and is for the current assessment owned by a federally
4.14 recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota;
4.15 and

4.16 (4) is used exclusively for tribal purposes or institutions of purely public charity as
4.17 defined in subdivision 7.

4.18 (b) For purposes of this subdivision, a "tribal purpose" means a public purpose as defined
4.19 in subdivision 8 and includes noncommercial tribal government activities. Property that
4.20 qualifies for the exemption under this subdivision is limited to no more than two contiguous
4.21 parcels and structures that do not exceed in the aggregate 20,000 square feet. Property
4.22 acquired for single-family housing, market-rate apartments, agriculture, or forestry does
4.23 not qualify for this exemption. ~~The exemption created by~~ This subdivision expires with
4.24 taxes payable in ~~2024~~ 2034.

4.25 (c) Property exempt under this section is exempt from the requirements of section
4.26 272.025.

4.27 **EFFECTIVE DATE.** This section is effective for property taxes payable in 2023 and
4.28 thereafter.

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

5.3 Subd. 105. **Elderly living facility.** An elderly living facility is exempt from taxation if
5.4 it meets all of the following requirements:

5.5 (1) the facility is located in a city of the first class with a population of fewer than
5.6 110,000;

5.7 (2) the facility is owned and operated by a nonprofit organization organized under section
5.8 501(c)(3) of the Internal Revenue Code;

5.9 (3) construction of the facility was completed between January 1, 1963, and January 1,
5.10 1964;

5.11 (4) the facility is an assisted living facility licensed by the state of Minnesota;

5.12 (5) residents of the facility must be (i) at least 55 years of age, or (ii) disabled; and

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

5.15 For assessment year 2022 only, an exemption application under this section must be filed
5.16 with the county assessor by June 15, 2023.

5.17 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2023.

5.18 Sec. 5. Minnesota Statutes 2022, section 273.11, subdivision 12, is amended to read:

5.19 Subd. 12. **Community land trusts.** (a) A community land trust, as defined under chapter
5.20 462A, is (i) a community-based nonprofit corporation organized under chapter 317A, which
5.21 qualifies for tax exempt status under 501(c)(3), or (ii) a "city" as defined in section 462C.02,
5.22 subdivision 6, which has received funding from the Minnesota housing finance agency for
5.23 purposes of the community land trust program. The Minnesota Housing Finance Agency
5.24 shall set the criteria for community land trusts.

5.25 (b) Before the community land trust can rent or sell a unit to an applicant, the community
5.26 land trust shall verify to the satisfaction of the administering agency or the city that the
5.27 family income of each person or family applying for a unit in the community land trust
5.28 building is within the income criteria provided in section 462A.30, subdivision 9. The
5.29 administering agency or the city shall verify to the satisfaction of the county assessor that
5.30 the occupant meets the income criteria under section 462A.30, subdivision 9. The property
5.31 tax benefits under paragraph (c) shall be granted only to property owned or rented by persons

6.1 or families within the qualifying income limits. The family income criteria and verification
6.2 is only necessary at the time of initial occupancy in the property.

6.3 (c) A unit which is owned by the occupant and used as a homestead by the occupant
6.4 qualifies for homestead treatment as class 1a under section 273.13, subdivision 22, or class
6.5 4d if the requirements of section 273.13, subdivision 25, paragraph (e), clause (2), are met.
6.6 A unit which is rented by the occupant and used as a homestead by the occupant shall be
6.7 class 4a or 4b property, under section 273.13, subdivision 25, whichever is applicable. Any
6.8 remaining portion of the property not used for residential purposes shall be classified by
6.9 the assessor in the appropriate class based upon the use of that portion of the property owned
6.10 by the community land trust. The land upon which the building is located shall be assessed
6.11 at the same classification rate as the units within the building, provided that if the building
6.12 contains some units assessed as class 1a or class 4d and some units assessed as class 4a or
6.13 4b, the market value of the land will be assessed in the same proportions as the value of the
6.14 building.

6.15 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024
6.16 and thereafter.

6.17 Sec. 6. Minnesota Statutes 2022, section 273.13, subdivision 25, is amended to read:

6.18 Subd. 25. **Class 4.** (a) Class 4a is residential real estate containing four or more units
6.19 and used or held for use by the owner or by the tenants or lessees of the owner as a residence
6.20 for rental periods of 30 days or more, excluding property qualifying for class 4d. Class 4a
6.21 also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt
6.22 under section 272.02, and contiguous property used for hospital purposes, without regard
6.23 to whether the property has been platted or subdivided. The market value of class 4a property
6.24 has a classification rate of 1.25 percent.

6.25 (b) Class 4b includes:

6.26 (1) residential real estate containing less than four units, including property rented as a
6.27 short-term rental property for more than 14 days in the preceding year, that does not qualify
6.28 as class 4bb, other than seasonal residential recreational property;

6.29 (2) manufactured homes not classified under any other provision;

6.30 (3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm
6.31 classified under subdivision 23, paragraph (b) containing two or three units; and

6.32 (4) unimproved property that is classified residential as determined under subdivision
6.33 33.

7.1 For the purposes of this paragraph, "short-term rental property" means nonhomestead
7.2 residential real estate rented for periods of less than 30 consecutive days.

7.3 The market value of class 4b property has a classification rate of 1.25 percent.

7.4 (c) Class 4bb includes:

7.5 (1) nonhomestead residential real estate containing one unit, other than seasonal
7.6 residential recreational property;

7.7 (2) a single family dwelling, garage, and surrounding one acre of property on a
7.8 nonhomestead farm classified under subdivision 23, paragraph (b); and

7.9 (3) a condominium-type storage unit having an individual property identification number
7.10 that is not used for a commercial purpose.

7.11 Class 4bb property has the same classification rates as class 1a property under subdivision
7.12 22.

7.13 Property that has been classified as seasonal residential recreational property at any time
7.14 during which it has been owned by the current owner or spouse of the current owner does
7.15 not qualify for class 4bb.

7.16 (d) Class 4c property includes:

7.17 (1) except as provided in subdivision 22, paragraph (c), real and personal property
7.18 devoted to commercial temporary and seasonal residential occupancy for recreation purposes,
7.19 for not more than 250 days in the year preceding the year of assessment. For purposes of
7.20 this clause, property is devoted to a commercial purpose on a specific day if any portion of
7.21 the property is used for residential occupancy, and a fee is charged for residential occupancy.
7.22 Class 4c property under this clause must contain three or more rental units. A "rental unit"
7.23 is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site
7.24 equipped with water and electrical hookups for recreational vehicles. A camping pad offered
7.25 for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c
7.26 under this clause regardless of the term of the rental agreement, as long as the use of the
7.27 camping pad does not exceed 250 days. In order for a property to be classified under this
7.28 clause, either (i) the business located on the property must provide recreational activities,
7.29 at least 40 percent of the annual gross lodging receipts related to the property must be from
7.30 business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid
7.31 bookings by lodging guests during the year must be for periods of at least two consecutive
7.32 nights; or (B) at least 20 percent of the annual gross receipts must be from charges for
7.33 providing recreational activities, or (ii) the business must contain 20 or fewer rental units,

8.1 and must be located in a township or a city with a population of 2,500 or less located outside
8.2 the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion
8.3 of a state trail administered by the Department of Natural Resources. For purposes of item
8.4 (i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4c
8.5 property also includes commercial use real property used exclusively for recreational
8.6 purposes in conjunction with other class 4c property classified under this clause and devoted
8.7 to temporary and seasonal residential occupancy for recreational purposes, up to a total of
8.8 two acres, provided the property is not devoted to commercial recreational use for more
8.9 than 250 days in the year preceding the year of assessment and is located within two miles
8.10 of the class 4c property with which it is used. In order for a property to qualify for
8.11 classification under this clause, the owner must submit a declaration to the assessor
8.12 designating the cabins or units occupied for 250 days or less in the year preceding the year
8.13 of assessment by January 15 of the assessment year. Those cabins or units and a proportionate
8.14 share of the land on which they are located must be designated class 4c under this clause
8.15 as otherwise provided. The remainder of the cabins or units and a proportionate share of
8.16 the land on which they are located will be designated as class 3a. The owner of property
8.17 desiring designation as class 4c property under this clause must provide guest registers or
8.18 other records demonstrating that the units for which class 4c designation is sought were not
8.19 occupied for more than 250 days in the year preceding the assessment if so requested. The
8.20 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center
8.21 or meeting room, and (5) other nonresidential facility operated on a commercial basis not
8.22 directly related to temporary and seasonal residential occupancy for recreation purposes
8.23 does not qualify for class 4c. For the purposes of this paragraph, "recreational activities"
8.24 means renting ice fishing houses, boats and motors, snowmobiles, downhill or cross-country
8.25 ski equipment; providing marina services, launch services, or guide services; or selling bait
8.26 and fishing tackle;

8.27 (2) qualified property used as a golf course if:

8.28 (i) it is open to the public on a daily fee basis. It may charge membership fees or dues,
8.29 but a membership fee may not be required in order to use the property for golfing, and its
8.30 green fees for golfing must be comparable to green fees typically charged by municipal
8.31 courses; and

8.32 (ii) it meets the requirements of section 273.112, subdivision 3, paragraph (d).

8.33 A structure used as a clubhouse, restaurant, or place of refreshment in conjunction with
8.34 the golf course is classified as class 3a property;

9.1 (3) real property up to a maximum of three acres of land owned and used by a nonprofit
9.2 community service oriented organization and not used for residential purposes on either a
9.3 temporary or permanent basis, provided that:

9.4 (i) the property is not used for a revenue-producing activity for more than six days in
9.5 the calendar year preceding the year of assessment; or

9.6 (ii) the organization makes annual charitable contributions and donations at least equal
9.7 to the property's previous year's property taxes and the property is allowed to be used for
9.8 public and community meetings or events for no charge, as appropriate to the size of the
9.9 facility.

9.10 For purposes of this clause:

9.11 (A) "charitable contributions and donations" has the same meaning as lawful gambling
9.12 purposes under section 349.12, subdivision 25, excluding those purposes relating to the
9.13 payment of taxes, assessments, fees, auditing costs, and utility payments;

9.14 (B) "property taxes" excludes the state general tax;

9.15 (C) a "nonprofit community service oriented organization" means any corporation,
9.16 society, association, foundation, or institution organized and operated exclusively for
9.17 charitable, religious, fraternal, civic, or educational purposes, and which is exempt from
9.18 federal income taxation pursuant to section 501(c)(3), (8), (10), or (19) of the Internal
9.19 Revenue Code; and

9.20 (D) "revenue-producing activities" shall include but not be limited to property or that
9.21 portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt
9.22 liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling
9.23 alley, a retail store, gambling conducted by organizations licensed under chapter 349, an
9.24 insurance business, or office or other space leased or rented to a lessee who conducts a
9.25 for-profit enterprise on the premises.

9.26 Any portion of the property not qualifying under either item (i) or (ii) is class 3a. The
9.27 use of the property for social events open exclusively to members and their guests for periods
9.28 of less than 24 hours, when an admission is not charged nor any revenues are received by
9.29 the organization shall not be considered a revenue-producing activity.

9.30 The organization shall maintain records of its charitable contributions and donations
9.31 and of public meetings and events held on the property and make them available upon
9.32 request any time to the assessor to ensure eligibility. An organization meeting the requirement
9.33 under item (ii) must file an application by May 1 with the assessor for eligibility for the

10.1 current year's assessment. The commissioner shall prescribe a uniform application form
10.2 and instructions;

10.3 (4) postsecondary student housing of not more than one acre of land that is owned by a
10.4 nonprofit corporation organized under chapter 317A and is used exclusively by a student
10.5 cooperative, sorority, or fraternity for on-campus housing or housing located within two
10.6 miles of the border of a college campus;

10.7 (5)(i) manufactured home parks as defined in section 327.14, subdivision 3, excluding
10.8 manufactured home parks described in items (ii) and (iii), (ii) manufactured home parks as
10.9 defined in section 327.14, subdivision 3, that are described in section 273.124, subdivision
10.10 3a, and (iii) class I manufactured home parks as defined in section 327C.015, subdivision
10.11 2;

10.12 (6) real property that is actively and exclusively devoted to indoor fitness, health, social,
10.13 recreational, and related uses, is owned and operated by a not-for-profit corporation, and is
10.14 located within the metropolitan area as defined in section 473.121, subdivision 2;

10.15 (7) a leased or privately owned noncommercial aircraft storage hangar not exempt under
10.16 section 272.01, subdivision 2, and the land on which it is located, provided that:

10.17 (i) the land is on an airport owned or operated by a city, town, county, Metropolitan
10.18 Airports Commission, or group thereof; and

10.19 (ii) the land lease, or any ordinance or signed agreement restricting the use of the leased
10.20 premise, prohibits commercial activity performed at the hangar.

10.21 If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be
10.22 filed by the new owner with the assessor of the county where the property is located within
10.23 60 days of the sale;

10.24 (8) a privately owned noncommercial aircraft storage hangar not exempt under section
10.25 272.01, subdivision 2, and the land on which it is located, provided that:

10.26 (i) the land abuts a public airport; and

10.27 (ii) the owner of the aircraft storage hangar provides the assessor with a signed agreement
10.28 restricting the use of the premises, prohibiting commercial use or activity performed at the
10.29 hangar; and

10.30 (9) residential real estate, a portion of which is used by the owner for homestead purposes,
10.31 and that is also a place of lodging, if all of the following criteria are met:

11.1 (i) rooms are provided for rent to transient guests that generally stay for periods of 14
11.2 or fewer days;

11.3 (ii) meals are provided to persons who rent rooms, the cost of which is incorporated in
11.4 the basic room rate;

11.5 (iii) meals are not provided to the general public except for special events on fewer than
11.6 seven days in the calendar year preceding the year of the assessment; and

11.7 (iv) the owner is the operator of the property.

11.8 The market value subject to the 4c classification under this clause is limited to five rental
11.9 units. Any rental units on the property in excess of five, must be valued and assessed as
11.10 class 3a. The portion of the property used for purposes of a homestead by the owner must
11.11 be classified as class 1a property under subdivision 22;

11.12 (10) real property up to a maximum of three acres and operated as a restaurant as defined
11.13 under section 157.15, subdivision 12, provided it: (i) is located on a lake as defined under
11.14 section 103G.005, subdivision 15, paragraph (a), clause (3); and (ii) is either devoted to
11.15 commercial purposes for not more than 250 consecutive days, or receives at least 60 percent
11.16 of its annual gross receipts from business conducted during four consecutive months. Gross
11.17 receipts from the sale of alcoholic beverages must be included in determining the property's
11.18 qualification under item (ii). The property's primary business must be as a restaurant and
11.19 not as a bar. Gross receipts from gift shop sales located on the premises must be excluded.
11.20 Owners of real property desiring 4c classification under this clause must submit an annual
11.21 declaration to the assessor by February 1 of the current assessment year, based on the
11.22 property's relevant information for the preceding assessment year;

11.23 (11) lakeshore and riparian property and adjacent land, not to exceed six acres, used as
11.24 a marina, as defined in section 86A.20, subdivision 5, which is made accessible to the public
11.25 and devoted to recreational use for marina services. The marina owner must annually provide
11.26 evidence to the assessor that it provides services, including lake or river access to the public
11.27 by means of an access ramp or other facility that is either located on the property of the
11.28 marina or at a publicly owned site that abuts the property of the marina. No more than 800
11.29 feet of lakeshore may be included in this classification. Buildings used in conjunction with
11.30 a marina for marina services, including but not limited to buildings used to provide food
11.31 and beverage services, fuel, boat repairs, or the sale of bait or fishing tackle, are classified
11.32 as class 3a property; and

11.33 (12) real and personal property devoted to noncommercial temporary and seasonal
11.34 residential occupancy for recreation purposes.

12.1 Class 4c property has a classification rate of 1.5 percent of market value, except that (i)
 12.2 each parcel of noncommercial seasonal residential recreational property under clause (12)
 12.3 has the same classification rates as class 4bb property, (ii) manufactured home parks assessed
 12.4 under clause (5), item (i), have the same classification rate as class 4b property, the market
 12.5 value of manufactured home parks assessed under clause (5), item (ii), have a classification
 12.6 rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by
 12.7 shareholders in the cooperative corporation or association and a classification rate of one
 12.8 percent if 50 percent or less of the lots are so occupied, and class I manufactured home
 12.9 parks as defined in section 327C.015, subdivision 2, have a classification rate of 1.0 percent,
 12.10 (iii) commercial-use seasonal residential recreational property and marina recreational land
 12.11 as described in clause (11), has a classification rate of one percent for the first \$500,000 of
 12.12 market value, and 1.25 percent for the remaining market value, (iv) the market value of
 12.13 property described in clause (4) has a classification rate of one percent, (v) the market value
 12.14 of property described in clauses (2), (6), and (10) has a classification rate of 1.25 percent,
 12.15 (vi) that portion of the market value of property in clause (9) qualifying for class 4c property
 12.16 has a classification rate of 1.25 percent, and (vii) property qualifying for classification under
 12.17 clause (3) that is owned or operated by a congressionally chartered veterans organization
 12.18 has a classification rate of one percent. The commissioner of veterans affairs must provide
 12.19 a list of congressionally chartered veterans organizations to the commissioner of revenue
 12.20 by June 30, 2017, and by January 1, 2018, and each year thereafter.

12.21 (e) Class 4d property ~~is~~ includes:

12.22 (1) qualifying low-income rental housing certified to the assessor by the Housing Finance
 12.23 Agency under section 273.128, subdivision 3. If only a portion of the units in the building
 12.24 qualify as low-income rental housing units as certified under section 273.128, subdivision
 12.25 3, only the proportion of qualifying units to the total number of units in the building qualify
 12.26 for class 4d(1). The remaining portion of the building shall be classified by the assessor
 12.27 based upon its use. Class 4d(1) also includes the same proportion of land as the qualifying
 12.28 low-income rental housing units are to the total units in the building. For all properties
 12.29 qualifying as class 4d(1), the market value determined by the assessor must be based on the
 12.30 normal approach to value using normal unrestricted rents; and

12.31 (2) a unit that is owned by the occupant and used as a homestead by the occupant, and
 12.32 otherwise meets all the requirements for community land trust property under section 273.11,
 12.33 subdivision 12, provided that by December 15 of each assessment year, the community land
 12.34 trust certifies to the assessor that (i) the community land trust owns the real property on
 12.35 which the unit is located, and (ii) the unit owner is a member in good standing of the

13.1 community land trust. For all units qualifying as class 4d(2), the market value determined
 13.2 by the assessor must be based on the normal approach to value without regard to any
 13.3 restrictions that apply because the unit is a community land trust property.

13.4 (f) The first tier of market value of class 4d(1) property has a classification rate of 0.75
 13.5 percent. The remaining value of class 4d(1) property has a classification rate of 0.25 percent.
 13.6 For the purposes of this paragraph, the "first tier of market value of class 4d(1) property"
 13.7 means the market value of each housing unit up to the first tier limit. For the purposes of
 13.8 this paragraph, all class 4d property value must be assigned to individual housing units. The
 13.9 first tier limit is \$100,000 for assessment years 2022 and 2023. For subsequent assessment
 13.10 years, the limit is adjusted each year by the average statewide change in estimated market
 13.11 value of property classified as class 4a and 4d under this section for the previous assessment
 13.12 year, excluding valuation change due to new construction, rounded to the nearest \$1,000,
 13.13 provided, however, that the limit may never be less than \$100,000. Beginning with
 13.14 assessment year 2015, the commissioner of revenue must certify the limit for each assessment
 13.15 year by November 1 of the previous year. Class 4d(2) property has a classification rate of
 13.16 0.75 percent.

13.17 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024
 13.18 and thereafter.

13.19 Sec. 7. Minnesota Statutes 2022, section 273.13, subdivision 34, is amended to read:

13.20 Subd. 34. **Homestead of veteran with a disability or family caregiver.** (a) All or a
 13.21 portion of the market value of property owned by a veteran and serving as the veteran's
 13.22 homestead under this section is excluded in determining the property's taxable market value
 13.23 if the veteran has a service-connected disability of 70 percent or more as certified by the
 13.24 United States Department of Veterans Affairs. To qualify for exclusion under this subdivision,
 13.25 the veteran must have been honorably discharged from the United States armed forces, as
 13.26 indicated by United States Government Form DD214 or other official military discharge
 13.27 papers.

13.28 (b)(1) For a disability rating of 70 percent or more, \$150,000 of market value is excluded,
 13.29 except as provided in clause (2); and

13.30 (2) for a total (100 percent) and permanent disability, \$300,000 of market value is
 13.31 excluded.

13.32 (c) If a veteran with a disability qualifying for a valuation exclusion under paragraph
 13.33 (b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the

14.1 spouse holds the legal or beneficial title to the homestead and permanently resides there,
14.2 the exclusion shall carry over to the benefit of the veteran's spouse until such time as the
14.3 spouse remarries, or sells, transfers, or otherwise disposes of the property, except as otherwise
14.4 provided in paragraph (n). Qualification under this paragraph requires an application under
14.5 paragraph (h), and a spouse must notify the assessor if there is a change in the spouse's
14.6 marital status, ownership of the property, or use of the property as a permanent residence.

14.7 (d) If the spouse of a member of any branch or unit of the United States armed forces
14.8 who dies due to a service-connected cause while serving honorably in active service, as
14.9 indicated on United States Government Form DD1300 or DD2064, holds the legal or
14.10 beneficial title to a homestead and permanently resides there, the spouse is entitled to the
14.11 benefit described in paragraph (b), clause (2), until such time as the spouse remarries or
14.12 sells, transfers, or otherwise disposes of the property, except as otherwise provided in
14.13 paragraph (n).

14.14 (e) If a veteran meets the disability criteria of paragraph (a) but does not own property
14.15 classified as homestead in the state of Minnesota, then the homestead of the veteran's primary
14.16 family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify
14.17 for under paragraph (b).

14.18 (f) In the case of an agricultural homestead, only the portion of the property consisting
14.19 of the house and garage and immediately surrounding one acre of land qualifies for the
14.20 valuation exclusion under this subdivision.

14.21 (g) A property qualifying for a valuation exclusion under this subdivision is not eligible
14.22 for the market value exclusion under subdivision 35, or classification under subdivision 22,
14.23 paragraph (b).

14.24 (h) To qualify for a valuation exclusion under this subdivision a property owner must
14.25 apply to the assessor by December 31 of the first assessment year for which the exclusion
14.26 is sought. Except as provided in paragraph (c), the owner of a property that has been accepted
14.27 for a valuation exclusion must notify the assessor if there is a change in ownership of the
14.28 property or in the use of the property as a homestead.

14.29 (i) A first-time application by a qualifying spouse for the market value exclusion under
14.30 paragraph (d) must be made any time within two years of the death of the service member.

14.31 (j) For purposes of this subdivision:

14.32 (1) "active service" has the meaning given in section 190.05;

14.33 (2) "own" means that the person's name is present as an owner on the property deed;

15.1 (3) "primary family caregiver" means a person who is approved by the secretary of the
15.2 United States Department of Veterans Affairs for assistance as the primary provider of
15.3 personal care services for an eligible veteran under the Program of Comprehensive Assistance
15.4 for Family Caregivers, codified as United States Code, title 38, section 1720G; and

15.5 (4) "veteran" has the meaning given the term in section 197.447.

15.6 (k) If a veteran ~~dying after December 31, 2011~~, did not apply for or receive the exclusion
15.7 under paragraph (b), clause (2), before dying, or the exclusion under paragraph (b), clause
15.8 (2), did not exist at the time of the veterans death, the veteran's spouse is entitled to the
15.9 benefit under paragraph (b), clause (2), until the spouse remarries or sells, transfers, or
15.10 otherwise disposes of the property, except as otherwise provided in paragraph (n), if:

15.11 (1) the spouse files a first-time application ~~within two years of the death of the service~~
15.12 ~~member or by June 1, 2019, whichever is later;~~

15.13 (2) upon the death of the veteran, the spouse holds the legal or beneficial title to the
15.14 homestead and permanently resides there;

15.15 (3) the veteran met the honorable discharge requirements of paragraph (a); and

15.16 (4) the United States Department of Veterans Affairs certifies that:

15.17 (i) the veteran met the total (100 percent) and permanent disability requirement under
15.18 paragraph (b), clause (2); or

15.19 (ii) the spouse has been awarded dependency and indemnity compensation.

15.20 (l) The purpose of this provision of law providing a level of homestead property tax
15.21 relief for veterans with a disability, their primary family caregivers, and their surviving
15.22 spouses is to help ease the burdens of war for those among our state's citizens who bear
15.23 those burdens most heavily.

15.24 (m) By July 1, the county veterans service officer must certify the disability rating and
15.25 permanent address of each veteran receiving the benefit under paragraph (b) to the assessor.

15.26 (n) A spouse who received the benefit in paragraph (c), (d), or (k) but no longer holds
15.27 the legal or beneficial title to the property may continue to receive the exclusion for a
15.28 property other than the property for which the exclusion was initially granted until the spouse
15.29 remarries or sells, transfers, or otherwise disposes of the property, provided that:

15.30 (1) the spouse applies under paragraph (h) for the continuation of the exclusion allowed
15.31 under this paragraph;

16.1 (2) the spouse holds the legal or beneficial title to the property for which the continuation
 16.2 of the exclusion is sought under this paragraph, and permanently resides there;

16.3 (3) the estimated market value of the property for which the exclusion is sought under
 16.4 this paragraph is less than or equal to the estimated market value of the property that first
 16.5 received the exclusion, based on the value of each property on the date of the sale of the
 16.6 property that first received the exclusion; and

16.7 (4) the spouse has not previously received the benefit under this paragraph for a property
 16.8 other than the property for which the exclusion is sought.

16.9 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

16.10 Sec. 8. Minnesota Statutes 2022, section 273.13, subdivision 35, is amended to read:

16.11 Subd. 35. **Homestead market value exclusion.** (a) Prior to determining a property's
 16.12 net tax capacity under this section, property classified as 4d(2) under subdivision 25,
 16.13 paragraph (e), clause (2), class 1a or 1b under subdivision 22, and the portion of property
 16.14 classified as class 2a under subdivision 23 consisting of the house, garage, and surrounding
 16.15 one acre of land, shall be eligible for a market value exclusion as determined under paragraph
 16.16 (b).

16.17 (b) For a homestead valued at ~~\$76,000~~ \$80,300 or less, the exclusion is 40 percent of
 16.18 market value. For a homestead valued between ~~\$76,000~~ \$80,300 and ~~\$413,800~~ \$437,100,
 16.19 the exclusion is ~~\$30,400~~ \$32,120 minus nine percent of the valuation over ~~\$76,000~~ \$80,300.
 16.20 For a homestead valued at ~~\$413,800~~ \$437,100 or more, there is no valuation exclusion. The
 16.21 valuation exclusion shall be rounded to the nearest whole dollar, and may not be less than
 16.22 zero.

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

16.25 (d) In the case of a property that is classified as part homestead and part nonhomestead,
 16.26 (i) the exclusion shall apply only to the homestead portion of the property, but (ii) if a portion
 16.27 of a property is classified as nonhomestead solely because not all the owners occupy the
 16.28 property, not all the owners have qualifying relatives occupying the property, or solely
 16.29 because not all the spouses of owners occupy the property, the exclusion amount shall be
 16.30 initially computed as if that nonhomestead portion were also in the homestead class and
 16.31 then prorated to the owner-occupant's percentage of ownership. For the purpose of this
 16.32 section, when an owner-occupant's spouse does not occupy the property, the percentage of
 16.33 ownership for the owner-occupant spouse is one-half of the couple's ownership percentage.

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

17.2 Sec. 9. Minnesota Statutes 2022, section 290A.03, subdivision 6, is amended to read:

17.3 Subd. 6. **Homestead.** "Homestead" means the dwelling occupied as the claimant's
 17.4 principal residence and so much of the land surrounding it, not exceeding ten acres, as is
 17.5 reasonably necessary for use of the dwelling as a home and any other property used for
 17.6 purposes of a homestead as defined in section 273.13, subdivision 22, ~~except~~ or section
 17.7 273.13, subdivision 25, paragraph (e), clause (2). For agricultural land assessed as part of
 17.8 a homestead pursuant to section 273.13, subdivision 23, "homestead" is limited to the house
 17.9 and garage and immediately surrounding one acre of land. The homestead may be owned
 17.10 or rented and may be a part of a multidwelling or multipurpose building and the land on
 17.11 which it is built. A manufactured home, as defined in section 273.125, subdivision 8, or a
 17.12 park trailer taxed as a manufactured home under section 168.012, subdivision 9, assessed
 17.13 as personal property may be a dwelling for purposes of this subdivision.

17.14 **EFFECTIVE DATE.** This section is effective for refund claims based on taxes payable
 17.15 in 2025 and thereafter.

17.16 Sec. 10. Minnesota Statutes 2022, section 290B.03, subdivision 1, is amended to read:

17.17 Subdivision 1. **Program qualifications.** The qualifications for the senior citizens'
 17.18 property tax deferral program are as follows:

17.19 (1) the property must be owned and occupied as a homestead by a person 65 years of
 17.20 age or older. In the case of a married couple, at least one of the spouses must be at least 65
 17.21 years old at the time the first property tax deferral is granted, regardless of whether the
 17.22 property is titled in the name of one spouse or both spouses, or titled in another way that
 17.23 permits the property to have homestead status, and the other spouse must be at least 62 years
 17.24 of age;

17.25 (2) the total household income of the qualifying homeowners, as defined in section
 17.26 290A.03, subdivision 5, for the calendar year preceding the year of the initial application
 17.27 may not exceed ~~\$60,000~~ \$96,000;

17.28 (3) the homestead must have been owned and occupied as the homestead of at least one
 17.29 of the qualifying homeowners for at least ~~15~~ five years prior to the year the initial application
 17.30 is filed;

17.31 (4) there are no state or federal tax liens or judgment liens on the homesteaded property;

18.1 (5) there are no mortgages or other liens on the property that secure future advances,
18.2 except for those subject to credit limits that result in compliance with clause (6); and

18.3 (6) the total unpaid balances of debts secured by mortgages and other liens on the
18.4 property, including unpaid and delinquent special assessments and interest and any delinquent
18.5 property taxes, penalties, and interest, but not including property taxes payable during the
18.6 year or debts secured by a residential PACE lien, as defined in section 216C.435, subdivision
18.7 10d, does not exceed 75 percent of the assessor's estimated market value for the year.

18.8 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes
18.9 payable in 2024 and thereafter.

18.10 Sec. 11. Minnesota Statutes 2022, section 290B.04, subdivision 3, is amended to read:

18.11 Subd. 3. **Excess-income certification by taxpayer.** A taxpayer whose initial application
18.12 has been approved under subdivision 2 shall notify the commissioner of revenue in writing
18.13 by July 1 if the taxpayer's household income for the preceding calendar year exceeded
18.14 ~~\$60,000~~ \$96,000. The certification must state the homeowner's total household income for
18.15 the previous calendar year. No property taxes may be deferred under this chapter in any
18.16 year following the year in which a program participant filed or should have filed an
18.17 excess-income certification under this subdivision, unless the participant has filed a
18.18 resumption of eligibility certification as described in subdivision 4.

18.19 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes
18.20 payable in 2024 and thereafter.

18.21 Sec. 12. Minnesota Statutes 2022, section 290B.04, subdivision 4, is amended to read:

18.22 Subd. 4. **Resumption of eligibility certification by taxpayer.** A taxpayer who has
18.23 previously filed an excess-income certification under subdivision 3 may resume program
18.24 participation if the taxpayer's household income for a subsequent year is ~~\$60,000~~ \$96,000
18.25 or less. If the taxpayer chooses to resume program participation, the taxpayer must notify
18.26 the commissioner of revenue in writing by July 1 of the year following a calendar year in
18.27 which the taxpayer's household income is ~~\$60,000~~ \$96,000 or less. The certification must
18.28 state the taxpayer's total household income for the previous calendar year. Once a taxpayer
18.29 resumes participation in the program under this subdivision, participation will continue until
18.30 the taxpayer files a subsequent excess-income certification under subdivision 3 or until
18.31 participation is terminated under section 290B.08, subdivision 1.

19.1 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes
 19.2 payable in 2024 and thereafter.

19.3 Sec. 13. Minnesota Statutes 2022, section 290B.05, subdivision 1, is amended to read:

19.4 Subdivision 1. **Determination by commissioner.** The commissioner shall determine
 19.5 each qualifying homeowner's "annual maximum property tax amount" following approval
 19.6 of the homeowner's initial application and following the receipt of a resumption of eligibility
 19.7 certification. The "annual maximum property tax amount" equals three percent of the
 19.8 homeowner's total household income for the year preceding either the initial application or
 19.9 the resumption of eligibility certification, whichever is applicable. Following approval of
 19.10 the initial application, the commissioner shall determine the qualifying homeowner's
 19.11 "maximum allowable deferral." No tax may be deferred relative to the appropriate assessment
 19.12 year for any homeowner whose total household income for the previous year exceeds
 19.13 ~~\$60,000~~ \$96,000. No tax shall be deferred in any year in which the homeowner does not
 19.14 meet the program qualifications in section 290B.03. The maximum allowable total deferral
 19.15 is equal to 75 percent of the assessor's estimated market value for the year, less the balance
 19.16 of any mortgage loans and other amounts secured by liens against the property at the time
 19.17 of application, including any unpaid and delinquent special assessments and interest and
 19.18 any delinquent property taxes, penalties, and interest, but not including property taxes
 19.19 payable during the year.

19.20 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes
 19.21 payable in 2024 and thereafter.

19.22 **ARTICLE 2**

19.23 **MINERALS TAXES**

19.24 Section 1. Minnesota Statutes 2022, section 272.02, subdivision 73, is amended to read:

19.25 Subd. 73. **Property subject to taconite production tax or ~~net~~ gross proceeds tax.** (a)
 19.26 Real and personal property described in section 298.25 is exempt to the extent the tax on
 19.27 taconite and iron sulphides under section 298.24 is described in section 298.25 as being in
 19.28 lieu of other taxes on such property. This exemption applies for taxes payable in each year
 19.29 that the tax under section 298.24 is payable with respect to such property.

19.30 (b) Deposits of mineral, metal, or energy resources the mining of which is subject to
 19.31 taxation or the minimum payment under section 298.015 are exempt.

19.32 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

20.1 Sec. 2. Minnesota Statutes 2022, section 273.1341, is amended to read:

20.2 **273.1341 TACONITE ASSISTANCE AREA.**

20.3 A "taconite assistance area" means the geographic area that falls within the boundaries
20.4 of a school district that contains:

20.5 (1) a municipality in which the assessed valuation of unmined iron ore on May 1, 1941,
20.6 was not less than 40 percent of the assessed valuation of all real property; ~~or~~

20.7 (2) a municipality in which on January 1, 1977, or the applicable assessment date, there
20.8 is a taconite concentrating plant or where taconite is mined or quarried or where there is
20.9 located an electric generating plant which qualifies as a taconite facility; or

20.10 (3) a municipality:

20.11 (i) that is located in a county that contains a school district described in clause (1) or
20.12 (2); and

20.13 (ii) where active mining of materials subject to the tax under section 298.015, subdivision
20.14 1, is occurring.

20.15 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
20.16 31, 2022.

20.17 Sec. 3. Minnesota Statutes 2022, section 297A.68, subdivision 4, is amended to read:

20.18 Subd. 4. **Taconite, other ores, metals, or minerals; production materials.** Mill liners,
20.19 grinding rods, and grinding balls that are substantially consumed in the production of taconite
20.20 or other ores, metals, or minerals are exempt when sold to or stored, used, or consumed by
20.21 persons taxed under the in-lieu or ~~net~~ gross proceeds provisions of chapter 298.

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

20.23 Sec. 4. Minnesota Statutes 2022, section 298.015, is amended to read:

20.24 **298.015 ~~NET~~ GROSS PROCEEDS TAX ON MINING.**

20.25 Subdivision 1. **Tax imposed.** A person engaged in the business of mining shall pay to
20.26 the state of Minnesota for distribution as provided in section 298.018 a ~~net~~ gross proceeds
20.27 tax equal to ~~two~~ 0.4 percent of the ~~net~~ gross proceeds from mining in Minnesota. The tax
20.28 applies to all ores, metals, and minerals mined, extracted, produced, or refined within the
20.29 state of Minnesota except for sand, silica sand, gravel, building stone, crushed rock,
20.30 limestone, granite, dimension granite, dimension stone, horticultural peat, clay, soil, iron
20.31 ore, and taconite concentrates. The tax is in addition to all other taxes provided for by law.

21.1 Subd. 2. **Net Gross proceeds.** For purposes of this section, the term "net gross proceeds"
 21.2 means the gross proceeds from mining, as defined in section 298.016, ~~less the deductions~~
 21.3 ~~for purposes of determining taxable income under section 298.01, subdivision 3b, applied~~
 21.4 ~~to the mining, production, processing, beneficiation, smelting, or refining of metal or mineral~~
 21.5 ~~products. No other credits or deductions shall apply to this tax.~~

21.6 Subd. 3. **Minimum payment.** A person who has obtained all required permits to mine
 21.7 all ores and metals, except for sand, silica sand, gravel, building stone, crushed rock,
 21.8 limestone, granite, dimension granite, dimension stone, horticultural peat, clay, soil, iron
 21.9 ore, and iron concentrates, is annually subject to the minimum payment under this
 21.10 subdivision, unless the tax imposed on the individual under subdivision 1 in a given year
 21.11 is greater than zero. The annual minimum payment under this subdivision is \$2,000,000.

21.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 21.13 31, 2022.

21.14 Sec. 5. Minnesota Statutes 2022, section 298.018, subdivision 1, is amended to read:

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

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

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

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

22.1 (4) 20 percent to a group of school districts comprised of those school districts wherein
 22.2 the mineral or energy resource was mined or extracted or in which there is a qualifying
 22.3 municipality as defined by section 273.134, paragraph (b), in direct proportion to school
 22.4 district indexes as follows: for each school district, its pupil units determined under section
 22.5 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted
 22.6 net tax capacity per pupil unit for school districts receiving aid under this clause as calculated
 22.7 pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution
 22.8 to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that
 22.9 portion of the distribution which its index bears to the sum of the indices for all school
 22.10 districts that receive the distributions;

22.11 (5) ~~20~~ ten percent to the county within which the minerals or energy resources are mined
 22.12 or extracted, or within which the concentrate was produced. If the mining and concentration,
 22.13 or different steps in either process, are carried on in more than one county, distribution
 22.14 among the counties must be based on the apportionment formula prescribed in clause (1),
 22.15 provided that any county receiving distributions under this clause shall pay one percent of
 22.16 its proceeds to the Range Association of Municipalities and Schools;

22.17 (6) ~~20~~ five percent to St. Louis County acting as the counties' fiscal agent to be distributed
 22.18 as provided in sections 273.134 to 273.136;

22.19 (7) ~~five~~ 20 percent to the commissioner of Iron Range resources and rehabilitation for
 22.20 the purposes of section 298.22;

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

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

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

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

22.30 (c) For the first five years that distributions are made under this subdivision, ten percent
 22.31 of the total proceeds distributed in each year must first be distributed pursuant to this
 22.32 paragraph. The remaining 90 percent of the total proceeds distributed in each of those years
 22.33 must be distributed as outlined in paragraph (a). Of the amount available under this paragraph,

23.1 the cities of Aurora, Babbitt, Ely, and Hoyt Lakes must each receive 20 percent. Of the
 23.2 amount available under this paragraph, the city of Biwabik and Embarrass Township must
 23.3 each receive ten percent.

23.4 **EFFECTIVE DATE.** This section is effective for distributions beginning after December
 23.5 31, 2022.

23.6 Sec. 6. Minnesota Statutes 2022, section 298.018, subdivision 1a, is amended to read:

23.7 Subd. 1a. **Distribution date.** The proceeds of the tax allocated under subdivision 1 shall
 23.8 be distributed on December 15 each year. Any payment of proceeds received after December
 23.9 15 shall be distributed on the next ~~net~~ gross proceeds tax distribution date.

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

23.11 Sec. 7. Minnesota Statutes 2022, section 298.28, subdivision 5, is amended to read:

23.12 Subd. 5. **Counties.** (a) 21.05 cents per taxable ton ~~for distributions in 2015 through 2023,~~
 23.13 ~~and 26.05 cents per taxable ton for distributions beginning in 2024,~~ is allocated to counties
 23.14 to be distributed, based upon certification by the commissioner of revenue, under paragraphs
 23.15 (b) to (d).

23.16 (b) 10.525 cents per taxable ton shall be distributed to the county in which the taconite
 23.17 is mined or quarried or in which the concentrate is produced, less any amount which is to
 23.18 be distributed pursuant to paragraph (c). The apportionment formula prescribed in subdivision
 23.19 2 is the basis for the distribution.

23.20 (c) 1.0 cent per taxable ton of the tax distributed to the counties under paragraph (b)
 23.21 shall be paid to a county that received a distribution under this section in 2000 because there
 23.22 was located in the county an electric power plant owned by and providing the primary source
 23.23 of power for a taxpayer mining and concentrating taconite in a different county.

23.24 (d) 10.525 cents per taxable ton ~~for distributions in 2015 through 2023, and 15.525 cents~~
 23.25 ~~per taxable ton for distributions beginning in 2024,~~ shall be paid to the county from which
 23.26 the taconite was mined, quarried or concentrated to be deposited in the county road and
 23.27 bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those
 23.28 processes are carried on in more than one county, the commissioner shall follow the
 23.29 apportionment formula prescribed in subdivision 2.

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

24.1 Sec. 8. Minnesota Statutes 2022, section 298.28, subdivision 7a, is amended to read:

24.2 Subd. 7a. **Iron Range school consolidation and cooperatively operated school**
 24.3 **account.** (a) The following amounts must be allocated to the commissioner of Iron Range
 24.4 resources and rehabilitation to be deposited in the Iron Range school consolidation and
 24.5 cooperatively operated school account that is hereby created:

24.6 (1)(i) for distributions beginning in 2015 through 2023, ten cents per taxable ton of the
 24.7 tax imposed under section 298.24; ~~and~~

24.8 ~~(ii) for distributions beginning in 2024, five cents per taxable ton of the tax imposed~~
 24.9 ~~under section 298.24;~~

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

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

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

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

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

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

24.29 Sec. 9. Minnesota Statutes 2022, section 298.296, subdivision 4, is amended to read:

24.30 Subd. 4. **Temporary loan authority.** (a) After consultation with the advisory board,
 24.31 the commissioner may use up to \$7,500,000 from the corpus of the trust for loans, loan
 24.32 guarantees, grants, or equity investments as provided in this subdivision. The money would

25.1 be available for loans for construction and equipping of facilities constituting (1) a value
 25.2 added iron products plant, which may be either a new plant or a facility incorporated into
 25.3 an existing plant that produces iron upgraded to a minimum of 75 percent iron content or
 25.4 any iron alloy with a total minimum metallic content of 90 percent; or (2) a new mine or
 25.5 minerals processing plant for any mineral subject to the ~~net~~ gross proceeds tax imposed
 25.6 under section 298.015. A loan or loan guarantee under this paragraph may not exceed
 25.7 \$5,000,000 for any facility.

25.8 (b) Additionally, the commissioner, after consultation with the advisory board, may use
 25.9 up to \$5,500,000 from the corpus of the trust for additional grants, loans, loan guarantees,
 25.10 or equity investments for the purposes set forth in paragraph (a).

25.11 (c) The commissioner, after consultation with the advisory board, may require that the
 25.12 fund receive an equity percentage in any project to which it contributes under this section.

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

25.14 Sec. 10. **TRANSFER 2023 DISTRIBUTION ONLY.**

25.15 The fund established under Minnesota Statutes, section 298.28, subdivision 7, shall
 25.16 receive the excess balance remaining in the fund established under Minnesota Statutes,
 25.17 section 298.28, subdivision 6, after the distribution of amounts required under Minnesota
 25.18 Statutes, section 298.28, subdivision 6, for the 2023 distribution. The transfer amount under
 25.19 this section must not exceed \$6,000,000 and must be made within ten days of the August
 25.20 2023 payment.

25.21 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 25.22 applies only to the 2023 distribution.

25.23 **ARTICLE 3**

25.24 **PROPERTY TAX AIDS, CREDITS, AND REFUNDS**

25.25 Section 1. Minnesota Statutes 2022, section 273.1392, is amended to read:

25.26 **273.1392 PAYMENT; SCHOOL DISTRICTS.**

25.27 The amounts of bovine tuberculosis credit reimbursements under section 273.113;
 25.28 conservation tax credits under section 273.119; disaster or emergency reimbursement under
 25.29 sections 273.1231 to 273.1235; agricultural credits under sections 273.1384 and 273.1387;
 25.30 aids and credits under section 273.1398; enterprise zone property credit payments under
 25.31 section 469.171; ~~and~~ metropolitan agricultural preserve reduction under section 473H.10;
 25.32 and electric generation transition aid under section 477A.25 for school districts, shall be

26.1 certified to the Department of Education by the Department of Revenue. The amounts so
 26.2 certified shall be paid according to section 127A.45, subdivisions 9, 10, and 13.

26.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

26.4 Sec. 2. Minnesota Statutes 2022, section 290A.04, subdivision 2, is amended to read:

26.5 Subd. 2. **Homeowners; homestead credit refund.** A claimant whose property taxes
 26.6 payable are in excess of the percentage of the household income stated below shall pay an
 26.7 amount equal to the percent of income shown for the appropriate household income level
 26.8 along with the percent to be paid by the claimant of the remaining amount of property taxes
 26.9 payable. The state refund equals the amount of property taxes payable that remain, up to
 26.10 the state refund amount shown below.

26.11			Percent Paid by	Maximum
26.12	Household Income	Percent of Income	Claimant	State
26.13				Refund
26.14	\$0 to 1,739		15 percent	2,770
26.15	<u>\$0 to 2,079</u>	1.0 percent	<u>10 percent</u>	\$ <u>3,310</u>
26.16	1,740 to 3,459		15 percent	2,770
26.17	<u>2,080 to 4,139</u>	1.1 percent	<u>10 percent</u>	\$ <u>3,310</u>
26.18	3,460 to 5,239		15 percent	2,770
26.19	<u>4,140 to 6,269</u>	1.2 percent	<u>10 percent</u>	\$ <u>3,310</u>
26.20	5,240 to 6,989		20 percent	2,770
26.21	<u>6,270 to 8,369</u>	1.3 percent	<u>15 percent</u>	\$ <u>3,310</u>
26.22	6,990 to 8,719		20 percent	2,770
26.23	<u>8,370 to 10,439</u>	1.4 percent	<u>15 percent</u>	\$ <u>3,310</u>
26.24	8,720 to 12,219		20 percent	2,770
26.25	<u>10,440 to 14,619</u>	1.5 percent	<u>15 percent</u>	\$ <u>3,310</u>
26.26	12,220 to 13,949		20 percent	2,770
26.27	<u>14,620 to 16,689</u>	1.6 percent	<u>15 percent</u>	\$ <u>3,310</u>
26.28	13,950 to 15,709		20 percent	2,770
26.29	<u>16,690 to 18,799</u>	1.7 percent	<u>15 percent</u>	\$ <u>3,310</u>
26.30	15,710 to 17,449		20 percent	2,770
26.31	<u>18,800 to 20,879</u>	1.8 percent	<u>15 percent</u>	\$ <u>3,310</u>
26.32	17,450 to 19,179		25 percent	2,770
26.33	<u>20,880 to 22,949</u>	1.9 percent	<u>20 percent</u>	\$ <u>3,310</u>
26.34	19,180 to 24,429		25 percent	2,770
26.35	<u>22,950 to 29,239</u>	2.0 percent	<u>20 percent</u>	\$ <u>3,310</u>
26.36	24,430 to 26,169		30 percent	2,770
26.37	<u>29,240 to 31,319</u>	2.0 percent	<u>25 percent</u>	\$ <u>3,310</u>
26.38	26,170 to 29,669		30 percent	2,770
26.39	<u>31,320 to 35,509</u>	2.0 percent	<u>25 percent</u>	\$ <u>3,310</u>
26.40	29,670 to 41,859		35 percent	2,770
26.41	<u>35,510 to 50,099</u>	2.0 percent	<u>30 percent</u>	\$ <u>3,310</u>

27.1	41,860 to 61,049		35 percent	2,240
27.2	<u>50,100 to 73,059</u>	2.0 percent	<u>30 percent</u>	\$ <u>2,680</u>
27.3	61,050 to 69,769		40 percent	1,960
27.4	<u>73,060 to 83,499</u>	2.0 percent	<u>35 percent</u>	\$ <u>2,350</u>
27.5	69,770 to 78,499		40 percent	1,620
27.6	<u>83,500 to 93,939</u>	2.1 percent	<u>35 percent</u>	\$ <u>1,940</u>
27.7	78,500 to 87,219		40 percent	1,450
27.8	<u>93,940 to 104,379</u>	2.2 percent	<u>35 percent</u>	\$ <u>1,740</u>
27.9	87,220 to 95,939		40 percent	1,270
27.10	<u>104,380 to 114,819</u>	2.3 percent	<u>35 percent</u>	\$ <u>1,520</u>
27.11	95,940 to 101,179		45 percent	1,070
27.12	<u>114,820 to 121,089</u>	2.4 percent	<u>40 percent</u>	\$ <u>1,280</u>
27.13	101,180 to 104,689		45 percent	890
27.14	<u>121,090 to 125,289</u>	2.5 percent	<u>40 percent</u>	\$ <u>1,070</u>
27.15	104,690 to 108,919		50 percent	730
27.16	<u>125,290 to 130,349</u>	2.5 percent	<u>45 percent</u>	\$ <u>870</u>
27.17	108,920 to 113,149		50 percent	540
27.18	<u>130,350 to 135,409</u>	2.5 percent	<u>45 percent</u>	\$ <u>650</u>

27.19 The payment made to a claimant shall be the amount of the state refund calculated under
 27.20 this subdivision. No payment is allowed if the claimant's household income is ~~\$113,150~~
 27.21 \$135,410 or more.

27.22 **EFFECTIVE DATE.** This section is effective for claims based on property taxes payable
 27.23 in 2024 and following years.

27.24 Sec. 3. Minnesota Statutes 2022, section 290A.04, subdivision 4, is amended to read:

27.25 Subd. 4. **Inflation adjustment.** The commissioner shall annually adjust the dollar
 27.26 amounts of the income thresholds and the maximum refunds under subdivisions 2 and 2a
 27.27 as provided in section 270C.22. The statutory year for subdivision 2 is 2023. The statutory
 27.28 year for subdivision 2a is 2018.

27.29 **EFFECTIVE DATE.** This section is effective for claims based on property taxes payable
 27.30 in 2025 and thereafter.

27.31 Sec. 4. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision
 27.32 to read:

27.33 **Subd. 3b. Population age 65 and over.** "Population age 65 and over" means the
 27.34 population age 65 and over established as of July 15 in an aid calculation year by the most
 27.35 recent federal census, by a special census conducted under contract with the United States
 27.36 Bureau of the Census, by a population estimate made by the Metropolitan Council, or by a
 27.37 population estimate of the state demographer made pursuant to section 4A.02, whichever

28.1 is the most recent as to the stated date of the count or estimate for the preceding calendar
 28.2 year and which has been certified to the commissioner of revenue on or before July 15 of
 28.3 the aid calculation year. A revision to an estimate or count is effective for these purposes
 28.4 only if certified to the commissioner on or before July 15 of the aid calculation year. Clerical
 28.5 errors in the certification or use of estimates and counts established as of July 15 in the aid
 28.6 calculation year are subject to correction within the time periods allowed under section
 28.7 477A.014.

28.8 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
 28.9 and thereafter.

28.10 Sec. 5. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision
 28.11 to read:

28.12 Subd. 3c. **Transformed population.** "Transformed population" means the logarithm to
 28.13 the base 10 of the population.

28.14 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
 28.15 and thereafter.

28.16 Sec. 6. Minnesota Statutes 2022, section 477A.011, subdivision 34, is amended to read:

28.17 Subd. 34. **City revenue need.** (a) For a city with a population equal to or greater than
 28.18 10,000, "city revenue need" is 1.15 times the sum of (1) ~~4.59~~ 8.572 times the pre-1940
 28.19 housing percentage; plus (2) ~~0.622 times the percent of housing built between 1940 and~~
 28.20 ~~1970~~ 11.494 times the city age index; plus (3) ~~169.415 times the jobs per capita~~ 5.719 times
 28.21 the commercial industrial utility percentage; plus (4) ~~the sparsity adjustment~~ 9.484 times
 28.22 peak population decline; plus (5) ~~307.664~~ 293.056.

28.23 (b) For a city with a population equal to or greater than 2,500 and less than 10,000, "city
 28.24 revenue need" is 1.15 times the sum of (1) ~~572.62~~ 497.308; plus (2) ~~5.026~~ 6.667 times the
 28.25 pre-1940 housing percentage; ~~minus~~ plus (3) ~~53.768 times household size~~ 9.215 times the
 28.26 commercial industrial utility percentage; plus (4) ~~14.022~~ 16.081 times peak population
 28.27 decline; ~~plus (5) the sparsity adjustment.~~

28.28 (c) For a city with a population less than 2,500, "city revenue need" is the sum of (1)
 28.29 ~~410~~ 196.487; plus (2) ~~0.367~~ 220.877 times the city's transformed population over 100; ~~plus~~
 28.30 ~~(3) the sparsity adjustment. The city revenue need for a city under this paragraph shall not~~
 28.31 ~~exceed 630 plus the city's sparsity adjustment.~~

29.1 (d) For a city with a population of at least 2,500 but less than 3,000, the "city revenue
 29.2 need" equals (1) the transition factor times the city's revenue need calculated in paragraph
 29.3 (b); plus (2) ~~630~~ the city's revenue need calculated under the formula in paragraph (c) times
 29.4 the difference between one and the transition factor. For a city with a population of at least
 29.5 10,000 but less than 11,000, the "city revenue need" equals (1) the transition factor times
 29.6 the city's revenue need calculated in paragraph (a); plus (2) the city's revenue need calculated
 29.7 under the formula in paragraph (b) times the difference between one and the transition
 29.8 factor. For purposes of the first sentence of this paragraph "transition factor" is 0.2 percent
 29.9 times the amount that the city's population exceeds the minimum threshold. For purposes
 29.10 of the second sentence of this paragraph, "transition factor" is 0.1 percent times the amount
 29.11 that the city's population exceeds the minimum threshold.

29.12 (e) The city revenue need cannot be less than zero.

29.13 (f) For calendar year ~~2015~~ 2024 and subsequent years, the city revenue need for a city,
 29.14 as determined in paragraphs (a) to (e), is multiplied by the ratio of the annual implicit price
 29.15 deflator for government consumption expenditures and gross investment for state and local
 29.16 governments as prepared by the United States Department of Commerce, for the most
 29.17 recently available year to the ~~2013~~ 2022 implicit price deflator for state and local government
 29.18 purchases.

29.19 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
 29.20 and thereafter.

29.21 Sec. 7. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision
 29.22 to read:

29.23 **Subd. 46. City age index.** "City age index" means 100 times the ratio of (1) the population
 29.24 age 65 and over within the city, to (2) the population of the city.

29.25 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
 29.26 and thereafter.

29.27 Sec. 8. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision
 29.28 to read:

29.29 **Subd. 47. Commercial industrial utility percentage.** The "commercial industrial utility
 29.30 percentage" for a city is 100 times the ratio of (1) the sum of the estimated market values
 29.31 of all real and personal property in the city classified as class 3 under section 273.13,
 29.32 subdivision 24, to (2) the total market value of all taxable real and personal property in the

30.1 city. The market values are the amounts computed before any adjustments for fiscal
 30.2 disparities under section 276A.06 or 473F.08. The market values used for this subdivision
 30.3 are not equalized.

30.4 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
 30.5 and thereafter.

30.6 Sec. 9. Minnesota Statutes 2022, section 477A.0124, subdivision 2, is amended to read:

30.7 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the
 30.8 meanings given them.

30.9 (b) "County program aid" means the sum of "county need aid," "county tax base
 30.10 equalization aid," and "county transition aid."

30.11 (c) "Age-adjusted population" means a county's population multiplied by the county age
 30.12 index.

30.13 (d) "County age index" means the percentage of the population age 65 and over within
 30.14 the county divided by the percentage of the population age 65 and over within the state,
 30.15 except that the age index for any county may not be greater than 1.8 nor less than 0.8.

30.16 (e) "Population age 65 and over" ~~means the population age 65 and over established as~~
 30.17 ~~of July 15 in an aid calculation year by the most recent federal census, by a special census~~
 30.18 ~~conducted under contract with the United States Bureau of the Census, by a population~~
 30.19 ~~estimate made by the Metropolitan Council, or by a population estimate of the state~~
 30.20 ~~demographer made pursuant to section 4A.02, whichever is the most recent as to the stated~~
 30.21 ~~date of the count or estimate for the preceding calendar year and which has been certified~~
 30.22 ~~to the commissioner of revenue on or before July 15 of the aid calculation year. A revision~~
 30.23 ~~to an estimate or count is effective for these purposes only if certified to the commissioner~~
 30.24 ~~on or before July 15 of the aid calculation year. Clerical errors in the certification or use of~~
 30.25 ~~estimates and counts established as of July 15 in the aid calculation year are subject to~~
 30.26 ~~correction within the time periods allowed under section 477A.014~~ has the meaning given
 30.27 in section 477A.011, subdivision 3b.

30.28 (f) "Part I crimes" means the three-year average annual number of Part I crimes reported
 30.29 for each county by the Department of Public Safety for the most recent years available. By
 30.30 July 1 of each year, the commissioner of public safety shall certify to the commissioner of
 30.31 revenue the number of Part I crimes reported for each county for the three most recent
 30.32 calendar years available.

31.1 (g) "Households receiving Supplemental Nutrition Assistance Program (SNAP) benefits"
 31.2 means the average monthly number of households receiving SNAP benefits for the three
 31.3 most recent years for which data is available. By July 1 of each year, the commissioner of
 31.4 human services must certify to the commissioner of revenue the average monthly number
 31.5 of households in the state and in each county that receive SNAP benefits, for the three most
 31.6 recent calendar years available.

31.7 (h) "County net tax capacity" means the county's adjusted net tax capacity under section
 31.8 273.1325.

31.9 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
 31.10 and thereafter.

31.11 Sec. 10. Minnesota Statutes 2022, section 477A.013, subdivision 8, is amended to read:

31.12 Subd. 8. **City formula aid.** (a) For aids payable in ~~2018~~ 2024 and thereafter, the formula
 31.13 aid for a city is equal to the product of (1) the difference between its unmet need and its
 31.14 certified aid in the previous year ~~and before any aid adjustment under subdivision 13~~, and
 31.15 (2) the aid gap percentage.

31.16 (b) The applicable aid gap percentage must be calculated by the Department of Revenue
 31.17 so that the total of the aid under subdivision 9 equals the total amount available for aid under
 31.18 section 477A.03. The aid gap percentage must be the same for all cities subject to paragraph
 31.19 (a). Data used in calculating aids to cities under sections 477A.011 to 477A.013 shall be
 31.20 the most recently available data as of January 1 in the year in which the aid is calculated.

31.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
 31.22 and thereafter.

31.23 Sec. 11. Minnesota Statutes 2022, section 477A.013, subdivision 9, is amended to read:

31.24 Subd. 9. **City aid distribution.** (a) In calendar year ~~2018~~ 2024 and thereafter, if a city's
 31.25 certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is less
 31.26 than its current unmet need, the city shall receive an aid distribution equal to the sum of (1)
 31.27 its certified aid in the previous year ~~before any aid adjustment under subdivision 13~~, and
 31.28 (2) the city formula aid under subdivision 8, ~~and (3) its aid adjustment under subdivision~~
 31.29 ~~13.~~

31.30 (b) ~~For aids payable in 2020 only, no city's aid amount before any adjustment under~~
 31.31 ~~subdivision 13 may be less than its pay 2019 certified aid amount, less any aid adjustment~~
 31.32 ~~under subdivision 13 for that year.~~ For aids payable in ~~2020~~ 2024 and thereafter, if a city's

32.1 certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is equal
 32.2 to or greater than its current unmet need, the total aid for a city is equal to the greater of (1)
 32.3 its unmet need ~~plus any aid adjustment under subdivision 13~~, or (2) the amount it was
 32.4 certified to receive in the previous year minus the ~~sum of (i) any adjustment under subdivision~~
 32.5 ~~13 that was paid in the previous year but has expired, and (ii) the lesser of (i) \$10 multiplied~~
 32.6 by its population, or (ii) five percent of its net levy in the year prior to the aid distribution.
 32.7 No city may have a total aid amount less than \$0.

32.8 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
 32.9 and thereafter.

32.10 Sec. 12. Minnesota Statutes 2022, section 477A.03, subdivision 2a, is amended to read:

32.11 Subd. 2a. **Cities.** ~~For aids payable in 2016 and 2017, the total aid paid under section~~
 32.12 ~~477A.013, subdivision 9, is \$519,398,012. For aids payable in 2018 and 2019, the total aid~~
 32.13 ~~paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable in 2020, the~~
 32.14 ~~total aid paid under section 477A.013, subdivision 9, is \$560,398,012. For aids payable in~~
 32.15 ~~2021 and thereafter through 2023, the total aid payable under section 477A.013, subdivision~~
 32.16 ~~9, is \$564,398,012. For aids payable in 2024 and thereafter, the total aid payable under~~
 32.17 ~~section 477A.013, subdivision 9, is \$664,398,012, multiplied by the inflation adjustment~~
 32.18 ~~under subdivision 6.~~

32.19 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
 32.20 and thereafter.

32.21 Sec. 13. Minnesota Statutes 2022, section 477A.03, subdivision 2b, is amended to read:

32.22 Subd. 2b. **Counties.** (a) ~~For aids payable in 2018 and 2019, the total aid payable under~~
 32.23 ~~section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be allocated~~
 32.24 ~~as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2020,~~
 32.25 ~~the total aid payable under section 477A.0124, subdivision 3, is \$116,795,000, of which~~
 32.26 ~~\$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section~~
 32.27 ~~6. For aids payable in 2021 through 2024 2023, the total aid payable under section~~
 32.28 ~~477A.0124, subdivision 3, is \$118,795,000, of which \$3,000,000 shall be allocated as~~
 32.29 ~~required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2024, the~~
 32.30 ~~total aid payable under section 477A.0124, subdivision 3, is \$163,679,459, of which~~
 32.31 ~~\$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section~~
 32.32 ~~6. For aids payable in 2025 and thereafter, the total aid payable under section 477A.0124,~~
 32.33 ~~subdivision 3, is \$115,795,000 \$160,679,459, multiplied by the inflation adjustment under~~

33.1 subdivision 6. On or before the first installment date provided in section 477A.015, paragraph
 33.2 (a), \$500,000 of this appropriation shall be transferred each year by the commissioner of
 33.3 revenue to the Board of Public Defense for the payment of services under section 611.27.
 33.4 Any transferred amounts not expended or encumbered in a fiscal year shall be certified by
 33.5 the Board of Public Defense to the commissioner of revenue on or before October 1 and
 33.6 shall be included in the next certification of county need aid.

33.7 (b) ~~For aids payable in 2018 and 2019, the total aid under section 477A.0124, subdivision~~
 33.8 ~~4, is \$130,873,444. For aids payable in 2020, the total aid under section 477A.0124,~~
 33.9 ~~subdivision 4, is \$143,873,444. For aids payable in 2021 and thereafter through 2023, the~~
 33.10 ~~total aid under section 477A.0124, subdivision 4, is \$145,873,444. For aids payable in 2024~~
 33.11 ~~and thereafter, the total aid under section 477A.0124, subdivision 4, is \$200,988,985,~~
 33.12 multiplied by the inflation adjustment under subdivision 6. The commissioner of revenue
 33.13 shall transfer to the Legislative Budget Office \$207,000 annually for the cost of preparation
 33.14 of local impact notes as required by section 3.987, and other local government activities.
 33.15 The commissioner of revenue shall transfer to the commissioner of education \$7,000 annually
 33.16 for the cost of preparation of local impact notes for school districts as required by section
 33.17 3.987. The commissioner of revenue shall deduct the amounts transferred under this
 33.18 paragraph from the appropriation under this paragraph. The amounts transferred are
 33.19 appropriated to the Legislative Coordinating Commission and the commissioner of education
 33.20 respectively.

33.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
 33.22 and thereafter.

33.23 Sec. 14. Minnesota Statutes 2022, section 477A.03, is amended by adding a subdivision
 33.24 to read:

33.25 Subd. 6. **Inflation adjustment.** In 2025 and thereafter, the amounts paid under
 33.26 subdivisions 2a and 2b must be increased by an amount equal to one plus the sum of (1)
 33.27 the percentage increase in the implicit price deflator for government expenditures and gross
 33.28 investment for state and local government purchases as prepared by the United States
 33.29 Department of Commerce for the 12-month period ending March 31 of the previous calendar
 33.30 year, and (2) the percentage increase in total city population for the most recently available
 33.31 years as of January 15 of the current year. The percentage increase in this subdivision must
 33.32 not be less than 2.5 percent or greater than five percent.

33.33 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
 33.34 and thereafter.

34.1 Sec. 15. Minnesota Statutes 2022, section 477A.12, subdivision 1, is amended to read:

34.2 Subdivision 1. **Types of land; payments.** The following amounts are annually
 34.3 appropriated to the commissioner of natural resources from the general fund for transfer to
 34.4 the commissioner of revenue. The commissioner of revenue shall pay the transferred funds
 34.5 to counties as required by sections 477A.11 to 477A.14. The amounts, based on the acreage
 34.6 as of July 1 of each year prior to the payment year, are:

34.7 (1) \$5.133 multiplied by the total number of acres of acquired natural resources land or,
 34.8 at the county's option three-fourths of one percent of the appraised value of all acquired
 34.9 natural resources land in the county, whichever is greater;

34.10 (2) \$5.133, multiplied by the total number of acres of transportation wetland or, at the
 34.11 county's option, three-fourths of one percent of the appraised value of all transportation
 34.12 wetland in the county, whichever is greater;

34.13 (3) \$5.133, multiplied by the total number of acres of wildlife management land, or, at
 34.14 the county's option, three-fourths of one percent of the appraised value of all wildlife
 34.15 management land in the county, whichever is greater;

34.16 (4) 50 percent of the dollar amount as determined under clause (1), multiplied by the
 34.17 number of acres of military refuge land in the county;

34.18 (5) ~~\$2~~ \$3, multiplied by the number of acres of county-administered other natural
 34.19 resources land in the county;

34.20 (6) \$5.133, multiplied by the total number of acres of land utilization project land in the
 34.21 county;

34.22 (7) ~~\$2~~ \$3, multiplied by the number of acres of commissioner-administered other natural
 34.23 resources land in the county; ~~and~~

34.24 (8) \$0.18, multiplied by the total number of acres in the county eligible for payment
 34.25 under clauses (1) to (7), provided that the total number of acres in the county eligible for
 34.26 payment under clauses (1) to (7) is equal to or greater than 25 percent of the total acreage
 34.27 in the county;

34.28 (9) \$0.08, multiplied by the total number of acres in the county eligible for payment
 34.29 under clauses (1) to (7), provided that the total number of acres in the county eligible for
 34.30 payment under clauses (1) to (7) is equal to or greater than ten percent, but less than 25
 34.31 percent of the total acreage in the county; and

35.1 (10) without regard to acreage, and notwithstanding the rules adopted under section
35.2 84A.55, \$300,000 for local assessments under section 84A.55, subdivision 9, that shall be
35.3 divided and distributed to the counties containing state-owned lands within a conservation
35.4 area in proportion to each county's percentage of the total annual ditch assessments.

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

35.6 Sec. 16. Minnesota Statutes 2022, section 477A.12, subdivision 3, is amended to read:

35.7 Subd. 3. **Determination of appraised value.** For the purposes of this section, the
35.8 appraised value of acquired natural resources land is the purchase price until the next six-year
35.9 appraisal required under this subdivision. The appraised value of acquired natural resources
35.10 land received as a donation is the value determined for the commissioner of natural resources
35.11 by a licensed appraiser, or the county assessor's estimated market value if no appraisal is
35.12 done. The appraised value must be determined by the county assessor every six years, except
35.13 that the appraised value shall not be less than the most recent appraised value. All reappraisals
35.14 shall be done in the same year as county assessors are required to assess exempt land under
35.15 section 273.18.

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

35.17 Sec. 17. Minnesota Statutes 2022, section 477A.12, is amended by adding a subdivision
35.18 to read:

35.19 Subd. 4. **Adjustment.** The commissioner shall annually adjust the amounts in subdivision
35.20 1, clauses (1) to (10), as provided in section 270C.22, subdivision 1, except as provided in
35.21 this subdivision. To determine the dollar amounts for payments in calendar year 2025, the
35.22 commissioner shall determine the percentage change in the index for the 12-month period
35.23 ending on August 31, 2024, and increase each of the unrounded dollar amounts in section
35.24 477A.12, subdivision 1, by that percentage change. For each subsequent year, the
35.25 commissioner shall increase the dollar amounts by the percentage change in the index from
35.26 August 31 of the year preceding the statutory year, to August 31 of the year preceding the
35.27 taxable year. The commissioner shall round the amounts as adjusted to the nearest tenth of
35.28 a cent.

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

35.30 Sec. 18. **[477A.23] SOIL AND WATER CONSERVATION DISTRICT AID.**

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

36.1 (1) "adjusted population" means the cube root of the district's population, according to
36.2 the most recent federal decennial census;

36.3 (2) "nonpublic lands" means "real property" as defined by section 272.03 that is not
36.4 owned by the federal government, the state, or a local government unit; and

36.5 (3) "soil and water conservation district" means a district created by chapter 103C, and
36.6 that is implementing the duties under that chapter as determined by the Board of Water and
36.7 Soil Resources as of the board's certification to the commissioner of revenue required by
36.8 subdivision 4.

36.9 Subd. 2. **Purpose.** The purpose of this section is to provide ongoing financial support
36.10 to soil and water conservation districts to aid in the execution of chapter 103C and other
36.11 duties and services prescribed by statute.

36.12 Subd. 3. **Distribution.** The Board of Water and Soil Resources must calculate the amount
36.13 of aid to be distributed to the certified soil and water conservation districts from the
36.14 appropriation in subdivision 7 as follows:

36.15 (1) 70 percent of the appropriation must be distributed equally among the districts;

36.16 (2) 20 percent of the appropriation must be distributed proportionally among the districts
36.17 according to the amount of nonpublic land located in a district as compared to the amount
36.18 of nonpublic land in the state; and

36.19 (3) ten percent of the appropriation must be distributed proportionally among the districts
36.20 based on the adjusted population of each district, divided by the sum of the adjusted
36.21 population for all districts.

36.22 Subd. 4. **Certification to commissioner.** On or before June 1 each year, the Board of
36.23 Water and Soil Resources must certify to the commissioner of revenue the soil and water
36.24 conservation districts that will receive a payment under this section and the amount of each
36.25 payment.

36.26 Subd. 5. **Use of proceeds.** (a) Notwithstanding section 103C.401, subdivision 2, a soil
36.27 and water conservation district that receives a distribution under this section must use the
36.28 proceeds to implement chapter 103C and other duties and services as prescribed by statute.

36.29 (b) The board of each soil and water conservation district must establish, by resolution,
36.30 annual guidelines for using payments received under this section. Current year guidelines
36.31 and guidelines from the year immediately prior must be posted on the district's website.

37.1 (c) A soil and water conservation district that receives a payment under this section may
37.2 use the proceeds directly or may appropriate any portion of the payment to a governmental
37.3 unit with which the district has a cooperative agreement under section 103C.231. Any
37.4 payment received under this section and appropriated by the district must be used as required
37.5 under this subdivision.

37.6 Subd. 6. **Payments.** The commissioner of revenue must distribute soil and water
37.7 conservation district aid in the same manner and at the same times as aid payments provided
37.8 under section 477A.015.

37.9 Subd. 7. **Appropriation.** \$12,000,000 is annually appropriated from the general fund
37.10 to the commissioner of revenue to make the payments required under this section.

37.11 Subd. 8. **Aid amount corrections.** If there is a clerical error made in calculating an aid
37.12 payment under this section, the Board of Water and Soil Resources shall recertify the correct
37.13 amounts to the commissioner of revenue and communicate the error and the corrected
37.14 amount to the affected soil and water conservation district as soon as practical after the error
37.15 is discovered.

37.16 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2023 and
37.17 thereafter.

37.18 **Sec. 19. [477A.25] ELECTRIC GENERATION TRANSITION AID.**

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

37.21 (b) "Electric generating unit" means a single generating unit at an electric generating
37.22 plant powered by coal, nuclear, or natural gas.

37.23 (c) "Electric generation property" means taxable property of an electric generating plant
37.24 owned by a public utility, as defined in section 216B.02, subdivision 4, that is powered by
37.25 coal, nuclear, or natural gas and located in an eligible taxing jurisdiction.

37.26 (d) "Eligible taxing jurisdiction" means a county, home rule charter or statutory city,
37.27 town, or school district.

37.28 (e) "Unit base year" means the assessment year in which the assessed value of electric
37.29 generation property is reduced due to the retirement of the electric generating unit.

37.30 (f) "Unit differential" means (1) the tax capacity of electric generation property in the
37.31 assessment year preceding the unit base year, minus (2) the tax capacity of electric generation
37.32 property in the unit base year. The unit differential may not be less than zero. The unit

38.1 differential equals zero if the tax capacity of electric generation property in the eligible
 38.2 taxing jurisdiction in the assessment year preceding the unit base year is less than four
 38.3 percent of the total net tax capacity of the eligible taxing jurisdiction in the assessment year
 38.4 preceding the aid calculation year, as adjusted under section 473F.08, subdivision 2, or
 38.5 276A.06, subdivision 2, as applicable, except that, in an eligible taxing jurisdiction with
 38.6 multiple electric generating units, only the unit differential calculated upon the first retirement
 38.7 of an electric generating unit in that jurisdiction following the effective date of this section
 38.8 is subject to the reduction under this sentence.

38.9 Subd. 2. **Required notification.** Notwithstanding the requirements of Minnesota Rules,
 38.10 chapter 8100, a public utility must notify the commissioner when the public utility expects
 38.11 to retire an electric generating unit and remove that unit from the property tax base. The
 38.12 notification must be in the form and manner determined by the commissioner, include
 38.13 information required by the commissioner to calculate transition aid under this section, and
 38.14 be filed together with the reports required under section 273.371.

38.15 Subd. 3. **Unit transition amount.** (a) The initial unit transition amount equals the product
 38.16 of (1) the unit differential, times (2) the jurisdiction's tax rate for taxes payable in the unit
 38.17 base year.

38.18 (b) The unit transition amount for the year following the unit base year, or in the year
 38.19 as provided under subdivision 6, equals the initial unit transition amount. Unit transition
 38.20 amounts in subsequent years must be reduced each year by an amount equal to five percent
 38.21 of the initial unit transition amount. If the unit transition amount attributable to any unit is
 38.22 less than \$5,000 in any year, the unit transition amount for that unit equals zero.

38.23 Subd. 4. **Electric generation transition aid.** Electric generation transition aid for an
 38.24 eligible taxing jurisdiction equals the sum of the unit transition amounts for that jurisdiction.

38.25 Subd. 5. **Aid elimination.** (a) Notwithstanding subdivision 4, beginning for aid in the
 38.26 year after the year in which the jurisdiction first qualified for aid, aid for an eligible taxing
 38.27 jurisdiction equals zero if the commissioner determines that the eligible taxing jurisdiction's
 38.28 total net tax capacity in the assessment year preceding the aid calculation year is greater
 38.29 than the product of:

38.30 (1) 90 percent of the jurisdiction's total net tax capacity in the assessment year preceding
 38.31 the aid calculation year in which the jurisdiction first qualified for aid under this section;
 38.32 times

38.33 (2) the greater of one or the ratio of (i) the statewide total net tax capacity of real and
 38.34 personal property in the assessment year preceding the aid calculation year to (ii) the

39.1 statewide total net tax capacity of real and personal property in the assessment year preceding
 39.2 the aid calculation year in which the jurisdiction first qualified for aid under this section.

39.3 (b) For the purposes of this subdivision, "net tax capacity" means net tax capacity as
 39.4 adjusted under section 473F.08, subdivision 2, or 276A.06, subdivision 2, as applicable.

39.5 (c) If aid to a jurisdiction attributable to a previous unit retirement has been eliminated
 39.6 under this subdivision, the jurisdiction may qualify for aid under this section for subsequent
 39.7 unit retirements.

39.8 (d) The requirements of this subdivision do not apply to the aid attributable to prior unit
 39.9 retirements qualifying under subdivision 7.

39.10 Subd. 6. **Commissioner's duties; payment schedule.** (a) The commissioner of revenue
 39.11 shall compute the amount of electric generation transition aid payable to each jurisdiction
 39.12 under this section. On or before August 1 of each year, the commissioner shall certify the
 39.13 amount of aid computed for aids payable in the following year for each jurisdiction. The
 39.14 commissioner shall pay aid to each jurisdiction other than school districts annually at the
 39.15 times provided in section 477A.015. Aids to school districts must be certified to the
 39.16 commissioner of education and paid under section 273.1392.

39.17 (b) The commissioner of revenue may require counties to provide any data that the
 39.18 commissioner deems necessary to administer this section.

39.19 Subd. 7. **Aid for prior unit retirements.** An electric generating unit with a unit base
 39.20 year after 2016 but before 2023 must be counted for the purpose of calculating aid under
 39.21 this section. For a unit eligible to be counted under this subdivision and for the purpose of
 39.22 the schedule of amounts under subdivision 3, paragraph (b), the unit base year is 2023.

39.23 Subd. 8. **Appropriation.** An amount sufficient to make the aid payments required by
 39.24 this section to eligible taxing jurisdictions other than school districts is annually appropriated
 39.25 from the general fund to the commissioner of revenue. An amount sufficient to make the
 39.26 aid payments required by this section for school districts is annually appropriated from the
 39.27 general fund to the commissioner of education.

39.28 **EFFECTIVE DATE.** This section is effective for aids payable in 2024 and thereafter.

39.29 Sec. 20. **[477A.31] MAHNOMEN PROPERTY TAX REIMBURSEMENT AID.**

39.30 Subdivision 1. **Aid appropriation.** (a) The commissioner of revenue shall make
 39.31 reimbursement aid payments to compensate for the loss of property tax revenue related to
 39.32 the trust conversion application of the Shooting Star Casino. The commissioner shall pay

40.1 the county of Mahnomen, \$900,000; the city of Mahnomen, \$320,000; and Independent
 40.2 School District No. 432, Mahnomen, \$140,000.

40.3 (b) The payments shall be made annually on July 20.

40.4 Subd. 2. **Appropriation.** An amount sufficient to pay reimbursement aid under this
 40.5 section is annually appropriated from the general fund to the commissioner of revenue.

40.6 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
 40.7 and thereafter.

40.8 Sec. 21. Laws 2006, chapter 259, article 11, section 3, as amended by Laws 2008, chapter
 40.9 154, article 1, section 4, and Laws 2013, chapter 143, article 2, section 33, is amended to
 40.10 read:

40.11 Sec. 3. **MAHNOMEN COUNTY; COUNTY, CITY, SCHOOL DISTRICT,**
 40.12 **PROPERTY TAX REIMBURSEMENT.**

40.13 Subdivision 1. **Aid appropriation.** (a) \$1,200,000 is appropriated annually from the
 40.14 general fund to the commissioner of revenue to be used to make payments to compensate
 40.15 for the loss of property tax revenue related to the trust conversion application of the Shooting
 40.16 Star Casino. The commissioner shall pay the county of Mahnomen, \$900,000; the city of
 40.17 Mahnomen, \$160,000; and Independent School District No. 432, Mahnomen, \$140,000.
 40.18 The payments shall be made on July 20, of 2013 and each subsequent year.

40.19 (b) This section expires after aids payable year 2023.

40.20 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
 40.21 and thereafter.

40.22 Sec. 22. **STUDY OF STATE-OWNED LAKESHORE.**

40.23 No later than January 31, 2024, the commissioner of revenue, in consultation with the
 40.24 Department of Natural Resources and counties, must produce a report on valuation methods
 40.25 used to value the acreage and shoreline areas within all commissioner-administered and
 40.26 county-administered other natural resources land, as defined in Minnesota Statutes, section
 40.27 477A.11, subdivision 4. The report must comply with the requirements of Minnesota Statutes,
 40.28 sections 3.195 and 3.197. The report must include, by county, the most recent assessed
 40.29 value and acreage, and the assessed value and acreage for the two most recent assessments,
 40.30 as required under Minnesota Statutes, section 273.18, paragraph (b), aggregated by parcels
 40.31 containing shoreline and by parcels not containing shoreline area. Counties must report to

41.1 the commissioner of revenue any necessary data by September 30, 2023. The commissioner
 41.2 must provide a copy of the report to the chairs and ranking minority members of the
 41.3 legislative committees with jurisdiction over taxes and property taxation by January 31,
 41.4 2024.

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

41.6 **Sec. 23. 2021 AID PENALTY FORGIVENESS; CITY OF ECHO.**

41.7 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Echo
 41.8 must receive its aid payment for calendar year 2021 under Minnesota Statutes, section
 41.9 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,
 41.10 and its small city assistance payment for calendar year 2021 under Minnesota Statutes,
 41.11 section 162.145, that was withheld under Minnesota Statutes, section 162.145, subdivision
 41.12 3, paragraph (c), provided that the state auditor certifies to the commissioner of revenue
 41.13 that it received the annual financial reporting form for 2020 from the city by June 1, 2023.
 41.14 The commissioner of revenue must make a payment of \$46,060 to the city by June 30, 2023.

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

41.16 **Sec. 24. 2021 AID PENALTY FORGIVENESS; CITY OF MORTON.**

41.17 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Morton
 41.18 must receive its aid payment for calendar year 2021 under Minnesota Statutes, section
 41.19 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,
 41.20 and its small city assistance payment for calendar year 2021 under Minnesota Statutes,
 41.21 section 162.145, that was withheld under Minnesota Statutes, section 162.145, subdivision
 41.22 3, paragraph (c), provided that the state auditor certifies to the commissioner of revenue
 41.23 that it received the annual financial reporting form for 2020 from the city by June 1, 2023.
 41.24 The commissioner of revenue must make a payment of \$79,476 to the city by June 30, 2023.

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

41.26 **Sec. 25. REPEALER.**

41.27 Minnesota Statutes 2022, sections 477A.011, subdivisions 30a, 38, 42, and 45; and
 41.28 477A.013, subdivision 13, are repealed.

41.29 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
 41.30 and thereafter.

ARTICLE 4

RENTER'S CREDIT

42.1

42.2

42.3 Section 1. Minnesota Statutes 2022, section 10A.31, subdivision 1, is amended to read:

42.4 Subdivision 1. **Designation.** An individual resident of this state who files an income tax
42.5 return ~~or a renter and~~, homeowner property tax refund return, or simplified renter's credit
42.6 return under section 290.0693 with the commissioner of revenue may designate on their
42.7 original return that \$5 be paid from the general fund of the state into the state elections
42.8 campaign account. If ~~a husband and wife~~ spouses file a joint return, each spouse may
42.9 designate that \$5 be paid. No individual is allowed to designate \$5 more than once in any
42.10 year. The taxpayer may designate that the amount be paid into the account of a political
42.11 party or into the general account.

42.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
42.13 31, 2023.

42.14 Sec. 2. Minnesota Statutes 2022, section 10A.31, subdivision 3, is amended to read:

42.15 Subd. 3. **Form.** The commissioner of revenue must provide on the first page of the
42.16 income tax form ~~and the renter and~~, homeowner property tax refund return, and simplified
42.17 renter's credit return under section 290.0693 a space for the individual to indicate a wish to
42.18 pay \$5 (\$10 if filing a joint return) from the general fund of the state to finance election
42.19 campaigns. The form must also contain language prepared by the commissioner that permits
42.20 the individual to direct the state to pay the \$5 (or \$10 if filing a joint return) to: (1) one of
42.21 the major political parties; (2) any minor political party that qualifies under subdivision 3a;
42.22 or (3) all qualifying candidates as provided by subdivision 7. The ~~renter and~~ homeowner
42.23 property tax refund return must include instructions that the individual filing the return may
42.24 designate \$5 on the return only if the individual has not designated \$5 on the income tax
42.25 return or simplified renter's credit return under section 290.0693.

42.26 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
42.27 31, 2023.

42.28 Sec. 3. Minnesota Statutes 2022, section 13.46, subdivision 2, is amended to read:

42.29 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated
42.30 by the welfare system are private data on individuals, and shall not be disclosed except:

42.31 (1) according to section 13.05;

42.32 (2) according to court order;

- 43.1 (3) according to a statute specifically authorizing access to the private data;
- 43.2 (4) to an agent of the welfare system and an investigator acting on behalf of a county,
43.3 the state, or the federal government, including a law enforcement person or attorney in the
43.4 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the
43.5 administration of a program;
- 43.6 (5) to personnel of the welfare system who require the data to verify an individual's
43.7 identity; determine eligibility, amount of assistance, and the need to provide services to an
43.8 individual or family across programs; coordinate services for an individual or family;
43.9 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate
43.10 suspected fraud;
- 43.11 (6) to administer federal funds or programs;
- 43.12 (7) between personnel of the welfare system working in the same program;
- 43.13 (8) to the Department of Revenue to assess parental contribution amounts for purposes
43.14 of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs
43.15 and to identify individuals who may benefit from these programs. The following information
43.16 may be disclosed under this paragraph: an individual's and their dependent's names, dates
43.17 of birth, Social Security numbers, income, addresses, and other data as required, upon
43.18 request by the Department of Revenue. Disclosures by the commissioner of revenue to the
43.19 commissioner of human services for the purposes described in this clause are governed by
43.20 section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited
43.21 to, the dependent care credit under section 290.067, the Minnesota working family credit
43.22 under section 290.0671, the property tax refund ~~and rental credit~~ under section 290A.04,
43.23 and the Minnesota education credit under section 290.0674;
- 43.24 (9) between the Department of Human Services, the Department of Employment and
43.25 Economic Development, and when applicable, the Department of Education, for the following
43.26 purposes:
- 43.27 (i) to monitor the eligibility of the data subject for unemployment benefits, for any
43.28 employment or training program administered, supervised, or certified by that agency;
- 43.29 (ii) to administer any rehabilitation program or child care assistance program, whether
43.30 alone or in conjunction with the welfare system;
- 43.31 (iii) to monitor and evaluate the Minnesota family investment program or the child care
43.32 assistance program by exchanging data on recipients and former recipients of Supplemental
43.33 Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D,

44.1 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter
44.2 256B or 256L, or a medical program formerly codified under chapter 256D; and

44.3 (iv) to analyze public assistance employment services and program utilization, cost,
44.4 effectiveness, and outcomes as implemented under the authority established in Title II,
44.5 Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.
44.6 Health records governed by sections 144.291 to 144.298 and "protected health information"
44.7 as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code
44.8 of Federal Regulations, title 45, parts 160-164, including health care claims utilization
44.9 information, must not be exchanged under this clause;

44.10 (10) to appropriate parties in connection with an emergency if knowledge of the
44.11 information is necessary to protect the health or safety of the individual or other individuals
44.12 or persons;

44.13 (11) data maintained by residential programs as defined in section 245A.02 may be
44.14 disclosed to the protection and advocacy system established in this state according to Part
44.15 C of Public Law 98-527 to protect the legal and human rights of persons with developmental
44.16 disabilities or other related conditions who live in residential facilities for these persons if
44.17 the protection and advocacy system receives a complaint by or on behalf of that person and
44.18 the person does not have a legal guardian or the state or a designee of the state is the legal
44.19 guardian of the person;

44.20 (12) to the county medical examiner or the county coroner for identifying or locating
44.21 relatives or friends of a deceased person;

44.22 (13) data on a child support obligor who makes payments to the public agency may be
44.23 disclosed to the Minnesota Office of Higher Education to the extent necessary to determine
44.24 eligibility under section 136A.121, subdivision 2, clause (5);

44.25 (14) participant Social Security numbers and names collected by the telephone assistance
44.26 program may be disclosed to the Department of Revenue to conduct an electronic data
44.27 match with the property tax refund database to determine eligibility under section 237.70,
44.28 subdivision 4a;

44.29 (15) the current address of a Minnesota family investment program participant may be
44.30 disclosed to law enforcement officers who provide the name of the participant and notify
44.31 the agency that:

44.32 (i) the participant:

45.1 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after
45.2 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the
45.3 jurisdiction from which the individual is fleeing; or

45.4 (B) is violating a condition of probation or parole imposed under state or federal law;

45.5 (ii) the location or apprehension of the felon is within the law enforcement officer's
45.6 official duties; and

45.7 (iii) the request is made in writing and in the proper exercise of those duties;

45.8 (16) the current address of a recipient of general assistance may be disclosed to probation
45.9 officers and corrections agents who are supervising the recipient and to law enforcement
45.10 officers who are investigating the recipient in connection with a felony level offense;

45.11 (17) information obtained from a SNAP applicant or recipient households may be
45.12 disclosed to local, state, or federal law enforcement officials, upon their written request, for
45.13 the purpose of investigating an alleged violation of the Food and Nutrition Act, according
45.14 to Code of Federal Regulations, title 7, section 272.1(c);

45.15 (18) the address, Social Security number, and, if available, photograph of any member
45.16 of a household receiving SNAP benefits shall be made available, on request, to a local, state,
45.17 or federal law enforcement officer if the officer furnishes the agency with the name of the
45.18 member and notifies the agency that:

45.19 (i) the member:

45.20 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a
45.21 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

45.22 (B) is violating a condition of probation or parole imposed under state or federal law;
45.23 or

45.24 (C) has information that is necessary for the officer to conduct an official duty related
45.25 to conduct described in subitem (A) or (B);

45.26 (ii) locating or apprehending the member is within the officer's official duties; and

45.27 (iii) the request is made in writing and in the proper exercise of the officer's official duty;

45.28 (19) the current address of a recipient of Minnesota family investment program, general
45.29 assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing,
45.30 provide the name of the recipient and notify the agency that the recipient is a person required
45.31 to register under section 243.166, but is not residing at the address at which the recipient is
45.32 registered under section 243.166;

46.1 (20) certain information regarding child support obligors who are in arrears may be
46.2 made public according to section 518A.74;

46.3 (21) data on child support payments made by a child support obligor and data on the
46.4 distribution of those payments excluding identifying information on obligees may be
46.5 disclosed to all obligees to whom the obligor owes support, and data on the enforcement
46.6 actions undertaken by the public authority, the status of those actions, and data on the income
46.7 of the obligor or obligee may be disclosed to the other party;

46.8 (22) data in the work reporting system may be disclosed under section 256.998,
46.9 subdivision 7;

46.10 (23) to the Department of Education for the purpose of matching Department of Education
46.11 student data with public assistance data to determine students eligible for free and
46.12 reduced-price meals, meal supplements, and free milk according to United States Code,
46.13 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state
46.14 funds that are distributed based on income of the student's family; and to verify receipt of
46.15 energy assistance for the telephone assistance plan;

46.16 (24) the current address and telephone number of program recipients and emergency
46.17 contacts may be released to the commissioner of health or a community health board as
46.18 defined in section 145A.02, subdivision 5, when the commissioner or community health
46.19 board has reason to believe that a program recipient is a disease case, carrier, suspect case,
46.20 or at risk of illness, and the data are necessary to locate the person;

46.21 (25) to other state agencies, statewide systems, and political subdivisions of this state,
46.22 including the attorney general, and agencies of other states, interstate information networks,
46.23 federal agencies, and other entities as required by federal regulation or law for the
46.24 administration of the child support enforcement program;

46.25 (26) to personnel of public assistance programs as defined in section 256.741, for access
46.26 to the child support system database for the purpose of administration, including monitoring
46.27 and evaluation of those public assistance programs;

46.28 (27) to monitor and evaluate the Minnesota family investment program by exchanging
46.29 data between the Departments of Human Services and Education, on recipients and former
46.30 recipients of SNAP benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child
46.31 care assistance under chapter 119B, medical programs under chapter 256B or 256L, or a
46.32 medical program formerly codified under chapter 256D;

47.1 (28) to evaluate child support program performance and to identify and prevent fraud
47.2 in the child support program by exchanging data between the Department of Human Services,
47.3 Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b),
47.4 without regard to the limitation of use in paragraph (c), Department of Health, Department
47.5 of Employment and Economic Development, and other state agencies as is reasonably
47.6 necessary to perform these functions;

47.7 (29) counties and the Department of Human Services operating child care assistance
47.8 programs under chapter 119B may disseminate data on program participants, applicants,
47.9 and providers to the commissioner of education;

47.10 (30) child support data on the child, the parents, and relatives of the child may be
47.11 disclosed to agencies administering programs under titles IV-B and IV-E of the Social
47.12 Security Act, as authorized by federal law;

47.13 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent
47.14 necessary to coordinate services;

47.15 (32) to the chief administrative officer of a school to coordinate services for a student
47.16 and family; data that may be disclosed under this clause are limited to name, date of birth,
47.17 gender, and address;

47.18 (33) to county correctional agencies to the extent necessary to coordinate services and
47.19 diversion programs; data that may be disclosed under this clause are limited to name, client
47.20 demographics, program, case status, and county worker information; or

47.21 (34) between the Department of Human Services and the Metropolitan Council for the
47.22 following purposes:

47.23 (i) to coordinate special transportation service provided under section 473.386 with
47.24 services for people with disabilities and elderly individuals funded by or through the
47.25 Department of Human Services; and

47.26 (ii) to provide for reimbursement of special transportation service provided under section
47.27 473.386.

47.28 The data that may be shared under this clause are limited to the individual's first, last, and
47.29 middle names; date of birth; residential address; and program eligibility status with expiration
47.30 date for the purposes of informing the other party of program eligibility.

47.31 (b) Information on persons who have been treated for drug or alcohol abuse may only
47.32 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections
47.33 2.1 to 2.67.

48.1 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),
 48.2 (17), or (18), or paragraph (b), are investigative data and are confidential or protected
 48.3 nonpublic while the investigation is active. The data are private after the investigation
 48.4 becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

48.5 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are
 48.6 not subject to the access provisions of subdivision 10, paragraph (b).

48.7 For the purposes of this subdivision, a request will be deemed to be made in writing if
 48.8 made through a computer interface system.

48.9 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 48.10 31, 2023.

48.11 Sec. 4. Minnesota Statutes 2022, section 270B.12, subdivision 8, is amended to read:

48.12 Subd. 8. **County assessors; homestead classification and ~~renter~~ renter's credit.** The
 48.13 commissioner may disclose names and Social Security numbers of individuals who have
 48.14 applied for both homestead classification under section 273.13 and a ~~property tax refund~~
 48.15 ~~as a renter under chapter 290A~~ renter's credit under section 290.0693 for the purpose of and
 48.16 to the extent necessary to administer section 290A.25.

48.17 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
 48.18 and following years.

48.19 Sec. 5. Minnesota Statutes 2022, section 270B.14, subdivision 1, is amended to read:

48.20 Subdivision 1. **Disclosure to commissioner of human services.** (a) On the request of
 48.21 the commissioner of human services, the commissioner shall disclose return information
 48.22 regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the
 48.23 extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

48.24 (b) Data that may be disclosed are limited to data relating to the identity, whereabouts,
 48.25 employment, income, and property of a person owing or alleged to be owing an obligation
 48.26 of child support.

48.27 (c) The commissioner of human services may request data only for the purposes of
 48.28 carrying out the child support enforcement program and to assist in the location of parents
 48.29 who have, or appear to have, deserted their children. Data received may be used only as set
 48.30 forth in section 256.978.

49.1 (d) The commissioner shall provide the records and information necessary to administer
49.2 the supplemental housing allowance to the commissioner of human services.

49.3 (e) At the request of the commissioner of human services, the commissioner of revenue
49.4 shall electronically match the Social Security numbers and names of participants in the
49.5 telephone assistance plan operated under sections 237.69 to 237.71, with those of property
49.6 tax refund filers under chapter 290A or renter's credit filers under section 290.0693, and
49.7 determine whether each participant's household income is within the eligibility standards
49.8 for the telephone assistance plan.

49.9 (f) The commissioner may provide records and information collected under sections
49.10 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid
49.11 Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law
49.12 102-234. Upon the written agreement by the United States Department of Health and Human
49.13 Services to maintain the confidentiality of the data, the commissioner may provide records
49.14 and information collected under sections 295.50 to 295.59 to the Centers for Medicare and
49.15 Medicaid Services section of the United States Department of Health and Human Services
49.16 for purposes of meeting federal reporting requirements.

49.17 (g) The commissioner may provide records and information to the commissioner of
49.18 human services as necessary to administer the early refund of refundable tax credits.

49.19 (h) The commissioner may disclose information to the commissioner of human services
49.20 as necessary for income verification for eligibility and premium payment under the
49.21 MinnesotaCare program, under section 256L.05, subdivision 2, as well as the medical
49.22 assistance program under chapter 256B.

49.23 (i) The commissioner may disclose information to the commissioner of human services
49.24 necessary to verify whether applicants or recipients for the Minnesota family investment
49.25 program, general assistance, the Supplemental Nutrition Assistance Program (SNAP),
49.26 Minnesota supplemental aid program, and child care assistance have claimed refundable
49.27 tax credits under chapter 290 and the property tax refund under chapter 290A, and the
49.28 amounts of the credits.

49.29 (j) The commissioner may disclose information to the commissioner of human services
49.30 necessary to verify income for purposes of calculating parental contribution amounts under
49.31 section 252.27, subdivision 2a.

49.32 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
49.33 31, 2023.

50.1 Sec. 6. Minnesota Statutes 2022, section 270C.445, subdivision 2, is amended to read:

50.2 Subd. 2. **Definitions.** (a) For purposes of this section and sections 270C.4451 to
50.3 270C.447, the following terms have the meanings given.

50.4 (b) "Advertise" means to solicit business through any means or medium.

50.5 (c) "Client" means a person for whom a tax preparer performs or agrees to perform tax
50.6 preparation services.

50.7 (d) "Facilitate" means to individually or in conjunction or cooperation with another
50.8 person:

50.9 (1) accept an application for a refund anticipation loan;

50.10 (2) pay to a client the proceeds, through direct deposit, a negotiable instrument, or any
50.11 other means, of a refund anticipation loan; or

50.12 (3) offer, arrange, process, provide, or in any other manner act to allow the making of,
50.13 a refund anticipation loan.

50.14 (e) "Refund anticipation check" means a negotiable instrument provided to a client by
50.15 the tax preparer or another person, which is issued from the proceeds of a taxpayer's federal
50.16 or state income tax refund or both and represents the net of the refund minus the tax
50.17 preparation fee and any other fees. A refund anticipation check includes a refund transfer.

50.18 (f) "Refund anticipation loan" means a loan or any other extension of credit, whether
50.19 provided by the tax preparer or another entity such as a financial institution, in anticipation
50.20 of, and whose payment is secured by, a client's federal or state income tax refund or both.

50.21 (g) "Tax preparation services" means services provided for compensation to a client to:

50.22 (1) assist with preparing or filing a return;

50.23 (2) assume final responsibility for completed work on a return on which preliminary
50.24 work has been done by another;

50.25 (3) sign or include on a return the preparer tax identification number required under
50.26 section 6109(a)(4) of the Internal Revenue Code; or

50.27 (4) facilitate the provision of a refund anticipation loan or a refund anticipation check.

50.28 (h) "Tax preparer" or "preparer" means a person providing tax preparation services
50.29 except:

50.30 (1) an employee who prepares their employer's return;

51.1 (2) any fiduciary, or the regular employees of a fiduciary, while acting on behalf of the
51.2 fiduciary estate, testator, trustor, grantor, or beneficiaries of them;

51.3 (3) nonprofit organizations providing tax preparation services under the Internal Revenue
51.4 Service Volunteer Income Tax Assistance Program or Tax Counseling for the Elderly
51.5 Program;

51.6 (4) a person who merely furnishes typing, reproducing, or other mechanical assistance;

51.7 (5) a third-party bulk filer as defined in section 290.92, subdivision 30, that is currently
51.8 registered with the commissioner; and

51.9 (6) a certified service provider as defined in section 297A.995, subdivision 2, paragraph
51.10 (c), that provides all of the sales tax functions for a retailer not maintaining a place of
51.11 business in this state as described in section 297A.66.

51.12 (i) Except as otherwise provided, "return" means:

51.13 (1) a return as defined in section 270C.01, subdivision 8;

51.14 (2) a claim for refund of an overpayment;

51.15 (3) a claim filed pursuant to chapter 290A; ~~and~~

51.16 (4) a claim for a credit filed under section 290.0677, subdivision 1; and

51.17 (5) a simplified renter's credit filing under section 290.0693, subdivision 12.

51.18 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
51.19 31, 2023.

51.20 Sec. 7. Minnesota Statutes 2022, section 270C.445, subdivision 3, is amended to read:

51.21 Subd. 3. **Standards of conduct.** No tax preparer shall:

51.22 (1) without good cause fail to promptly, diligently, and without unreasonable delay
51.23 complete a client's return;

51.24 (2) obtain the signature of a client to a return or authorizing document that contains
51.25 blank spaces to be filled in after it has been signed;

51.26 (3) fail to sign a client's return when compensation for services rendered has been made;

51.27 (4) fail to provide on a client's return the preparer tax identification number when required
51.28 under section 6109(a)(4) of the Internal Revenue Code or section 289A.60, subdivision 28;

51.29 (5) fail or refuse to give a client a copy of any document requiring the client's signature
51.30 within a reasonable time after the client signs the document;

- 52.1 (6) fail to retain for at least four years a copy of a client's returns;
- 52.2 (7) fail to maintain a confidential relationship with clients or former clients;
- 52.3 (8) fail to take commercially reasonable measures to safeguard a client's nonpublic
52.4 personal information;
- 52.5 (9) make, authorize, publish, disseminate, circulate, or cause to make, either directly or
52.6 indirectly, any false, deceptive, or misleading statement or representation relating to or in
52.7 connection with the offering or provision of tax preparation services;
- 52.8 (10) require a client to enter into a loan arrangement in order to complete a client's return;
- 52.9 (11) claim credits or deductions on a client's return for which the tax preparer knows or
52.10 reasonably should know the client does not qualify;
- 52.11 (12) report a household income on a client's claim filed under chapter 290A that the tax
52.12 preparer knows or reasonably should know is not accurate;
- 52.13 (13) engage in any conduct that is subject to a penalty under section 289A.60, subdivision
52.14 13, 20, 20a, 26, or 28;
- 52.15 (14) whether or not acting as a taxpayer representative, fail to conform to the standards
52.16 of conduct required by Minnesota Rules, part 8052.0300, subpart 4;
- 52.17 (15) whether or not acting as a taxpayer representative, engage in any conduct that is
52.18 incompetent conduct under Minnesota Rules, part 8052.0300, subpart 5;
- 52.19 (16) whether or not acting as a taxpayer representative, engage in any conduct that is
52.20 disreputable conduct under Minnesota Rules, part 8052.0300, subpart 6;
- 52.21 (17) charge, offer to accept, or accept a fee based upon a percentage of an anticipated
52.22 refund for tax preparation services;
- 52.23 (18) under any circumstances, withhold or fail to return to a client a document provided
52.24 by the client for use in preparing the client's return;
- 52.25 (19) take control or ownership of a client's refund by any means, including:
- 52.26 (i) directly or indirectly endorsing or otherwise negotiating a check or other refund
52.27 instrument, including an electronic version of a check;
- 52.28 (ii) directing an electronic or direct deposit of the refund into an account unless the
52.29 client's name is on the account; and
- 52.30 (iii) establishing or using an account in the preparer's name to receive a client's refund
52.31 through a direct deposit or any other instrument unless the client's name is also on the

53.1 account, except that a taxpayer may assign the portion of a refund representing the Minnesota
 53.2 education credit available under section 290.0674 to a bank account without the client's
 53.3 name, as provided under section 290.0679;

53.4 (20) fail to act in the best interests of the client;

53.5 (21) fail to safeguard and account for any money handled for the client;

53.6 (22) fail to disclose all material facts of which the preparer has knowledge which might
 53.7 reasonably affect the client's rights and interests;

53.8 (23) violate any provision of section 332.37;

53.9 (24) include any of the following in any document provided or signed in connection
 53.10 with the provision of tax preparation services:

53.11 (i) a hold harmless clause;

53.12 (ii) a confession of judgment or a power of attorney to confess judgment against the
 53.13 client or appear as the client in any judicial proceeding;

53.14 (iii) a waiver of the right to a jury trial, if applicable, in any action brought by or against
 53.15 a debtor;

53.16 (iv) an assignment of or an order for payment of wages or other compensation for
 53.17 services;

53.18 (v) a provision in which the client agrees not to assert any claim or defense otherwise
 53.19 available;

53.20 (vi) a waiver of any provision of this section or a release of any obligation required to
 53.21 be performed on the part of the tax preparer; or

53.22 (vii) a waiver of the right to injunctive, declaratory, or other equitable relief or relief on
 53.23 a class basis; ~~or~~

53.24 (25) if making, providing, or facilitating a refund anticipation loan, fail to provide all
 53.25 disclosures required by the federal Truth in Lending Act, United States Code, title 15, in a
 53.26 form that may be retained by the client; or

53.27 (26) report a household income on a client's claim filed under section 290.0693,
 53.28 subdivision 12, that the tax preparer knows or reasonably should know is not accurate.

53.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 53.30 31, 2023.

54.1 Sec. 8. Minnesota Statutes 2022, section 289A.18, subdivision 5, is amended to read:

54.2 Subd. 5. **Property tax refund claims.** A claim for a refund based on property taxes
54.3 payable must be filed with the commissioner on or before August 15 of the year in which
54.4 the property taxes are due and payable. ~~Any claim for refund based on rent paid must be~~
54.5 ~~filed on or before August 15 of the year following the year in which the rent was paid.~~

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

54.8 Sec. 9. Minnesota Statutes 2022, section 289A.38, subdivision 4, is amended to read:

54.9 Subd. 4. **Property tax refund.** For purposes of computing the limitation under this
54.10 section, the due date of the property tax refund return as provided for in chapter 290A is
54.11 the due date for an income tax return covering ~~the year in which the rent was paid or the~~
54.12 ~~year preceding the year in which the property taxes are payable.~~

54.13 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
54.14 and following years.

54.15 Sec. 10. Minnesota Statutes 2022, section 289A.56, subdivision 6, is amended to read:

54.16 Subd. 6. **Property tax refunds under chapter 290A.** ~~(a) When a renter is owed a~~
54.17 ~~property tax refund, an unpaid refund bears interest after August 14, or 60 days after the~~
54.18 ~~refund claim was made, whichever is later, until the date the refund is paid.~~

54.19 ~~(b) When any other~~ a claimant is owed a property tax refund under chapter 290A, the
54.20 unpaid refund bears interest after September 29, or 60 days after the refund claim was made,
54.21 whichever is later, until the date the refund is paid.

54.22 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
54.23 and following years.

54.24 Sec. 11. Minnesota Statutes 2022, section 289A.60, subdivision 12, is amended to read:

54.25 Subd. 12. **Penalties relating to property tax refunds.** (a) If it is determined that a
54.26 property tax refund claim is excessive and was negligently prepared, a claimant is liable
54.27 for a penalty of ten percent of the disallowed claim. If the claim has been paid, the amount
54.28 disallowed must be recovered by assessment and collection.

54.29 (b) An owner who without reasonable cause fails to give a certificate of rent ~~constituting~~
54.30 ~~property tax~~ paid to a renter, as required by ~~section~~ sections 290.0693, subdivision 4, and
54.31 290A.19, paragraph (a), is liable to the commissioner for a penalty of \$100 for each failure.

55.1 (c) If the owner or managing agent knowingly gives rent certificates that report total
55.2 rent constituting property taxes in excess of the amount of actual rent constituting property
55.3 taxes paid on the rented part of a property, the owner or managing agent is liable for a
55.4 penalty equal to the greater of (1) \$100 or (2) 50 percent of the excess that is reported. An
55.5 overstatement of rent constituting property taxes is presumed to be knowingly made if it
55.6 exceeds by ten percent or more the actual rent constituting property taxes.

55.7 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
55.8 and following years.

55.9 Sec. 12. Minnesota Statutes 2022, section 289A.60, subdivision 13, is amended to read:

55.10 Subd. 13. **Penalties for tax preparers.** (a) If an understatement of liability with respect
55.11 to a return or claim for refund is due to a reckless disregard of laws and rules or willful
55.12 attempt in any manner to understate the liability for a tax by a person who is a tax preparer
55.13 with respect to the return or claim, the person shall pay to the commissioner a penalty of
55.14 \$500. If a part of a claim filed under section 290.0677, subdivision 1; 290.0693; or chapter
55.15 290A is excessive due to a reckless disregard or willful attempt in any manner to overstate
55.16 the claim allowed by a person who is a tax preparer, the tax preparer shall pay to the
55.17 commissioner a penalty of \$500 with respect to the claim. These penalties may not be
55.18 assessed against the employer of a tax preparer unless the employer was actively involved
55.19 in the reckless disregard or willful attempt to understate the liability for a tax or to overstate
55.20 the claim for refund. These penalties are income tax liabilities and may be assessed at any
55.21 time as provided in section 289A.38, subdivision 5.

55.22 (b) A civil action in the name of the state of Minnesota may be commenced to enjoin
55.23 any person who is a tax preparer doing business in this state as provided in section 270C.447.

55.24 (c) The commissioner may terminate or suspend a tax preparer's authority to transmit
55.25 returns electronically to the state, if the commissioner determines that the tax preparer has
55.26 engaged in a pattern and practice of conduct in violation of paragraph (a) of this subdivision
55.27 or has been convicted under section 289A.63.

55.28 (d) For purposes of this subdivision, the term "understatement of liability" means an
55.29 understatement of the net amount payable with respect to a tax imposed by state tax law,
55.30 or an overstatement of the net amount creditable or refundable with respect to a tax. The
55.31 determination of whether or not there is an understatement of liability must be made without
55.32 regard to any administrative or judicial action involving the taxpayer. For purposes of this
55.33 subdivision, the amount determined for underpayment of estimated tax under either section
55.34 289A.25 or 289A.26 is not considered an understatement of liability.

56.1 (e) For purposes of this subdivision, the term "overstatement of claim" means an
 56.2 overstatement of the net amount refundable with respect to a claim filed under section
 56.3 290.0677, subdivision 1, 290.0693, subdivision 12, or chapter 290A. The determination of
 56.4 whether or not there is an overstatement of a claim must be made without regard to
 56.5 administrative or judicial action involving the claimant.

56.6 (f) For purposes of this section, the term "tax preparer" or "preparer" has the meaning
 56.7 given in section 270C.445, subdivision 2, paragraph (h).

56.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 56.9 31, 2023.

56.10 Sec. 13. Minnesota Statutes 2022, section 289A.60, subdivision 28, is amended to read:

56.11 Subd. 28. **Preparer identification number.** (a) Each of the following that is prepared
 56.12 by a tax preparer must include the tax preparer's tax identification number:

56.13 (1) a tax return required to be filed under this chapter;

56.14 (2) a claim filed under section 290.0677, subdivision 1, 290.0693, subdivision 12, or
 56.15 chapter 290A; and

56.16 (3) a claim for refund of an overpayment.

56.17 (b) A tax preparer is not required to include their preparer tax identification number on
 56.18 a filing if the number is not required in the forms or filing requirements provided by the
 56.19 commissioner.

56.20 (c) A tax preparer who fails to include the preparer tax identification number as required
 56.21 by this section is subject to a penalty of \$50 for each failure.

56.22 (d) A tax preparer who fails to include the preparer tax identification number as required
 56.23 by this section, and who is required to have a valid preparer tax identification number issued
 56.24 under section 6109(a)(4) of the Internal Revenue Code, but does not have one, is subject to
 56.25 a \$500 penalty for each failure. A tax preparer subject to the penalty in this paragraph is
 56.26 not subject to the penalty in paragraph (c).

56.27 (e) For the purposes of this subdivision, "tax preparer" has the meaning given in section
 56.28 270C.445, subdivision 2, paragraph (h), and "preparer tax identification number" means
 56.29 the number the tax preparer is required to use federally under section 6109(a)(4) of the
 56.30 Internal Revenue Code.

56.31 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 56.32 31, 2023.

57.1 Sec. 14. [290.0693] RENTER'S CREDIT.

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

57.4 (b) "Dependent" means any individual who is considered a dependent under sections
57.5 151 and 152 of the Internal Revenue Code.

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

57.7 (d) "Exemption amount" means the exemption amount under section 290.0121,
57.8 subdivision 1, paragraph (b).

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

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

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

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

57.22 (i) "Income" means adjusted gross income, minus:

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

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

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

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

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

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

57.30 (j) "Rent constituting property taxes" means 17 percent of the gross rent actually paid
57.31 in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any taxable

58.1 year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the
 58.2 taxable year, and which rent constitutes the basis, in the succeeding taxable year of a claim
 58.3 for a credit under this section by the claimant. If an individual occupies a homestead with
 58.4 another person or persons not related to the individual as the individual's spouse or as
 58.5 dependents, and the other person or persons are residing at the homestead under a rental or
 58.6 lease agreement with the individual, the amount of rent constituting property tax for the
 58.7 individual equals that portion not covered by the rental agreement.

58.8 Subd. 2. **Credit allowed; refundable.** (a) An individual is allowed a credit against the
 58.9 tax due under this chapter equal to the amount that rent constituting property taxes exceeds
 58.10 the percentage of the household income of the claimant specified in subdivision 3 in the
 58.11 taxable year in which the rent was paid as specified in that subdivision.

58.12 (b) If the amount of credit which a taxpayer is eligible to receive under this section
 58.13 exceeds the taxpayer's liability for tax under this chapter, the commissioner shall refund the
 58.14 excess to the taxpayer.

58.15 Subd. 3. **Renters.** (a) A taxpayer whose rent constituting property taxes exceeds the
 58.16 percentage of the household income stated below must pay an amount equal to the percent
 58.17 of income shown for the appropriate household income level along with the percent paid
 58.18 by claimant of the remaining amount of rent constituting property taxes. The credit under
 58.19 subdivision 2 equals the amount of rent constituting property taxes that remain, up to the
 58.20 maximum credit amount shown below.

	<u>Household Income</u>	<u>Percent of Income</u>	<u>Percent paid by claimant</u>	<u>Maximum Credit</u>
58.21				
58.22				
58.23	<u>\$0 to 6,479</u>	<u>1.0 percent</u>	<u>5 percent</u>	<u>\$ 2,640</u>
58.24	<u>6,480 to 8,609</u>	<u>1.0 percent</u>	<u>10 percent</u>	<u>\$ 2,640</u>
58.25	<u>8,610 to 10,759</u>	<u>1.1 percent</u>	<u>10 percent</u>	<u>\$ 2,570</u>
58.26	<u>10,760 to 15,089</u>	<u>1.2 percent</u>	<u>10 percent</u>	<u>\$ 2,510</u>
58.27	<u>15,090 to 19,399</u>	<u>1.3 percent</u>	<u>15 percent</u>	<u>\$ 2,430</u>
58.28	<u>19,400 to 21,539</u>	<u>1.4 percent</u>	<u>15 percent</u>	<u>\$ 2,370</u>
58.29	<u>21,540 to 23,679</u>	<u>1.4 percent</u>	<u>20 percent</u>	<u>\$ 2,310</u>
58.30	<u>23,680 to 28,009</u>	<u>1.5 percent</u>	<u>20 percent</u>	<u>\$ 2,240</u>
58.31	<u>28,010 to 30,159</u>	<u>1.6 percent</u>	<u>20 percent</u>	<u>\$ 2,180</u>
58.32	<u>30,160 to 32,309</u>	<u>1.7 percent</u>	<u>25 percent</u>	<u>\$ 2,180</u>
58.33	<u>32,310 to 36,629</u>	<u>1.8 percent</u>	<u>25 percent</u>	<u>\$ 2,180</u>
58.34	<u>36,630 to 38,769</u>	<u>1.9 percent</u>	<u>30 percent</u>	<u>\$ 2,180</u>
58.35	<u>38,770 to 45,229</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$ 2,180</u>
58.36	<u>45,230 to 51,689</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$ 2,180</u>

59.1	<u>51,690 to 60,319</u>	<u>2.0 percent</u>	<u>40 percent</u>	<u>\$ 2,180</u>
59.2	<u>60,320 to 62,459</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,980</u>
59.3	<u>62,460 to 64,619</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,780</u>
59.4	<u>64,620 to 66,789</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,510</u>
59.5	<u>66,790 to 68,929</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 1,320</u>
59.6	<u>68,930 to 71,089</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 1,190</u>
59.7	<u>71,090 to 73,239</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 660</u>
59.8	<u>73,240 to 75,389</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 260</u>

59.9 The credit is the amount calculated under this subdivision. No credit is allowed if the
 59.10 taxpayer's household income is \$75,389 or more.

59.11 (b) The commissioner must annually adjust the dollar amounts of the income thresholds
 59.12 and the maximum refunds in paragraph (a), as provided in section 270C.22. The statutory
 59.13 year is 2024.

59.14 (c) The commissioner shall construct and make available to taxpayers a comprehensive
 59.15 table showing the rent constituting property taxes to be paid and refund allowed at various
 59.16 levels of income and assessment. The table shall follow the schedule of income percentages,
 59.17 maximums, and other provisions specified in paragraph (a), except that the commissioner
 59.18 may graduate the transition between income brackets. All refunds shall be computed in
 59.19 accordance with tables prepared and issued by the commissioner.

59.20 Subd. 4. **Owner or managing agent to furnish rent certificate.** (a) The owner or
 59.21 managing agent of any property for which rent is paid for occupancy as a homestead must
 59.22 furnish a certificate of rent paid to a person who is a renter on December 31, in the form
 59.23 prescribed by the commissioner. If the renter moves before December 31, the owner or
 59.24 managing agent may give the certificate to the renter at the time of moving, or mail the
 59.25 certificate to the forwarding address if an address has been provided by the renter. The
 59.26 certificate must be made available to the renter before February 1 of the year following the
 59.27 year in which the rent was paid. The owner or managing agent must retain a duplicate of
 59.28 each certificate or an equivalent record showing the same information for a period of four
 59.29 years. The duplicate or other record must be made available to the commissioner upon
 59.30 request.

59.31 (b) The commissioner may require the owner or managing agent, through a simple
 59.32 process, to furnish to the commissioner on or before March 1 a copy of each certificate of
 59.33 rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe
 59.34 the content, format, and manner of the form pursuant to section 270C.30. The commissioner
 59.35 may require the Social Security number, individual taxpayer identification number, federal

60.1 employer identification number, or Minnesota taxpayer identification number of the owner
60.2 or managing agent who is required to furnish a certificate of rent paid under this paragraph.
60.3 Before implementation, the commissioner, after consulting with representatives of owners
60.4 or managing agents, shall develop an implementation and administration plan for the
60.5 requirements of this paragraph that attempts to minimize financial burdens, administration
60.6 and compliance costs, and takes into consideration existing systems of owners and managing
60.7 agents.

60.8 Subd. 5. **Eligibility; residency.** (a) A taxpayer is eligible for the credit under this section
60.9 if the taxpayer is an individual, other than a dependent, as defined under sections 151 and
60.10 152 of the Internal Revenue Code, disregarding section 152(b)(3) of the Internal Revenue
60.11 Code, who filed for a credit and who was a resident of this state during the taxable year for
60.12 which the credit was claimed.

60.13 (b) In the case of a credit for rent constituting property taxes of a part-year Minnesota
60.14 resident, the household income and rent constituting property taxes reflected in this
60.15 computation shall be for the period of Minnesota residency only. Any rental expenses paid
60.16 that may be reflected in arriving at federal adjusted gross income cannot be utilized for this
60.17 computation.

60.18 (c) When two individuals of a household are able to meet the qualifications to claim a
60.19 credit under this section, the individuals may determine among them as to which individual
60.20 may claim the credit. If the individuals are unable to agree, the matter shall be referred to
60.21 the commissioner of revenue whose decision shall be final.

60.22 (d) To claim a credit under this section, the taxpayer must have resided in a rented or
60.23 leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes,
60.24 including payments of special assessments imposed in lieu of ad valorem taxes, are payable
60.25 at some time during the taxable year for which the taxpayer claimed the credit.

60.26 Subd. 6. **Residents of nursing homes, intermediate care facilities, long-term care**
60.27 **facilities, or facilities accepting housing support payments.** (a) A taxpayer must not claim
60.28 a credit under this section if the taxpayer is a resident of a nursing home, intermediate care
60.29 facility, long-term residential facility, or a facility that accepts housing support payments
60.30 whose rent constituting property taxes is paid pursuant to the Supplemental Security Income
60.31 program under title XVI of the Social Security Act, the Minnesota supplemental aid program
60.32 under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX
60.33 of the Social Security Act, or the housing support program under chapter 256I.

61.1 (b) If only a portion of the rent constituting property taxes is paid by these programs,
61.2 the resident is eligible for a credit, but the credit calculated must be multiplied by a fraction,
61.3 the numerator of which is adjusted gross income, reduced by the total amount of income
61.4 from the above sources other than vendor payments under the medical assistance program
61.5 and the denominator of which is adjusted gross income, plus vendor payments under the
61.6 medical assistance program, to determine the allowable credit.

61.7 (c) Notwithstanding paragraphs (a) and (b), if the taxpayer was a resident of the nursing
61.8 home, intermediate care facility, long-term residential facility, or facility for which the rent
61.9 was paid for the claimant by the housing support program for only a portion of the taxable
61.10 year covered by the claim, the taxpayer may compute rent constituting property taxes by
61.11 disregarding the rent constituting property taxes from the nursing home or facility and may
61.12 use only that amount of rent constituting property taxes or property taxes payable relating
61.13 to that portion of the year when the taxpayer was not in the facility. The taxpayer's household
61.14 income is the income for the entire taxable year covered by the claim.

61.15 Subd. 7. **Credit for unmarried taxpayers residing in the same household.** If a
61.16 homestead is occupied by two or more renters who are not married to each other, the rent
61.17 shall be deemed to be paid equally by each renter, and separate claims shall be filed by each
61.18 renter. The income of each renter shall be each renter's household income for purposes of
61.19 computing the amount of credit to be allowed.

61.20 Subd. 8. **One claimant per household.** Only one taxpayer per household per year is
61.21 entitled to claim a credit under this section. In the case of a married taxpayer filing a separate
61.22 return, only one spouse may claim the credit under this section. The credit amount for the
61.23 spouse that claims the credit must be calculated based on household income and not solely
61.24 on the income of the spouse.

61.25 Subd. 9. **Proof of claim.** (a) Every taxpayer claiming a credit under this section shall
61.26 supply to the commissioner of revenue, in support of the claim, proof of eligibility under
61.27 this section, including but not limited to amount of rent paid, name and address of owner
61.28 or managing agent of property rented, changes in household membership, and household
61.29 income.

61.30 (b) Taxpayers with a disability shall submit proof of disability in the form and manner
61.31 as the commissioner prescribes. The department may require examination and certification
61.32 by the taxpayer's physician or by a physician designated by the commissioner. The cost of
61.33 any examination shall be borne by the taxpayer, unless the examination proves the disability,
61.34 in which case the cost of the examination shall be borne by the commissioner.

62.1 (c) A determination of disability of a taxpayer by the Social Security Administration
 62.2 under Title II or Title XVI of the Social Security Act shall constitute presumptive proof of
 62.3 disability.

62.4 Subd. 10. **No relief allowed in certain cases.** No claim for a credit under this section
 62.5 shall be allowed if the commissioner determines that the claimant received tenancy to the
 62.6 homestead primarily for the purpose of receiving a credit under this section and not for bona
 62.7 fide residence purposes.

62.8 Subd. 11. **Appropriation.** The amount necessary to pay the refunds under this section
 62.9 is appropriated from the general fund to the commissioner.

62.10 Subd. 12. **Simplified filing for individuals without an income tax liability.** The
 62.11 commissioner of revenue must establish a simplified filing process through which a taxpayer
 62.12 who did not file an individual income tax return due to a lack of tax liability may file a
 62.13 return to claim the credit under this section. The filing process and forms may be in the
 62.14 form or manner determined by the commissioner, but must be designed to reduce the
 62.15 complexity of the filing process and the time needed to file for individuals without an income
 62.16 tax liability.

62.17 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 62.18 31, 2023.

62.19 Sec. 15. Minnesota Statutes 2022, section 290A.02, is amended to read:

62.20 **290A.02 PURPOSE.**

62.21 The purpose of this chapter is to provide property tax relief to certain persons who own
 62.22 ~~or rent~~ their homesteads.

62.23 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
 62.24 and following years.

62.25 Sec. 16. Minnesota Statutes 2022, section 290A.03, subdivision 3, is amended to read:

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

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

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

62.29 (i) all nontaxable income;

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

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

63.7 (iv) cash public assistance and relief;

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

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

63.15 (vii) workers' compensation;

63.16 (viii) nontaxable strike benefits;

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

63.20 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of
63.21 1986, as amended through December 31, 1995;

63.22 (xi) contributions made by the claimant to an individual retirement account, including
63.23 a qualified voluntary employee contribution; simplified employee pension plan;
63.24 self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of
63.25 the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal
63.26 Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for
63.27 the claimant and spouse;

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

63.30 (xiii) nontaxable scholarship or fellowship grants;

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

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

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

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

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

64.12 (b) "Income" does not include:

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

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

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

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

64.22 (5) relief granted under this chapter;

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

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

64.28 (8) alimony paid; or

64.29 (9) veterans disability compensation paid under title 38 of the United States Code.

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

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

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

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

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

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

65.5 (6) if the claimant or claimant's spouse had a disability or attained the age of 65 on or
65.6 before December 31 of the year for which the taxes were levied ~~or rent paid~~, the exemption
65.7 amount.

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

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

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

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

65.17 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
65.18 and following years.

65.19 Sec. 17. Minnesota Statutes 2022, section 290A.03, subdivision 6, is amended to read:

65.20 Subd. 6. **Homestead.** "Homestead" means the dwelling occupied as the claimant's
65.21 principal residence and so much of the land surrounding it, not exceeding ten acres, as is
65.22 reasonably necessary for use of the dwelling as a home and any other property used for
65.23 purposes of a homestead as defined in section 273.13, subdivision 22, except for agricultural
65.24 land assessed as part of a homestead pursuant to section 273.13, subdivision 23, "homestead"
65.25 is limited to the house and garage and immediately surrounding one acre of land. The
65.26 homestead may be owned ~~or rented and may be~~ as a part of a multidwelling or multipurpose
65.27 building and the land on which it is built. A manufactured home, as defined in section
65.28 273.125, subdivision 8, or a park trailer taxed as a manufactured home under section 168.012,
65.29 subdivision 9, assessed as personal property may be a dwelling for purposes of this
65.30 subdivision.

65.31 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
65.32 and following years.

66.1 Sec. 18. Minnesota Statutes 2022, section 290A.03, subdivision 8, is amended to read:

66.2 Subd. 8. **Claimant.** ~~(a)~~ "Claimant" means a person, other than a dependent, as defined
66.3 under sections 151 and 152 of the Internal Revenue Code disregarding section 152(b)(3)
66.4 of the Internal Revenue Code, who filed a claim authorized by this chapter and who was a
66.5 resident of this state as provided in chapter 290 during the calendar year for which the claim
66.6 for relief was filed.

66.7 ~~(b) In the case of a claim relating to rent constituting property taxes, the claimant shall~~
66.8 ~~have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu~~
66.9 ~~of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem~~
66.10 ~~taxes, are payable at some time during the calendar year covered by the claim.~~

66.11 ~~(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility,~~
66.12 ~~long-term residential facility, or a facility that accepts housing support payments whose~~
66.13 ~~rent constituting property taxes is paid pursuant to the Supplemental Security Income~~
66.14 ~~program under title XVI of the Social Security Act, the Minnesota supplemental aid program~~
66.15 ~~under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX~~
66.16 ~~of the Social Security Act, or the housing support program under chapter 256I.~~

66.17 ~~If only a portion of the rent constituting property taxes is paid by these programs, the~~
66.18 ~~resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant~~
66.19 ~~to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as~~
66.20 ~~defined in subdivision 3, paragraphs (a) and (b), reduced by the total amount of income~~
66.21 ~~from the above sources other than vendor payments under the medical assistance program~~
66.22 ~~and the denominator of which is income as defined in subdivision 3, paragraphs (a) and (b),~~
66.23 ~~plus vendor payments under the medical assistance program, to determine the allowable~~
66.24 ~~refund pursuant to this chapter.~~

66.25 ~~(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home,~~
66.26 ~~intermediate care facility, long-term residential facility, or facility for which the rent was~~
66.27 ~~paid for the claimant by the housing support program for only a portion of the calendar year~~
66.28 ~~covered by the claim, the claimant may compute rent constituting property taxes by~~
66.29 ~~disregarding the rent constituting property taxes from the nursing home or facility and use~~
66.30 ~~only that amount of rent constituting property taxes or property taxes payable relating to~~
66.31 ~~that portion of the year when the claimant was not in the facility. The claimant's household~~
66.32 ~~income is the income for the entire calendar year covered by the claim.~~

66.33 ~~(e) In the case of a claim for rent constituting property taxes of a part-year Minnesota~~
66.34 ~~resident, the income and rent reflected in this computation shall be for the period of~~

67.1 ~~Minnesota residency only. Any rental expenses paid which may be reflected in arriving at~~
 67.2 ~~federal adjusted gross income cannot be utilized for this computation. When two individuals~~
 67.3 ~~of a household are able to meet the qualifications for a claimant, they may determine among~~
 67.4 ~~them as to who the claimant shall be. If they are unable to agree, the matter shall be referred~~
 67.5 ~~to the commissioner of revenue whose decision shall be final. If a homestead property owner~~
 67.6 ~~was a part-year Minnesota resident, the income reflected in the computation made pursuant~~
 67.7 ~~to section 290A.04 shall be for the entire calendar year, including income not assignable to~~
 67.8 ~~Minnesota.~~

67.9 ~~(f) If a homestead is occupied by two or more renters, who are not married to each other,~~
 67.10 ~~the rent shall be deemed to be paid equally by each, and separate claims shall be filed by~~
 67.11 ~~each. The income of each shall be each renter's household income for purposes of computing~~
 67.12 ~~the amount of credit to be allowed.~~

67.13 EFFECTIVE DATE. This section is effective for claims based on rent paid in 2024
 67.14 and following years.

67.15 Sec. 19. Minnesota Statutes 2022, section 290A.03, subdivision 12, is amended to read:

67.16 Subd. 12. **Gross rent.** (a) "Gross rent" means rent paid for the right of occupancy, at
 67.17 arm's length, of a site on which a homestead, exclusive of charges for any medical services
 67.18 furnished by the landlord as a part of the rental agreement, whether expressly set out in the
 67.19 rental agreement or not which is a manufactured home as defined in section 273.125,
 67.20 subdivision 8, including a manufactured home located in a manufactured home community
 67.21 owned by a cooperative organized under chapter 308A or 308B, and park trailers taxed as
 67.22 manufactured homes under section 168.012, subdivision 9, is located.

67.23 ~~(b) The gross rent of a resident of a nursing home or intermediate care facility is \$500~~
 67.24 ~~per month. The gross rent of a resident of an adult foster care home is \$780 per month. The~~
 67.25 ~~commissioner shall annually adjust the amounts in this paragraph as provided in section~~
 67.26 ~~270C.22. The statutory year is 2018.~~

67.27 ~~(e)~~ (b) If the landlord and tenant have not dealt with each other at arm's length and the
 67.28 commissioner determines that the gross rent charged was excessive, the commissioner may
 67.29 adjust the gross rent to a reasonable amount for purposes of this chapter.

67.30 ~~(d)~~ (c) Any amount paid by a claimant residing in property assessed pursuant to section
 67.31 273.124, subdivision 3, 4, 5, or 6 for occupancy in that property ~~shall be excluded from~~
 67.32 ~~gross rent for purposes of this chapter. However, property taxes imputed to the homestead~~
 67.33 ~~of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead~~

68.1 ~~treatment pursuant to section 273.124, subdivision 3, 4, 5, or 6~~ shall be included within the
 68.2 term "property taxes payable" as defined in subdivision 13, to the extent allowed,
 68.3 notwithstanding the fact that ownership is not in the name of the claimant.

68.4 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
 68.5 and following years.

68.6 Sec. 20. Minnesota Statutes 2022, section 290A.03, subdivision 13, is amended to read:

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

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

69.1 homestead classification has been made on or before December 15 of the year in which the
69.2 "property taxes payable" were payable and that the assessor has approved the application.

69.3 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
69.4 and following years.

69.5 Sec. 21. Minnesota Statutes 2022, section 290A.03, is amended by adding a subdivision
69.6 to read:

69.7 Subd. 16. **Manufactured home.** "Manufactured home" means homesteads that are
69.8 manufactured homes as defined in section 273.125, subdivision 8, including manufactured
69.9 homes located in a manufactured home community owned by a cooperative organized under
69.10 chapter 308A or 308B, and park trailers taxed as manufactured homes under section 168.012,
69.11 subdivision 9.

69.12 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
69.13 and following years.

69.14 Sec. 22. Minnesota Statutes 2022, section 290A.04, subdivision 1, is amended to read:

69.15 Subdivision 1. **Refund.** A refund shall be allowed each claimant in the amount that
69.16 property taxes payable ~~or rent constituting property taxes~~ exceed the percentage of the
69.17 household income of the claimant specified in subdivision 2 ~~or 2a~~ in the year for which the
69.18 taxes were levied ~~or in the year in which the rent was paid~~ as specified in subdivision 2 ~~or~~
69.19 ~~2a~~. If the amount of property taxes payable ~~or rent constituting property taxes~~ is equal to
69.20 or less than the percentage of the household income of the claimant specified in subdivision
69.21 2 ~~or 2a~~ in the year for which the taxes were levied ~~or in the year in which the rent was paid~~,
69.22 the claimant shall not be eligible for a state refund pursuant to this section.

69.23 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
69.24 and following years.

69.25 Sec. 23. Minnesota Statutes 2022, section 290A.04, subdivision 2h, is amended to read:

69.26 Subd. 2h. **Additional refund.** (a) If the gross property taxes payable on a homestead
69.27 increase more than 12 percent over the property taxes payable in the prior year on the same
69.28 property that is owned and occupied by the same owner on January 2 of both years, and the
69.29 amount of that increase is \$100 or more, a claimant who is a homeowner shall be allowed
69.30 an additional refund equal to 60 percent of the amount of the increase over the greater of
69.31 12 percent of the prior year's property taxes payable or \$100. This subdivision shall not
69.32 apply to any increase in the gross property taxes payable attributable to improvements made

70.1 to the homestead after the assessment date for the prior year's taxes. This subdivision shall
 70.2 not apply to any increase in the gross property taxes payable attributable to the termination
 70.3 of valuation exclusions under section 273.11, subdivision 16.

70.4 The maximum refund allowed under this subdivision is \$1,000.

70.5 (b) For purposes of this subdivision "gross property taxes payable" means property taxes
 70.6 payable determined without regard to the refund allowed under this subdivision.

70.7 (c) In addition to the other proofs required by this chapter, each claimant under this
 70.8 subdivision shall file with the property tax refund return a copy of the property tax statement
 70.9 for taxes payable in the preceding year or other documents required by the commissioner.

70.10 (d) Upon request, the appropriate county official shall make available the names and
 70.11 addresses of the property taxpayers who may be eligible for the additional property tax
 70.12 refund under this section. The information shall be provided ~~on a magnetic computer disk~~
 70.13 electronically. The county may recover its costs by charging the person requesting the
 70.14 information the reasonable cost for preparing the data. The information may not be used
 70.15 for any purpose other than for notifying the homeowner of potential eligibility and assisting
 70.16 the homeowner, without charge, in preparing a refund claim.

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

70.18 Sec. 24. Minnesota Statutes 2022, section 290A.04, subdivision 5, is amended to read:

70.19 Subd. 5. ~~Combined renter and homeowner refund~~ **Homeowner refund and renter's**
 70.20 **credit.** ~~In the case of a claimant who is entitled to a refund in a calendar year for claims~~
 70.21 ~~based both on rent constituting property taxes and property taxes payable, the refund~~
 70.22 ~~allowable equals the sum of the refunds allowable.~~ **A claimant is allowed to make a claim**
 70.23 **for refund under this chapter in addition to any credit the claimant is eligible for under**
 70.24 **section 290.0693.**

70.25 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
 70.26 **and following years.**

70.27 Sec. 25. Minnesota Statutes 2022, section 290A.05, is amended to read:

70.28 **290A.05 COMBINED HOUSEHOLD INCOME; RENTAL AGREEMENTS AND**
 70.29 **REDUCTION OF PROPERTY TAXES PAYABLE.**

70.30 (a) If a person occupies a homestead with another person not related to the person as
 70.31 the person's spouse, excluding dependents, roomers or boarders on contract, and has property

71.1 tax payable with respect to the homestead, the household income of the claimant or claimants
 71.2 for the purpose of computing the refund allowed by section 290A.04 shall include the total
 71.3 income received by the other persons residing in the homestead. For purposes of this section,
 71.4 "dependent" includes a parent of the claimant or spouse who lives in the claimant's homestead
 71.5 and does not have an ownership interest in the homestead.

71.6 (b) If a person occupies a homestead with another person or persons not related to the
 71.7 person as the person's spouse or as dependents, ~~the property tax payable or rent constituting~~
 71.8 ~~property tax shall be reduced as follows.~~

71.9 If and the other person or persons are residing at the homestead under a rental or lease
 71.10 agreement with the homeowner, the amount of property tax payable ~~or rent constituting~~
 71.11 ~~property tax shall be~~ equals that portion not covered by the rental agreement.

71.12 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
 71.13 and property taxes payable in 2024, and following years.

71.14 Sec. 26. Minnesota Statutes 2022, section 290A.07, subdivision 2a, is amended to read:

71.15 Subd. 2a. **Time of payment to ~~renter or~~ manufactured home homeowner.** A claimant
 71.16 who is ~~a renter or~~ a homeowner who occupies a manufactured home, as defined in section
 71.17 273.125, subdivision 8, paragraph (c), or a park trailer taxed as a manufactured home under
 71.18 section 168.012, subdivision 9, shall receive full payment after August 1 and before August
 71.19 15 or 60 days after receipt of the application, whichever is later.

71.20 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
 71.21 and following years.

71.22 Sec. 27. Minnesota Statutes 2022, section 290A.08, is amended to read:

71.23 **290A.08 ONE CLAIMANT PER HOUSEHOLD.**

71.24 Only one claimant per household per year is entitled to relief under this chapter. Payment
 71.25 of the claim for relief may be made payable to the spouses as one claimant. The
 71.26 commissioner, upon written request, may issue separate checks, to the spouses for one-half
 71.27 of the relief provided the original check has not been issued or has been returned. Individuals
 71.28 related as spouses who were married during the year may elect to file a joint claim which
 71.29 shall include each spouse's income, ~~rent constituting property taxes,~~ and property taxes
 71.30 payable. Spouses who were married for the entire year and were domiciled in the same
 71.31 household for the entire year must file a joint claim. The maximum dollar amount allowable
 71.32 for a joint claim shall not exceed the amount that one person could receive.

72.1 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
 72.2 and following years.

72.3 Sec. 28. Minnesota Statutes 2022, section 290A.09, is amended to read:

72.4 **290A.09 PROOF OF CLAIM.**

72.5 (a) Every claimant shall supply to the commissioner of revenue, in support of the claim,
 72.6 proof of eligibility under this chapter, including but not limited to amount of ~~rent paid or~~
 72.7 ~~property taxes accrued, name and address of owner or managing agent of property rented,~~
 72.8 changes in homestead, household membership, household income, size and nature of property
 72.9 claimed as a homestead.

72.10 (b) For manufactured homes, every claimant shall supply to the commissioner of revenue
 72.11 the name and address of the owner or managing agent of the property rented.

72.12 (c) Persons with a disability filing claims shall submit proof of disability in the form
 72.13 and manner as the commissioner may prescribe. The department may require examination
 72.14 and certification by the claimant's physician or by a physician designated by the
 72.15 commissioner. The cost of any examination shall be borne by the claimant, unless the
 72.16 examination proves the disability, in which case the cost of the examination shall be borne
 72.17 by the commissioner.

72.18 (d) A determination of disability of a claimant by the Social Security Administration
 72.19 under Title II or Title XVI of the Social Security Act shall constitute presumptive proof of
 72.20 disability.

72.21 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
 72.22 and following years.

72.23 Sec. 29. Minnesota Statutes 2022, section 290A.091, is amended to read:

72.24 **290A.091 CLAIMS OF TENANTS IN LEASEHOLD COOPERATIVES.**

72.25 The cooperative manager of a leasehold cooperative shall furnish a statement to each
 72.26 tenant by March 31 of the year in which the property tax is payable showing each unit's
 72.27 share of the gross property tax and each unit's share of any property tax credits. Each tenant
 72.28 may apply for a property tax refund under this chapter as a homeowner based on each
 72.29 tenant's share of property taxes. The tenant may not ~~include any rent constituting property~~
 72.30 ~~taxes paid on that unit~~ claim the renter's credit under section 290.0693. For the purposes of
 72.31 this section, a leasehold cooperative is formed on the day that leasehold cooperative status
 72.32 is granted by the appropriate county official.

73.1 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
 73.2 and following years.

73.3 Sec. 30. Minnesota Statutes 2022, section 290A.13, is amended to read:

73.4 **290A.13 NO RELIEF ALLOWED IN CERTAIN CASES.**

73.5 No claim for relief under this chapter shall be allowed if the commissioner determines
 73.6 that the claimant received title ~~or tenancy~~ to the homestead primarily for the purpose of
 73.7 receiving benefits under this chapter and not for bona fide residence purposes.

73.8 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
 73.9 and following years.

73.10 Sec. 31. Minnesota Statutes 2022, section 290A.19, is amended to read:

73.11 **290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.**

73.12 (a) The park owner ~~or managing agent of any of a~~ property for which rent is paid for
 73.13 occupancy as a homestead must furnish a certificate of rent paid to a person who is a renter
 73.14 on December 31, in the form prescribed by the commissioner. If the renter moves before
 73.15 December 31, the park owner ~~or managing agent~~ may give the certificate to the renter at
 73.16 the time of moving, or mail the certificate to the forwarding address if an address has been
 73.17 provided by the renter. The certificate must be made available to the renter before February
 73.18 1 of the year following the year in which the rent was paid. The park owner ~~or managing~~
 73.19 ~~agent~~ must retain a duplicate of each certificate or an equivalent record showing the same
 73.20 information for a period of three years. The duplicate or other record must be made available
 73.21 to the commissioner upon request.

73.22 (b) The commissioner may require the park owner ~~or managing agent~~, through a simple
 73.23 process, to furnish to the commissioner on or before March 1 a copy of each certificate of
 73.24 rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe
 73.25 the content, format, and manner of the form pursuant to section 270C.30. The commissioner
 73.26 may require the Social Security number, individual taxpayer identification number, federal
 73.27 employer identification number, or Minnesota taxpayer identification number of the park
 73.28 owner who is required to furnish a certificate of rent paid under this paragraph. Prior to
 73.29 implementation, the commissioner, after consulting with representatives of park owners ~~or~~
 73.30 ~~managing agents~~, shall develop an implementation and administration plan for the
 73.31 requirements of this paragraph that attempts to minimize financial burdens, administration
 73.32 and compliance costs, and takes into consideration existing systems of park owners ~~and~~
 73.33 ~~managing agents~~.

74.1 (c) For the purposes of this section, "~~owner~~" ~~includes~~ "park owner" means a park owner
 74.2 as defined under section 327C.015, subdivision 9, and "property" includes a lot as defined
 74.3 under section 327C.015, subdivision 6.

74.4 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
 74.5 and following years.

74.6 Sec. 32. Minnesota Statutes 2022, section 290A.25, is amended to read:

74.7 **290A.25 VERIFICATION OF SOCIAL SECURITY NUMBERS.**

74.8 Annually, the commissioner of revenue shall furnish a list to the county assessor
 74.9 containing the names and Social Security numbers of persons who have applied for both
 74.10 homestead classification under section 273.13 and a ~~property tax refund as a renter under~~
 74.11 ~~this chapter~~ renter's credit under section 290.0693.

74.12 Within 90 days of the notification, the county assessor shall investigate to determine if
 74.13 the homestead classification was improperly claimed. If the property owner does not qualify,
 74.14 the county assessor shall notify the county auditor who will determine the amount of
 74.15 homestead benefits that has been improperly allowed. For the purpose of this section,
 74.16 "homestead benefits" has the meaning given in section 273.124, subdivision 13b. The county
 74.17 auditor shall send a notice to persons who owned the affected property at the time the
 74.18 homestead application related to the improper homestead was filed, demanding
 74.19 reimbursement of the homestead benefits plus a penalty equal to 100 percent of the homestead
 74.20 benefits. The person notified may appeal the county's determination with the Minnesota
 74.21 Tax Court within 60 days of the date of the notice from the county as provided in section
 74.22 273.124, subdivision 13b.

74.23 If the amount of homestead benefits and penalty is not paid within 60 days, and if no
 74.24 appeal has been filed, the county auditor shall certify the amount of taxes and penalty to
 74.25 the county treasurer. The county treasurer will add interest to the unpaid homestead benefits
 74.26 and penalty amounts at the rate provided for delinquent personal property taxes for the
 74.27 period beginning 60 days after demand for payment was made until payment. If the person
 74.28 notified is the current owner of the property, the treasurer may add the total amount of
 74.29 benefits, penalty, interest, and costs to the real estate taxes otherwise payable on the property
 74.30 in the following year. If the person notified is not the current owner of the property, the
 74.31 treasurer may collect the amounts due under the Revenue Recapture Act in chapter 270A,
 74.32 or use any of the powers granted in sections 277.20 and 277.21 without exclusion, to enforce
 74.33 payment of the benefits, penalty, interest, and costs, as if those amounts were delinquent
 74.34 tax obligations of the person who owned the property at the time the application related to

75.1 the improperly allowed homestead was filed. The treasurer may relieve a prior owner of
 75.2 personal liability for the benefits, penalty, interest, and costs, and instead extend those
 75.3 amounts on the tax lists against the property for taxes payable in the following year to the
 75.4 extent that the current owner agrees in writing.

75.5 Any amount of homestead benefits recovered by the county from the property owner
 75.6 shall be distributed to the county, city or town, and school district where the property is
 75.7 located in the same proportion that each taxing district's levy was to the total of the three
 75.8 taxing districts' levy for the current year. Any amount recovered attributable to taconite
 75.9 homestead credit shall be transmitted to the St. Louis County auditor to be deposited in the
 75.10 taconite property tax relief account. Any amount recovered that is attributable to supplemental
 75.11 homestead credit is to be transmitted to the commissioner of revenue for deposit in the
 75.12 general fund of the state treasury. The total amount of penalty collected must be deposited
 75.13 in the county general fund.

75.14 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
 75.15 and following years.

75.16 Sec. 33. Minnesota Statutes 2022, section 327C.02, subdivision 5, is amended to read:

75.17 Subd. 5. **Written notice required.** A prospective resident, before being asked to sign
 75.18 a rental agreement, must be given the following notice printed verbatim in boldface type
 75.19 of a minimum size of ten points. The notice must be provided with the park residency
 75.20 application. The notice must be posted in a conspicuous and public location in the park:

75.21 "IMPORTANT NOTICE

75.22 State law provides special rules for the owners, residents, and prospective residents of
 75.23 manufactured home parks.

75.24 You may keep your home in the park as long as the park is in operation and you meet
 75.25 your financial obligations, obey state and local laws which apply to the park, obey reasonable
 75.26 park rules, do not substantially annoy or endanger the other residents or substantially
 75.27 endanger park personnel and do not substantially damage the park premises. You may not
 75.28 be evicted or have your rent increased or your services cut for complaining to the park owner
 75.29 or to a governmental official.

75.30 If you receive an eviction notice and do not leave the park, the park owner may take you
 75.31 to court. If you lose in court, a sheriff may remove you and your home from the park within
 75.32 seven days. Or, the court may require you to leave the park within seven days but give you
 75.33 60 days to sell the home within the park.

76.1 If you receive an eviction notice for a new or amended rule and the court finds the rule
76.2 to be reasonable and not a substantial modification of your original agreement, the court
76.3 will not order you to leave but will order you to comply with the rule within ten days. If
76.4 you do not comply within the time given or if you violate the rule at a later time, you will
76.5 be subject to eviction.

76.6 All park rules and policies must be reasonable. Your rent may not be increased more
76.7 than twice a year. Changes made in park rules after you become a park resident will not
76.8 apply to you if they substantially change your original agreement.

76.9 The park may not charge you an entrance fee.

76.10 The park may require a security deposit, but the deposit must not amount to more than
76.11 two months rent.

76.12 You have a right to sell the home in the park. But the sale is not final until the park
76.13 owner approves the buyer as a new resident, and you must advise in writing anyone who
76.14 wants to buy your home that the sale is subject to final approval by the park owner.

76.15 The park must provide to you, in writing, the procedures and criteria used to evaluate a
76.16 prospective resident. If your application is denied, you can request, in writing, the reason
76.17 why.

76.18 You must also disclose in writing certain safety information about your home to anyone
76.19 who wants to buy it in the park. You must give this information to the buyer before the sale,
76.20 in writing, on the form that is attached to this notice. You must completely and accurately
76.21 fill out the form and you and the buyer should each keep a copy.

76.22 Your rental agreement and the park rules contain important information about your rights
76.23 and duties. Read them carefully and keep a copy.

76.24 You must be given a copy of the shelter or evacuation plan for the park. This document
76.25 contains information on where to seek shelter in times of severe weather conditions. You
76.26 should carefully review the plan and keep a copy.

76.27 By February 1 of each year, the park must give you a certificate of rent ~~constituting~~
76.28 property taxes paid as required by ~~Minnesota Statutes, section~~ sections 290.0693, subdivision
76.29 4, and 290A.19.

76.30 For further information concerning your rights, consult a private attorney. The state law
76.31 governing the rental of lots in manufactured home parks may also be enforced by the
76.32 Minnesota Attorney General."

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

77.2 Sec. 34. Minnesota Statutes 2022, section 462A.05, subdivision 24, is amended to read:

77.3 Subd. 24. **Housing for elderly, persons with physical or developmental disabilities,**
77.4 **and single parent families.** (a) It may engage in housing programs for low- and
77.5 moderate-income elderly, persons with physical or developmental disabilities, or single
77.6 parent families in the case of home sharing programs, as defined by the agency, to provide
77.7 grants or loans, with or without interest, for:

77.8 (1) accessibility improvements to residences occupied by elderly persons;

77.9 (2) housing sponsors, as defined by the agency, of home sharing programs to match
77.10 existing homeowners with prospective tenants who will contribute either rent or services
77.11 to the homeowner, where either the homeowner or the prospective tenant is elderly, a person
77.12 with physical or developmental disabilities, or the head of a single parent family;

77.13 (3) the construction of or conversion of existing buildings into structures for occupancy
77.14 by the elderly that contain from three to 12 private sleeping rooms with shared cooking
77.15 facilities and common space; and

77.16 (4) housing sponsors, as defined by the agency, to demonstrate the potential for home
77.17 equity conversion in Minnesota for the elderly, in both rural and urban areas, and to determine
77.18 the need in those equity conversions for consumer safeguards.

77.19 (b) In making the grants or loans, the agency shall determine the terms and conditions
77.20 of repayment and the appropriate security, if any, should repayment be required. The agency
77.21 may provide technical assistance to sponsors of home sharing programs or may contract or
77.22 delegate the provision of the technical assistance in accordance with section 462A.07,
77.23 subdivision 12.

77.24 (c) Housing sponsors who receive funding through these programs shall provide
77.25 homeowners and tenants participating in a home sharing program with information regarding
77.26 their rights and obligations as they relate to federal and state tax law including, but not
77.27 limited to, taxable rental income, homestead classification under chapter 273, the renter's
77.28 credit under section 290.0693, and the property tax refund act under chapter 290A.

77.29 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
77.30 and following years.

78.1 Sec. 35. **REPEALER.**

78.2 Minnesota Statutes 2022, sections 290A.03, subdivisions 9 and 11; 290A.04, subdivision
78.3 2a; and 290A.23, subdivision 1, are repealed.

78.4 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024
78.5 and following years.

78.6 ARTICLE 5

78.7 TAX INCREMENT FINANCING

78.8 Section 1. Minnesota Statutes 2022, section 469.174, subdivision 14, is amended to read:

78.9 Subd. 14. **Administrative expenses.** (a) "Administrative expenses" or "administrative
78.10 costs" means all documented expenditures of an authority other than or municipality,
78.11 including but not limited to:

78.12 (1) amounts paid for services provided by bond counsel, fiscal consultants, and economic
78.13 development consultants;

78.14 (2) allocated expenses and staff time of the authority or municipality for administering
78.15 a project, including but not limited to preparing the tax increment financing plan, negotiating
78.16 and preparing agreements, accounting for segregated funds of the district, preparing and
78.17 submitting required reporting for the district, and reviewing and monitoring compliance
78.18 with sections 469.174 to 469.1794;

78.19 (3) amounts paid to publish annual disclosures and provide notices under section 469.175;

78.20 (4) amounts to provide for the usual and customary maintenance and operation of
78.21 properties purchased with tax increments, including necessary reserves for repairs and the
78.22 cost of any insurance;

78.23 (5) amounts allocated or paid to prepare a development action response plan for a soils
78.24 condition district or hazardous substance subdistrict; and

78.25 (6) amounts used to pay bonds, interfund loans, or other financial obligations to the
78.26 extent those obligations were used to finance costs described in clauses (1) to (5).

78.27 (b) Administrative expenses and administrative costs do not include:

78.28 (1) amounts paid for the purchase of land and buildings;

78.29 (2) amounts paid to contractors or others providing materials and services, including
78.30 architectural and engineering services, directly connected with the physical development
78.31 of the real property in the project, including architectural and engineering services and

79.1 materials and services for demolition, soil correction, and the construction or installation
 79.2 of public improvements;

79.3 (3) relocation benefits paid to or services provided for persons residing or businesses
 79.4 located in the project;

79.5 ~~(4) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount~~
 79.6 ~~bonds issued pursuant to section 469.178; or~~

79.7 ~~(5) (4) amounts paid for property taxes or payments in lieu of taxes; and~~

79.8 (5) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount
 79.9 bonds issued pursuant to section 469.178 or other financial obligations to the extent those
 79.10 obligations were used to finance costs described in clauses (1) to (3) (4).

79.11 ~~For districts for which the requests for certifications were made before August 1, 1979,~~
 79.12 ~~or after June 30, 1982, "administrative expenses" includes amounts paid for services provided~~
 79.13 ~~by bond counsel, fiscal consultants, and planning or economic development consultants.~~

79.14 This definition does not apply to administrative expenses or administrative costs referenced
 79.15 under section 469.176, subdivision 4h.

79.16 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 79.17 applies to all districts, regardless of when the request for certification was made.

79.18 Sec. 2. Minnesota Statutes 2022, section 469.174, is amended by adding a subdivision to
 79.19 read:

79.20 **Subd. 30. Pay-as-you-go contract and note.** "Pay-as-you-go contract and note" means
 79.21 a written note or contractual obligation under which all of the following apply:

79.22 (1) the note or contractual obligation evidences an authority's commitment to reimburse
 79.23 a developer, property owner, or note holder for the payment of costs of activities, including
 79.24 any interest on unreimbursed costs;

79.25 (2) the reimbursement is made from tax increment revenues identified in the note or
 79.26 contractual obligation as received by a municipality or authority as taxes are paid; and

79.27 (3) the risk that available tax increments may be insufficient to fully reimburse the costs
 79.28 is borne by the developer, property owner, or note holder.

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

80.1 Sec. 3. Minnesota Statutes 2022, section 469.175, subdivision 6, is amended to read:

80.2 Subd. 6. **Annual financial reporting.** (a) The state auditor shall develop a uniform
80.3 system of accounting and financial reporting for tax increment financing districts. The
80.4 system of accounting and financial reporting shall, as nearly as possible:

80.5 (1) provide for full disclosure of the sources and uses of tax increments of the district;

80.6 (2) permit comparison and reconciliation with the affected local government's accounts
80.7 and financial reports;

80.8 (3) permit auditing of the funds expended on behalf of a district, including a single
80.9 district that is part of a multidistrict project or that is funded in part or whole through the
80.10 use of a development account funded with tax increments from other districts or with other
80.11 public money;

80.12 (4) be consistent with generally accepted accounting principles.

80.13 (b) The authority must annually submit to the state auditor a financial report in compliance
80.14 with paragraph (a). Copies of the report must also be provided to the county auditor and to
80.15 the governing body of the municipality, if the authority is not the municipality. To the extent
80.16 necessary to permit compliance with the requirement of financial reporting, the county and
80.17 any other appropriate local government unit or private entity must provide the necessary
80.18 records or information to the authority or the state auditor as provided by the system of
80.19 accounting and financial reporting developed pursuant to paragraph (a). The authority must
80.20 submit the annual report for a year on or before August 1 of the next year.

80.21 (c) The annual financial report must also include the following items:

80.22 (1) the original net tax capacity of the district and any subdistrict under section 469.177,
80.23 subdivision 1;

80.24 (2) the net tax capacity for the reporting period of the district and any subdistrict;

80.25 (3) the captured net tax capacity of the district;

80.26 (4) any fiscal disparity deduction from the captured net tax capacity under section
80.27 469.177, subdivision 3;

80.28 (5) the captured net tax capacity retained for tax increment financing under section
80.29 469.177, subdivision 2, paragraph (b), clause (1);

80.30 (6) any captured net tax capacity distributed among affected taxing districts under section
80.31 469.177, subdivision 2, paragraph (b), clause (2);

- 81.1 (7) the type of district;
- 81.2 (8) the date the municipality approved the tax increment financing plan and the date of
81.3 approval of any modification of the tax increment financing plan, the approval of which
81.4 requires notice, discussion, a public hearing, and findings under subdivision 4, paragraph
81.5 (a);
- 81.6 (9) the date the authority first requested certification of the original net tax capacity of
81.7 the district and the date of the request for certification regarding any parcel added to the
81.8 district;
- 81.9 (10) the date the county auditor first certified the original net tax capacity of the district
81.10 and the date of certification of the original net tax capacity of any parcel added to the district;
- 81.11 (11) the ~~month and~~ year in which the authority has received or anticipates it will receive
81.12 the first increment from the district;
- 81.13 (12) the date the district must be decertified;
- 81.14 (13) for the reporting period and prior years of the district, the actual amount received
81.15 from, at least, the following categories:
- 81.16 (i) tax increments paid by the captured net tax capacity retained for tax increment
81.17 financing under section 469.177, subdivision 2, paragraph (b), clause (1), but excluding any
81.18 excess taxes;
- 81.19 (ii) tax increments that are interest or other investment earnings on or from tax increments;
- 81.20 (iii) tax increments that are proceeds from the sale or lease of property, tangible or
81.21 intangible, purchased by the authority with tax increments;
- 81.22 (iv) tax increments that are repayments of loans or other advances made by the authority
81.23 with tax increments;
- 81.24 (v) bond proceeds; and
- 81.25 (vi) the agricultural homestead market value credit paid to the authority under section
81.26 273.1384;
- 81.27 (14) for the reporting period and for the prior years of the district, the actual amount
81.28 expended for, at least, the following categories:
- 81.29 (i) acquisition of land and buildings through condemnation or purchase;
- 81.30 (ii) site improvements or preparation costs;

- 82.1 (iii) installation of public utilities, parking facilities, streets, roads, sidewalks, or other
 82.2 similar public improvements;
- 82.3 (iv) administrative costs, including the allocated cost of the authority; and
- 82.4 (v) for housing districts, construction of affordable housing;
- 82.5 (15) the amount of any payments for activities and improvements located outside of the
 82.6 district that are paid for or financed with tax increments;
- 82.7 (16) the amount of payments of principal and interest that are made during the reporting
 82.8 period on any nondefeased:
- 82.9 (i) general obligation tax increment financing bonds; and
- 82.10 (ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;
- 82.11 (17) the principal amount, at the end of the reporting period, of any nondefeased:
- 82.12 (i) general obligation tax increment financing bonds; and
- 82.13 (ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;
- 82.14 (18) the amount of principal and interest payments that are due for the current calendar
 82.15 year on any nondefeased:
- 82.16 (i) general obligation tax increment financing bonds; and
- 82.17 (ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;
- 82.18 (19) if the fiscal disparities contribution under chapter 276A or 473F for the district is
 82.19 computed under section 469.177, subdivision 3, paragraph (a), the amount of total increased
 82.20 property taxes to be paid from outside the tax increment financing district; and
- 82.21 (20) any additional information the state auditor may require.
- 82.22 (d) The reporting requirements imposed by this subdivision apply to districts certified
 82.23 before, on, and after August 1, 1979.

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

82.25 Sec. 4. Minnesota Statutes 2022, section 469.176, subdivision 3, is amended to read:

82.26 Subd. 3. **Limitation on administrative expenses.** (a) For districts for which certification
 82.27 was requested before August 1, 2001, no tax increment shall be used to pay any
 82.28 administrative expenses for a project which exceed ten percent of the total estimated tax
 82.29 increment expenditures authorized by the tax increment financing plan or ten percent of the
 82.30 total tax increment expenditures for the project net of any amounts returned to the county

83.1 auditor as excess increment; as returned increment under section 469.1763, subdivision 4,
 83.2 paragraph (g); or as remedies under section 469.1771, subdivision 2, whichever is less.

83.3 (b) For districts for which certification was requested after July 31, 2001, no tax increment
 83.4 may be used to pay any administrative expenses for a project which exceed ten percent of
 83.5 total estimated tax increment expenditures authorized by the tax increment financing plan
 83.6 or ten percent of the total tax increments, as defined in section 469.174, subdivision 25,
 83.7 clause (1), ~~from~~ received for the district net of any amounts returned to the county auditor
 83.8 as excess increment; as returned increment under section 469.1763, subdivision 4, paragraph
 83.9 (g); or as remedies under section 469.1771, subdivision 2, whichever is less.

83.10 (c) Increments used to pay the county's administrative expenses under subdivision 4h
 83.11 are not subject to the percentage limits in this subdivision.

83.12 (d) Increments defined under section 469.174, subdivision 25, clause (2), used for
 83.13 administrative expenses described under section 469.174, subdivision 14, paragraph (a),
 83.14 clause (4), are not subject to the percentage limits in this subdivision.

83.15 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 83.16 applies to all districts, regardless of when the request for certification was made.

83.17 Sec. 5. Minnesota Statutes 2022, section 469.176, subdivision 4, is amended to read:

83.18 Subd. 4. **Limitation on use of tax increment; general rule.** All revenues derived from
 83.19 tax increment shall be used in accordance with the tax increment financing plan. The revenues
 83.20 shall be used solely for the following purposes: (1) to pay the principal of and interest on
 83.21 bonds issued to finance a project; (2) by a rural development financing authority for the
 83.22 purposes stated in section 469.142₂; by a port authority or municipality exercising the powers
 83.23 of a port authority to finance or otherwise pay the cost of redevelopment pursuant to sections
 83.24 469.048 to 469.068₂; by an economic development authority to finance or otherwise pay
 83.25 the cost of redevelopment pursuant to sections 469.090 to 469.108₂; by a housing and
 83.26 redevelopment authority or economic development authority to finance or otherwise pay
 83.27 public redevelopment costs pursuant to sections 469.001 to 469.047₂; by a municipality or
 83.28 economic development authority to finance or otherwise pay the capital and administration
 83.29 costs of a development district pursuant to sections 469.124 to 469.133₂; by a municipality
 83.30 or authority to finance or otherwise pay the costs of developing and implementing a
 83.31 development action response plan₂; by a municipality or redevelopment agency to finance
 83.32 or otherwise pay premiums for insurance or other security guaranteeing the payment when
 83.33 due of principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to
 83.34 469.165, or both, or to accumulate and maintain a reserve securing the payment when due

84.1 of the principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to
 84.2 469.165, or both, which revenues in the reserve shall not exceed, subsequent to the fifth
 84.3 anniversary of the date of issue of the first bond issue secured by the reserve, an amount
 84.4 equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased
 84.5 bonds secured by the reserve; and (3) to pay administrative expenses.

84.6 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 84.7 applies to all districts, regardless of when the request for certification was made.

84.8 Sec. 6. Minnesota Statutes 2022, section 469.1761, subdivision 1, is amended to read:

84.9 Subdivision 1. **Requirement imposed.** (a) In order for a tax increment financing district
 84.10 to qualify as a housing district:

84.11 (1) the income limitations provided in this section must be satisfied if the district is
 84.12 located either in a metropolitan county as defined by section 473.121, subdivision 4, or in
 84.13 a city with a population greater than 50,000; and

84.14 (2) no more than 20 percent of the square footage of buildings that receive assistance
 84.15 from tax increments may consist of commercial, retail, or other nonresidential uses.

84.16 (b) The requirements imposed by this section apply to property receiving assistance
 84.17 financed with tax increments, including interest reduction, land transfers at less than the
 84.18 authority's cost of acquisition, utility service or connections, roads, parking facilities, or
 84.19 other subsidies. The provisions of this section do not apply to districts located in a targeted
 84.20 area as defined in section 462C.02, subdivision 9, clause (e).

84.21 (c) For purposes of the requirements of paragraph (a), the authority may elect to treat
 84.22 an addition to an existing structure as a separate building if:

84.23 (1) construction of the addition begins more than three years after construction of the
 84.24 existing structure was completed; and

84.25 (2) for an addition that does not meet the requirements of paragraph (a), clause (2), if it
 84.26 is treated as a separate building, the addition was not contemplated by the tax increment
 84.27 financing plan which includes the existing structure.

84.28 Sec. 7. Minnesota Statutes 2022, section 469.1763, subdivision 2, is amended to read:

84.29 Subd. 2. **Expenditures outside district.** (a) For each tax increment financing district,
 84.30 an amount equal to at least 75 percent of the total revenue derived from tax increments paid
 84.31 by properties in the district must be expended on activities in the district or to pay bonds,

85.1 to the extent that the proceeds of the bonds were used to finance activities in the district or
85.2 to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other
85.3 than redevelopment districts for which the request for certification was made after June 30,
85.4 1995, the in-district percentage for purposes of the preceding sentence is 80 percent. Not
85.5 more than 25 percent of the total revenue derived from tax increments paid by properties
85.6 in the district may be expended, through a development fund or otherwise, on activities
85.7 outside of the district but within the defined geographic area of the project except to pay,
85.8 or secure payment of, debt service on credit enhanced bonds. For districts, other than
85.9 redevelopment districts for which the request for certification was made after June 30, 1995,
85.10 the pooling percentage for purposes of the preceding sentence is 20 percent. The revenues
85.11 derived from tax increments paid by properties in the district that are expended on costs
85.12 under section 469.176, subdivision 4h, ~~paragraph (b)~~, may be deducted first before calculating
85.13 the percentages that must be expended within and without the district.

85.14 (b) In the case of a housing district, a housing project, as defined in section 469.174,
85.15 subdivision 11, is an activity in the district.

85.16 (c) All administrative expenses are considered to be expenditures for activities outside
85.17 of the district, except that if the only expenses for activities outside of the district under this
85.18 subdivision are for the purposes described in paragraph (d), administrative expenses will
85.19 be considered as expenditures for activities in the district.

85.20 (d) The authority may elect, in the tax increment financing plan for the district, to increase
85.21 by up to ten percentage points the permitted amount of expenditures for activities located
85.22 outside the geographic area of the district under paragraph (a). As permitted by section
85.23 469.176, subdivision 4k, the expenditures, including the permitted expenditures under
85.24 paragraph (a), need not be made within the geographic area of the project. Expenditures
85.25 that meet the requirements of this paragraph are legally permitted expenditures of the district,
85.26 notwithstanding section 469.176, subdivisions 4b, 4c, and 4j. To qualify for the increase
85.27 under this paragraph, the expenditures must:

85.28 (1) be used exclusively to assist housing that meets the requirement for a qualified
85.29 low-income building, as that term is used in section 42 of the Internal Revenue Code; and

85.30 (2) not exceed the qualified basis of the housing, as defined under section 42(c) of the
85.31 Internal Revenue Code, less the amount of any credit allowed under section 42 of the Internal
85.32 Revenue Code; and

85.33 (3) be used to:

85.34 (i) acquire and prepare the site of the housing;

- 86.1 (ii) acquire, construct, or rehabilitate the housing; or
- 86.2 (iii) make public improvements directly related to the housing; or
- 86.3 (4) be used to develop housing:
- 86.4 (i) if the market value of the housing does not exceed the lesser of:
- 86.5 (A) 150 percent of the average market value of single-family homes in that municipality;
- 86.6 or
- 86.7 (B) \$200,000 for municipalities located in the metropolitan area, as defined in section
- 86.8 473.121, or \$125,000 for all other municipalities; and
- 86.9 (ii) if the expenditures are used to pay the cost of site acquisition, relocation, demolition
- 86.10 of existing structures, site preparation, and pollution abatement on one or more parcels, if
- 86.11 the parcel contains a residence containing one to four family dwelling units that has been
- 86.12 vacant for six or more months and is in foreclosure as defined in section 325N.10, subdivision
- 86.13 7, but without regard to whether the residence is the owner's principal residence, and only
- 86.14 after the redemption period has expired; or
- 86.15 (5) to assist owner-occupied housing that meets the requirements of section 469.1761,
- 86.16 subdivision 2.
- 86.17 (e) The authority under paragraph (d), clause (4), expires on December 31, 2016.
- 86.18 Increments may continue to be expended under this authority after that date, if they are used
- 86.19 to pay bonds or binding contracts that would qualify under subdivision 3, paragraph (a), if
- 86.20 December 31, 2016, is considered to be the last date of the five-year period after certification
- 86.21 under that provision.
- 86.22 (f) For purposes of determining whether the minimum percentage of expenditures for
- 86.23 activities in the district and maximum percentages of expenditures allowed on activities
- 86.24 outside the district have been met under this subdivision, any amounts returned to the county
- 86.25 auditor as excess increment, as returned increment under subdivision 4, paragraph (g), or
- 86.26 as remedies under section 469.1771, subdivision 2, shall first be subtracted from the total
- 86.27 revenues derived from tax increments paid by properties in the district. Any other amounts
- 86.28 returned to the county auditor for purposes other than a remedy under section 469.1771,
- 86.29 subdivision 3, are considered to be expenditures for activities in the district.
- 86.30 **EFFECTIVE DATE.** This section is effective the day following final enactment and
- 86.31 applies to all districts with a request for certification date after April 30, 1990, except that
- 86.32 paragraph (f) shall apply to districts decertifying after December 31, 2023.

87.1 Sec. 8. Minnesota Statutes 2022, section 469.1763, subdivision 3, is amended to read:

87.2 Subd. 3. **Five-year rule.** (a) Revenues derived from tax increments paid by properties
 87.3 in the district ~~that are considered to have been~~ expended on an activity within the district
 87.4 ~~under~~ will instead be considered to have been expended on an activity outside the district
 87.5 for purposes of subdivision 2 only if one of the following occurs unless:

87.6 (1) before or within five years after certification of the district, the revenues are actually
 87.7 paid to a third party with respect to the activity;

87.8 (2) bonds, the proceeds of which must be used to finance the activity, are issued and
 87.9 sold to a third party before or within five years after certification of the district, the revenues
 87.10 are spent to repay the bonds, and the proceeds of the bonds either are, on the date of issuance,
 87.11 reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii)
 87.12 a reasonable temporary period within the meaning of the use of that term under section
 87.13 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve
 87.14 or replacement fund;

87.15 (3) binding contracts with a third party are entered into for performance of the activity
 87.16 before or within five years after certification of the district and the revenues are spent under
 87.17 the contractual obligation;

87.18 (4) costs with respect to the activity are paid before or within five years after certification
 87.19 of the district and the revenues are spent to reimburse a party for payment of the costs,
 87.20 including interest on unreimbursed costs; or

87.21 (5) ~~expenditures are made~~ revenues are spent for housing purposes as ~~permitted~~ described
 87.22 by subdivision 2, ~~paragraphs paragraph~~ (b) and (d), or for public infrastructure purposes
 87.23 ~~within a zone as permitted by subdivision 2, paragraph (e).~~

87.24 (b) For purposes of this subdivision, bonds include subsequent refunding bonds if the
 87.25 original refunded bonds meet the requirements of paragraph (a), clause (2).

87.26 (c) For a redevelopment district or a renewal and renovation district certified after June
 87.27 30, 2003, and before April 20, 2009, the five-year periods described in paragraph (a) are
 87.28 extended to ten years after certification of the district. For a redevelopment district certified
 87.29 after April 20, 2009, and before June 30, 2012, the five-year periods described in paragraph
 87.30 (a) are extended to eight years after certification of the district. This extension is provided
 87.31 primarily to accommodate delays in development activities due to unanticipated economic
 87.32 circumstances.

88.1 (d) For a redevelopment district that was certified after December 31, 2017, and before
 88.2 June 30, 2020, the five-year periods described in paragraph (a) are extended to eight years
 88.3 after certification of the district.

88.4 EFFECTIVE DATE. This section is effective the day following final enactment and
 88.5 applies to all districts with a request for certification date after April 30, 1990.

88.6 Sec. 9. Minnesota Statutes 2022, section 469.1763, subdivision 4, is amended to read:

88.7 Subd. 4. **Use of revenues for decertification.** ~~(a) In each year beginning with the sixth~~
 88.8 ~~year following certification of the district, or beginning with the ninth year following~~
 88.9 ~~certification of the district for districts whose five-year rule is extended to eight years under~~
 88.10 ~~subdivision 3, paragraph (d), if the applicable in-district percent of the revenues derived~~
 88.11 ~~from tax increments paid by properties in the district exceeds the amount of expenditures~~
 88.12 ~~that have been made for costs permitted under subdivision 3, an amount equal to the~~
 88.13 ~~difference between the in-district percent of the revenues derived from tax increments paid~~
 88.14 ~~by properties in the district and the amount of expenditures that have been made for costs~~
 88.15 ~~permitted under subdivision 3 must be used and only used to pay or defease the following~~
 88.16 ~~or be set aside to pay the following:~~

88.17 ~~(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b);~~

88.18 ~~(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4);~~

88.19 ~~(3) credit enhanced bonds to which the revenues derived from tax increments are pledged,~~
 88.20 ~~but only to the extent that revenues of the district for which the credit enhanced bonds were~~
 88.21 ~~issued are insufficient to pay the bonds and to the extent that the increments from the~~
 88.22 ~~applicable pooling percent share for the district are insufficient; or~~

88.23 ~~(4) the amount provided by the tax increment financing plan to be paid under subdivision~~
 88.24 ~~2, paragraphs (b), (d), and (e).~~

88.25 ~~(b) The~~ (a) Beginning with the sixth year following certification of the district, or
 88.26 beginning with the year following the extended period for districts whose five-year period
 88.27 is extended under subdivision 3, paragraphs (c) and (d), a district must be decertified and
 88.28 the pledge of tax increment discharged when the outstanding bonds have been defeased and
 88.29 when sufficient money has been set aside to pay, based on the product of the applicable
 88.30 in-district percentage multiplied by the increment to be cumulative revenues derived from
 88.31 tax increments paid by properties in the district that have been collected through the end of
 88.32 the calendar year, equals or exceeds an amount sufficient to pay the following amounts:

89.1 ~~(1) contractual~~ any costs and obligations as defined described in subdivision 3, paragraph
 89.2 paragraphs (a), clauses (3) and (4); and (b), excluding those under a qualifying pay-as-you-go
 89.3 contract and note;

89.4 ~~(2) the amount specified in the tax increment financing plan for activities qualifying~~
 89.5 ~~under subdivision 2, paragraph (b), that have not been funded with the proceeds of bonds~~
 89.6 ~~qualifying under paragraph (a), clause (1); and~~

89.7 ~~(3) the additional expenditures permitted by the tax increment financing plan for housing~~
 89.8 ~~activities under an election under subdivision 2, paragraph (d), that have not been funded~~
 89.9 ~~with the proceeds of bonds qualifying under paragraph (a), clause (1).~~

89.10 (2) any accrued interest on the costs and obligations in clause (1), payable in accordance
 89.11 with the terms thereof; and

89.12 (3) any administrative expenses falling within the exception in subdivision 2, paragraph
 89.13 (c).

89.14 (b) For districts with an outstanding qualifying pay-as-you-go contract and note, the
 89.15 required decertification under paragraph (a) is deferred until the end of the remaining term
 89.16 of the last outstanding qualifying pay-as-you-go contract and note, and the applicable
 89.17 in-district percentage of cumulative revenues derived from tax increments paid by properties
 89.18 in the district are sufficient to pay the obligations identified in subdivision 3, paragraphs
 89.19 (a) and (b), provided that the deferral shall not exceed the district's duration limit under
 89.20 section 469.176. During the deferral, beginning at the time paragraph (a) would otherwise
 89.21 require decertification, the authority must annually either:

89.22 (1) remove from the district, by the end of the year, all parcels that will no longer have
 89.23 their tax increment revenue pledged or subject to a qualifying pay-as-you-go contract and
 89.24 note or other costs and obligations described in subdivision 3, paragraphs (a) and (b), after
 89.25 the end of the year; or

89.26 (2) use the applicable in-district percentage of revenues derived from tax increments
 89.27 paid by those parcels to prepay an outstanding qualifying pay-as-you-go contract and note
 89.28 of the district or other costs and obligations described in subdivision 3, paragraphs (a) and
 89.29 (b), or to accumulate and use revenues derived from tax increments paid by those parcels
 89.30 as permitted under paragraph (i).

89.31 The authority must remove any parcels as required by this paragraph by modification
 89.32 of the tax increment financing plan and notify the county auditor of the removed parcels by
 89.33 the end of the same calendar year. Notwithstanding section 469.175, subdivision 4,

90.1 paragraphs (b), clause (1), and (e), the notice, discussion, public hearing, and findings
90.2 required for approval of the original plan are not required for such a modification.

90.3 (c) Notwithstanding paragraph (a) or (b), if tax increment was pledged prior to August
90.4 1, 2023, to a bond other than a pay-as-you-go contract and note or interfund loan, and the
90.5 proceeds of the bond were used solely or in part to pay authorized costs for activities outside
90.6 the district, the requirement to decertify under paragraph (a) or remove parcels under
90.7 paragraph (b) shall not apply prior to the bond being fully paid or defeased.

90.8 (d) For purposes of this subdivision, "applicable in-district percentage" means the
90.9 percentage of tax increment revenue that is restricted for expenditures within the district,
90.10 as determined under subdivision 2, paragraphs (a) and (d), for the district.

90.11 (e) For purposes of this subdivision, "qualifying pay-as-you-go contract and note" means
90.12 a pay-as-you-go contract and note that is considered to be for activities within the district
90.13 under subdivision 3, paragraph (a).

90.14 (f) For purposes of this subdivision, the reference in paragraph (a) to cumulative revenues
90.15 derived from tax increments paid by properties in the district through the end of the calendar
90.16 year shall include any final settlement distributions made in the following January. For
90.17 purposes of the calculation in paragraph (a), any amounts returned to the county auditor as
90.18 excess increment or as remedies under section 469.1771, subdivision 2, shall first be
90.19 subtracted from the cumulative revenues derived from tax increments paid by properties in
90.20 the district.

90.21 (g) The timing and implementation of a decertification pursuant to paragraphs (a) and
90.22 (b) shall be subject to the following:

90.23 (1) when a decertification is required under paragraph (a) and not deferred under
90.24 paragraph (b), the authority must, as soon as practical and no later than the final settlement
90.25 distribution date of January 25 as identified in section 276.111 for the property taxes payable
90.26 in the calendar year identified in paragraph (a), make the decertification by resolution
90.27 effective for the end of the calendar year identified in paragraph (a), and communicate the
90.28 decertification to the county auditor;

90.29 (2) when a decertification is deferred under paragraph (b), the authority must, by
90.30 December 31 of the year in which the last qualifying pay-as-you-go contract and note reaches
90.31 termination, make the decertification by resolution effective for the end of that calendar
90.32 year and communicate the decertification to the county auditor;

91.1 (3) if the county auditor is unable to prevent tax increments from being calculated for
 91.2 taxes payable in the year following the year for which the decertification is made effective,
 91.3 the county auditor may redistribute the tax increments in the same manner as excess
 91.4 increments under section 469.176, subdivision 2, paragraph (c), clause (4), without first
 91.5 distributing them to the authority; and

91.6 (4) if tax increments are distributed to an authority for a taxes payable year after the year
 91.7 for which the decertification was required to be effective, the authority must return the
 91.8 amount of the distributions to the county auditor for redistribution in the same manner as
 91.9 excess increments under section 469.176, subdivision 2, paragraph (c), clause (4).

91.10 (h) The provisions of this subdivision do not apply to a housing district.

91.11 (i) Notwithstanding anything to the contrary in paragraph (a) or (b), if an authority has
 91.12 made the election in the tax increment financing plan for the district under subdivision 2,
 91.13 paragraph (d), then the requirement to decertify under paragraph (a) or remove parcels under
 91.14 paragraph (b) shall not apply prior to such time that the accumulated revenues derived from
 91.15 tax increments paid by properties in the district that are eligible to be expended for housing
 91.16 purposes described under subdivision 2, paragraph (d), equals the lesser of the amount the
 91.17 authority is permitted to expend for housing purposes described under subdivision 2,
 91.18 paragraph (d), or the amount authorized for such purposes in the tax increment financing
 91.19 plan. Increment revenues collected after the district would have decertified under paragraph
 91.20 (a) or from parcels which otherwise would be subject to removal under paragraph (b), absent
 91.21 the exception of this paragraph, shall be used solely for housing purposes as described in
 91.22 subdivision 2, paragraph (d).

91.23 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 91.24 applies to all districts with a request for certification after April 30, 1990, except that the
 91.25 requirements under paragraph (b) to remove parcels or use revenues from such parcels as
 91.26 prescribed in paragraph (b) apply only to districts for which the request for certification
 91.27 was made after the day following final enactment.

91.28 Sec. 10. Minnesota Statutes 2022, section 469.1763, subdivision 6, is amended to read:

91.29 Subd. 6. **Pooling permitted for deficits.** (a) This subdivision applies only to districts
 91.30 for which the request for certification was made before August 1, 2001, and without regard
 91.31 to whether the request for certification was made prior to August 1, 1979.

91.32 (b) The municipality for the district may transfer available increments from another tax
 91.33 increment financing district located in the municipality, if the transfer is necessary to

92.1 eliminate a deficit in the district to which the increments are transferred. The municipality
 92.2 may transfer increments as provided by this subdivision without regard to whether the
 92.3 transfer or expenditure is authorized by the tax increment financing plan for the district
 92.4 from which the transfer is made. A deficit in the district for purposes of this subdivision
 92.5 means the lesser of the following two amounts:

92.6 (1)~~(i)~~ the amount due during the calendar year to pay preexisting obligations of the
 92.7 district; minus the sum of

92.8 ~~(ii)~~ (i) the total increments collected or to be collected from properties located within
 92.9 the district that are available for the calendar year including amounts collected in prior years
 92.10 that are currently available; plus

92.11 ~~(iii)~~ (ii) total increments from properties located in other districts in the municipality
 92.12 including amounts collected in prior years that are available to be used to meet the district's
 92.13 obligations under this section, excluding this subdivision, or other provisions of law; or

92.14 (2) the reduction in increments collected from properties located in the district for the
 92.15 calendar year as a result of the changes in classification rates in Laws 1997, chapter 231,
 92.16 article 1; Laws 1998, chapter 389, article 2; and Laws 1999, chapter 243, and Laws 2001,
 92.17 First Special Session chapter 5, or the elimination of the general education tax levy under
 92.18 Laws 2001, First Special Session chapter 5.

92.19 The authority may compute the deficit amount under clause (1) only (without regard to
 92.20 the limit under clause (2)) if the authority makes an irrevocable commitment, by resolution,
 92.21 to use increments from the district to which increments are to be transferred and any
 92.22 transferred increments are only used to pay preexisting obligations and administrative
 92.23 expenses for the district that are required to be paid under section 469.176, subdivision 4h,
 92.24 paragraph (a).

92.25 (c) A preexisting obligation means:

92.26 (1) bonds issued and sold before August 1, 2001, or bonds issued pursuant to a binding
 92.27 contract requiring the issuance of bonds entered into before July 1, 2001, and bonds issued
 92.28 to refund such bonds or to reimburse expenditures made in conjunction with a signed
 92.29 contractual agreement entered into before August 1, 2001, to the extent that the bonds are
 92.30 secured by a pledge of increments from the tax increment financing district; and

92.31 (2) binding contracts entered into before August 1, 2001, to the extent that the contracts
 92.32 require payments secured by a pledge of increments from the tax increment financing district.

93.1 (d) The municipality may require a development authority, other than a seaway port
93.2 authority, to transfer available increments including amounts collected in prior years that
93.3 are currently available for any of its tax increment financing districts in the municipality to
93.4 make up an insufficiency in another district in the municipality, regardless of whether the
93.5 district was established by the development authority or another development authority.
93.6 This authority applies notwithstanding any law to the contrary, but applies only to a
93.7 development authority that:

93.8 (1) was established by the municipality; or

93.9 (2) the governing body of which is appointed, in whole or part, by the municipality or
93.10 an officer of the municipality or which consists, in whole or part, of members of the
93.11 governing body of the municipality. The municipality may use this authority only after it
93.12 has first used all available increments of the receiving development authority to eliminate
93.13 the insufficiency and exercised any permitted action under section 469.1792, subdivision
93.14 3, for preexisting districts of the receiving development authority to eliminate the
93.15 insufficiency.

93.16 (e) The authority under this subdivision to spend tax increments outside of the area of
93.17 the district from which the tax increments were collected:

93.18 (1) is an exception to the restrictions under section 469.176, subdivisions 4b, 4c, 4d, 4e,
93.19 4i, and 4j; the expenditure limits under section 469.176, subdivision 1c; and the other
93.20 provisions of this section; and the percentage restrictions under subdivision 2 must be
93.21 calculated after deducting increments spent under this subdivision from the total increments
93.22 for the district; and

93.23 (2) applies notwithstanding the provisions of the Tax Increment Financing Act in effect
93.24 for districts for which the request for certification was made before June 30, 1982, or any
93.25 other law to the contrary.

93.26 (f) If a preexisting obligation requires the development authority to pay an amount that
93.27 is limited to the increment from the district or a specific development within the district and
93.28 if the obligation requires paying a higher amount to the extent that increments are available,
93.29 the municipality may determine that the amount due under the preexisting obligation equals
93.30 the higher amount and may authorize the transfer of increments under this subdivision to
93.31 pay up to the higher amount. The existence of a guarantee of obligations by the individual
93.32 or entity that would receive the payment under this paragraph is disregarded in the
93.33 determination of eligibility to pool under this subdivision. The authority to transfer increments

94.1 under this paragraph may only be used to the extent that the payment of all other preexisting
 94.2 obligations in the municipality due during the calendar year have been satisfied.

94.3 (g) For transfers of increments made in calendar year 2005 and later, the reduction in
 94.4 increments as a result of the elimination of the general education tax levy for purposes of
 94.5 paragraph (b), clause (2), for a taxes payable year equals the general education tax rate for
 94.6 the school district under Minnesota Statutes 2000, section 273.1382, subdivision 1, for taxes
 94.7 payable in 2001, multiplied by the captured tax capacity of the district for the current taxes
 94.8 payable year.

94.9 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 94.10 applies only to districts for which the request for certification was made before August 1,
 94.11 2001, and without regard to whether the request for certification was made prior to August
 94.12 1, 1979.

94.13 Sec. 11. Minnesota Statutes 2022, section 469.1771, subdivision 2, is amended to read:

94.14 Subd. 2. **Collection of increment.** If an authority includes or retains a parcel of property
 94.15 in a tax increment financing district that does not qualify for inclusion or retention within
 94.16 the district, the authority must pay to the county auditor an amount of money equal to the
 94.17 increment collected from the property for the year or years. The property must be eliminated
 94.18 from the original and captured tax capacity of the district effective for the current property
 94.19 tax assessment year. ~~This subdivision does not apply to a failure to decertify a district at~~
 94.20 ~~the end of the duration limit specified in the tax increment financing plan.~~

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

94.22 Sec. 12. Minnesota Statutes 2022, section 469.1771, subdivision 2a, is amended to read:

94.23 Subd. 2a. **Suspension of distribution of tax increment.** (a) If an authority fails to make
 94.24 a disclosure or to submit a report containing the information required by section 469.175,
 94.25 subdivisions 5 and 6, regarding a tax increment financing district within the time provided
 94.26 in section 469.175, subdivisions 5 and 6, the state auditor shall mail to the authority a written
 94.27 notice that it or the municipality has failed to make the required disclosure or to submit a
 94.28 required report with respect to a particular district. The state auditor shall mail the notice
 94.29 on or before the third Tuesday of August of the year in which the disclosure or report was
 94.30 required to be made or submitted. The notice must describe the consequences of failing to
 94.31 disclose or submit a report as provided in paragraph (b). If the state auditor has not received
 94.32 a copy of a disclosure or a report described in this paragraph on or before the first day of
 94.33 October of the year in which the disclosure or report was required to be made or submitted,

95.1 the state auditor shall mail a written notice to the county auditor to hold the distribution of
95.2 tax increment from a particular district.

95.3 (b) Upon receiving written notice from the state auditor to hold the distribution of tax
95.4 increment, the county auditor shall hold: all tax increment that otherwise would be distributed
95.5 after receipt of the notice, until further notified under paragraph (c).

95.6 ~~(1) 100 percent of the amount of tax increment that otherwise would be distributed, if~~
95.7 ~~the distribution is made after the first day of October but during the year in which the~~
95.8 ~~disclosure or report was required to be made or submitted; or~~

95.9 ~~(2) 100 percent of the amount of tax increment that otherwise would be distributed, if~~
95.10 ~~the distribution is made after December 31 of the year in which the disclosure or report was~~
95.11 ~~required to be made or submitted.~~

95.12 (c) Upon receiving the copy of the disclosure and all of the reports described in paragraph
95.13 (a) with respect to a district regarding which the state auditor has mailed to the county
95.14 auditor a written notice to hold distribution of tax increment, the state auditor shall mail to
95.15 the county auditor a written notice lifting the hold and authorizing the county auditor to
95.16 distribute to the authority or municipality any tax increment that the county auditor had held
95.17 pursuant to paragraph (b). The state auditor shall mail the written notice required by this
95.18 paragraph within five working days after receiving the last outstanding item. The county
95.19 auditor shall distribute the tax increment to the authority or municipality within 15 working
95.20 days after receiving the written notice required by this paragraph.

95.21 (d) Notwithstanding any law to the contrary, any interest that accrues on tax increment
95.22 while it is being held by the county auditor pursuant to paragraph (b) is not tax increment
95.23 and may be retained by the county.

95.24 (e) For purposes of sections 469.176, subdivisions 1a to 1g, and 469.177, subdivision
95.25 11, tax increment being held by the county auditor pursuant to paragraph (b) is considered
95.26 distributed to or received by the authority or municipality as of the time that it would have
95.27 been distributed or received but for paragraph (b).

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

95.29 Sec. 13. Minnesota Statutes 2022, section 469.1771, subdivision 3, is amended to read:

95.30 Subd. 3. **Expenditure of increment.** If an authority expends revenues derived from tax
95.31 increments, including the proceeds of tax increment bonds, (1) for a purpose that is not a
95.32 permitted project under ~~section 469.176~~ sections 469.174 to 469.1794, (2) for a purpose
95.33 that is not permitted under ~~section 469.176~~ sections 469.174 to 469.1794 for the district

96.1 from which the increment was received, or (3) on activities outside of the geographic area
 96.2 in which the revenues may be expended under this chapter, the authority must pay to the
 96.3 county auditor an amount equal to the expenditures made in violation of the law.

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

96.5 Sec. 14. Laws 2008, chapter 366, article 5, section 26, as amended by Laws 2013, chapter
 96.6 143, article 9, section 11, and Laws 2019, First Special Session chapter 6, article 7, section
 96.7 2, is amended to read:

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

96.9 (a) The requirements of Minnesota Statutes, section 469.1763, subdivision 3, that
 96.10 activities must be undertaken within a five-year period from the date of certification of a
 96.11 tax increment financing district, are increased to a ~~21-year~~ 26-year period for the Port
 96.12 Authority of the City of Bloomington's Tax Increment Financing District No. 1-I,
 96.13 Bloomington Central Station. The requirements of Minnesota Statutes, section 469.1763,
 96.14 subdivision 4, apply to the district in each year beginning with the 27th year following
 96.15 certification of the district.

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

96.19 (c) Notwithstanding the provisions of Minnesota Statutes, section 469.176, or any other
 96.20 law to the contrary, the city of Bloomington and its port authority may extend the duration
 96.21 limits of undeveloped parcels within District No. 1-I for a period through December 31,
 96.22 2049. For the purposes of this paragraph, "undeveloped parcels" means any parcel that does
 96.23 not have a building on it as of the effective date of this section.

96.24 ~~(e)~~ (d) Effective for taxes payable in 2014, tax increment for the district must be computed
 96.25 using the current local tax rate, notwithstanding the provisions of Minnesota Statutes, section
 96.26 469.177, subdivision 1a.

96.27 **EFFECTIVE DATE.** This section is effective upon compliance by the city of
 96.28 Bloomington, Hennepin County, and Independent School District No. 271 with the
 96.29 requirements of Minnesota Statutes, section 469.1782, subdivision 2.

97.1 Sec. 15. Laws 2014, chapter 308, article 6, section 12, subdivision 2, is amended to read:

97.2 Subd. 2. **Special rules.** (a) If the city elects, upon the adoption of the tax increment
97.3 financing plan for a district, the rules under this section apply to a redevelopment district,
97.4 renewal and renovation district, soil condition district, or soil deficiency district established
97.5 by the city or a development authority of the city in the project area.

97.6 (b) Prior to or upon the adoption of the first tax increment plan subject to the special
97.7 rules under this subdivision, the city must find by resolution that parcels consisting of at
97.8 least 80 percent of the acreage of the project area, excluding street and railroad rights-of-way,
97.9 are characterized by one or more of the following conditions:

97.10 (1) peat or other soils with geotechnical deficiencies that impair development of
97.11 commercial buildings or infrastructure;

97.12 (2) soils or terrain that require substantial filling in order to permit the development of
97.13 commercial buildings or infrastructure;

97.14 (3) landfills, dumps, or similar deposits of municipal or private waste;

97.15 (4) quarries or similar resource extraction sites;

97.16 (5) floodway; and

97.17 (6) substandard buildings, within the meaning of Minnesota Statutes, section 469.174,
97.18 subdivision 10.

97.19 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the
97.20 relevant condition if at least 70 percent of the area of the parcel contains the relevant
97.21 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by
97.22 substandard buildings if substandard buildings occupy at least 30 percent of the area of the
97.23 parcel.

97.24 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is
97.25 extended to ~~eight~~ 12 years for any district; the five-year rule under Minnesota Statutes,
97.26 section 469.175, subdivision 4, paragraph (f), is extended to nine years for any district; and
97.27 Minnesota Statutes, section 469.1763, subdivision 4, does not apply to any district.

97.28 (e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763,
97.29 subdivision 2, paragraph (a), not more than 40 percent of the total revenue derived from tax
97.30 increments paid by properties in any district, measured over the life of the district, may be
97.31 expended on activities outside the district but within the project area.

97.32 (f) For a soil deficiency district:

98.1 (1) increments may be collected through 20 years after the receipt by the authority of
98.2 the first increment from the district;

98.3 (2) increments may be used only to:

98.4 (i) acquire parcels on which the improvements described in item (ii) will occur;

98.5 (ii) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional
98.6 cost of installing public improvements directly caused by the deficiencies; and

98.7 (iii) pay for the administrative expenses of the authority allocable to the district; and

98.8 (3) any parcel acquired with increments from the district must be sold at no less than
98.9 their fair market value.

98.10 (g) Increments spent for any infrastructure costs, whether inside a district or outside a
98.11 district but within the project area, are deemed to satisfy the requirements of Minnesota
98.12 Statutes, section 469.176, subdivision 4j.

98.13 (h) The authority to approve tax increment financing plans to establish tax increment
98.14 financing districts under this section expires June 30, 2020.

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

98.18 **Sec. 16. CITY OF CHATFIELD; TAX INCREMENT FINANCING AUTHORITY;**
98.19 **ECONOMIC DEVELOPMENT AUTHORIZATION.**

98.20 Notwithstanding Minnesota Statutes, section 469.176, subdivision 4c, paragraph (b), or
98.21 any other law to the contrary, the city of Chatfield, or its economic development authority,
98.22 may establish an economic development district to construct a multilevel hotel on Mill
98.23 Creek Road and Division Street NW, south of Trunk Highway 30, in the city of Chatfield,
98.24 Olmsted County, provided that the first floor of the hotel not exceed 15,000 square feet.
98.25 For purposes of this section, "first floor" means the floor at street level where the public is
98.26 permitted to enter and exit.

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

99.1 **Sec. 17. CITY OF DULUTH; TAX INCREMENT FINANCING AUTHORITY.**

99.2 **Subdivision 1. Establishment.** Under the special rules established in subdivision 2, the
 99.3 city of Duluth or its economic development authority may establish one or more
 99.4 redevelopment districts located wholly within the city of Duluth, St. Louis County,
 99.5 Minnesota, limited to the area bordered on the northeast by Slip 3 and the Pier B Resort
 99.6 property line extended northwest to Interstate Highway 35, on the southeast by the Duluth
 99.7 Harbor, on the southwest by the Compass Minerals property line extended northwest to
 99.8 Interstate Highway 35, and on the northwest by Interstate Highway 35, together with adjacent
 99.9 roads and rights-of-way.

99.10 **Subd. 2. Special rules.** For any tax increment financing district established under this
 99.11 section, the following special rules apply:

99.12 (1) the district is deemed to meet all the requirements of Minnesota Statutes, section
 99.13 469.174, subdivision 10;

99.14 (2) expenditures incurred in connection with the development of the property described
 99.15 in subdivision 1 are deemed to meet the requirements of Minnesota Statutes, section 469.176,
 99.16 subdivision 4j; and

99.17 (3) eligible expenditures include without limitation seawalls and pier facings adjacent
 99.18 to the boundaries of such district.

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

99.22 **Sec. 18. CITY OF DULUTH; TAX INCREMENT FINANCING DURATION**
 99.23 **EXTENSION.**

99.24 Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, or any other law
 99.25 to the contrary, the city of Duluth or its economic development authority may extend the
 99.26 duration limit of a district established under section 1 by ten years.

99.27 **EFFECTIVE DATE.** This section is effective upon compliance by the city of Duluth,
 99.28 St. Louis County, and Independent School District No. 709 with the requirements of
 99.29 Minnesota Statutes, section 469.1782, subdivision 2.

100.1 **Sec. 19. CITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT;**
 100.2 **SPECIAL RULES.**

100.3 **Subdivision 1. Establishment.** Under the special rules established in subdivision 2, the
 100.4 economic development authority of the city of Duluth or the city of Duluth may establish
 100.5 one or more redevelopment districts located wholly within the area of the city of Duluth,
 100.6 St. Louis County, Minnesota, limited to the area classified as the Medical Regional Exchange
 100.7 District and East 1st Street Corridor as bounded by: East 6th Street from North 3rd Avenue
 100.8 East to North 7th Avenue East; North 7th Avenue East from East 6th Street to East 3rd
 100.9 Street; East 3rd Street from North 7th Avenue East to North 12th Avenue East; North 12th
 100.10 Avenue East from East 3rd Street straight through the Duluth Rose Garden to the Lake
 100.11 Superior Waterfront; the Lake Superior waterfront from the Duluth Rose Garden at North
 100.12 12th Avenue East to Lake Place Park at North 3rd Avenue East; North 3rd Avenue East
 100.13 from Lake Place Park at the Lake Superior waterfront to East Superior Street; East Superior
 100.14 Street from North 3rd Avenue East to North Lake Avenue; North Lake Avenue from East
 100.15 Superior Street to East 2nd Street; East 2nd Street from North Lake Avenue to North 3rd
 100.16 Avenue East; North 3rd Avenue East from East 2nd Street to East 6th Street.

100.17 **Subd. 2. Special rules.** If the city or authority establishes a redevelopment tax increment
 100.18 financing district under this section, the requirements, definitions, limitations, or restrictions
 100.19 in the following statutes do not apply: Minnesota Statutes, sections 469.174, subdivision
 100.20 10; and 469.176, subdivisions 4j, 4l, and 5; 469.1763, subdivisions 2, 3, and 4.

100.21 **Subd. 3. Expiration.** The provisions of subdivision 2 expire for increment expended
 100.22 after December 31, 2051. After that date, the provisions of Minnesota Statutes, section
 100.23 469.1763, subdivision 4, apply to any remaining unspent or unobligated increment.

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

100.27 **Sec. 20. CITY OF FRIDLEY; TAX INCREMENT FINANCING DISTRICT;**
 100.28 **SPECIAL RULES.**

100.29 **Subdivision 1. Transfer of increment.** Notwithstanding Minnesota Statutes, section
 100.30 469.176, subdivision 4j, the city of Fridley, or its economic development authority, may
 100.31 transfer tax increment accumulated from Fridley Tax Increment Financing District No. 20
 100.32 to the Fridley Housing and Redevelopment Authority for the purposes authorized in
 100.33 subdivision 2. Only increment allowed to be expended outside of the district pursuant to
 100.34 Minnesota Statutes, section 469.1763, subdivision 2, may be transferred under this section.

101.1 Subd. 2. Allowable use. Tax increment transferred under subdivision 1 must be used
 101.2 only to:

101.3 (1) make grants, loans, and loan guarantees for the development, rehabilitation, or
 101.4 financing of housing; or

101.5 (2) match other funds from federal, state, or private resources for housing projects.

101.6 Subd. 3. Annual financial reporting. Tax increment transferred under this section is
 101.7 subject to the annual reporting requirements under Minnesota Statutes, section 469.175,
 101.8 subdivision 6.

101.9 Subd. 4. Legislative reports. By February 1, 2024, and February 1, 2026, the city of
 101.10 Fridley must issue a report to the chairs and ranking minority members of the legislative
 101.11 committees with jurisdiction over taxes and property taxes. Each report must include detailed
 101.12 information relating to each program financed with increment transferred under this section.

101.13 Subd. 5. Expiration. The authority to make transfers under subdivision 1 expires
 101.14 December 31, 2026.

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

101.18 Sec. 21. CITY OF LAFAYETTE; SMALL CITY DESIGNATION.

101.19 For the purposes of Minnesota Statutes, section 469.176, subdivision 4c, the city of
 101.20 Lafayette is a small city.

101.21 EFFECTIVE DATE. This section is effective the day after the governing body of the
 101.22 city of Lafayette and its chief clerical officer comply with Minnesota Statutes, section
 101.23 645.021, subdivisions 2 and 3.

101.24 Sec. 22. CITY OF NICOLLET; SMALL CITY DESIGNATION.

101.25 For the purposes of Minnesota Statutes, section 469.176, subdivision 4c, the city of
 101.26 Nicollet is a small city.

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

102.1 **Sec. 23. CITY OF PLYMOUTH; TAX INCREMENT FINANCING AUTHORITY.**

102.2 **Subdivision 1. Establishment.** Under the special rules established in subdivision 2, the
102.3 city of Plymouth may establish a redevelopment district located wholly within the city of
102.4 Plymouth, Hennepin County, Minnesota, limited to the following parcels identified by tax
102.5 identification numbers: 34-119-22-44-0002, 03-118-22-12-0002, 03-118-22-11-0007,
102.6 02-118-22-22-0005, and 03-118-22-14-0032, together with adjacent roads and rights of
102.7 way.

102.8 **Subd. 2. Special rules.** If the city establishes a tax increment financing district under
102.9 this section, the following special rules apply:

102.10 (1) the district is deemed to meet all the requirements of Minnesota Statutes, section
102.11 469.174, subdivision 10;

102.12 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district;
102.13 and

102.14 (3) not more than 75 percent of increments generated from the district may be expended
102.15 on improvements to Chankahda Trail, formerly known as Hennepin County Road 47, outside
102.16 the project area, and all such expenditures are deemed expended on activities within the
102.17 district for the purposes of Minnesota Statutes, section 469.1763.

102.18 **Subd. 3. Expiration.** The authority to approve a tax increment financing plan to establish
102.19 a tax increment financing district under this section expires December 31, 2030.

102.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
102.21 city of Plymouth and its chief clerical officer comply with Minnesota Statutes, section
102.22 645.021, subdivisions 2 and 3.

102.23 **Sec. 24. CITY OF SHAKOPEE; TAX INCREMENT FINANCING DISTRICT.**

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

102.26 (b) "City" means the city of Shakopee.

102.27 (c) "Project area" means the following parcels, identified by parcel identification number:
102.28 279160102, 279160110, 279170020, and 279160120.

102.29 (d) "Soil deficiency district" means a type of tax increment financing district consisting
102.30 of a portion of the project area in which the city finds by resolution that the following
102.31 conditions exist:

103.1 (1) unusual terrain or soil deficiencies that occurred over 70 percent of the acreage in
 103.2 the district require substantial filling, grading, or other physical preparation for use; and

103.3 (2) the estimated cost of the physical preparation under clause (1), excluding costs
 103.4 directly related to roads as defined in Minnesota Statutes, section 160.01, and local
 103.5 improvements as described in Minnesota Statutes, sections 429.021, subdivision 1, other
 103.6 than clauses (8) to (10), and 430.01, exceeds the fair market value of the land before
 103.7 completion of the preparation.

103.8 Subd. 2. **Special rules.** (a) If the city elects, upon the adoption of the tax increment
 103.9 financing plan for a district, the rules under this section apply to a redevelopment district,
 103.10 renewal and renovation district, soil condition district, or soil deficiency district established
 103.11 by the city or a development authority of the city in the project area. The city, or a
 103.12 development authority acting on its behalf, may establish one or more soil deficiency districts
 103.13 within the project area.

103.14 (b) Prior to or upon the adoption of the first tax increment plan subject to the special
 103.15 rules under this subdivision, the city must find by resolution that parcels consisting of at
 103.16 least 70 percent of the acreage of the project area, excluding street and railroad rights-of-way,
 103.17 are characterized by one or more of the following conditions:

103.18 (1) peat or other soils with geotechnical deficiencies that impair development of
 103.19 residential or commercial buildings or infrastructure;

103.20 (2) soils or terrain that requires substantial filling in order to permit the development of
 103.21 residential or commercial buildings or infrastructure;

103.22 (3) landfills, dumps, or similar deposits of municipal or private waste;

103.23 (4) quarries or similar resource extraction sites;

103.24 (5) floodways; and

103.25 (6) substandard buildings, within the meaning of Minnesota Statutes, section 469.174,
 103.26 subdivision 10.

103.27 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the
 103.28 relevant condition if at least 60 percent of the area of the parcel contains the relevant
 103.29 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by
 103.30 substandard buildings if substandard buildings occupy at least 30 percent of the area of the
 103.31 parcel.

104.1 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is
 104.2 extended to ten years for any district, and the period under Minnesota Statutes, section
 104.3 469.1763, subdivision 4, is extended to 11 years.

104.4 (e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763,
 104.5 subdivision 2, paragraph (a), not more than 80 percent of the total revenue derived from tax
 104.6 increments paid by properties in any district, measured over the life of the district, may be
 104.7 expended on activities outside the district but within the project area.

104.8 (f) For a soil deficiency district:

104.9 (1) increments may be collected through 20 years after the receipt by the authority of
 104.10 the first increment from the district; and

104.11 (2) except as otherwise provided in this subdivision, increments may be used only to:

104.12 (i) acquire parcels on which the improvements described in item (ii) will occur;

104.13 (ii) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional
 104.14 cost of installing public improvements directly caused by the deficiencies; and

104.15 (iii) pay for the administrative expenses of the authority allocable to the district.

104.16 (g) The authority to approve tax increment financing plans to establish tax increment
 104.17 financing districts under this section expires December 31, 2026.

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

104.21 **Sec. 25. CITY OF SPICER; SMALL CITY DESIGNATION.**

104.22 For the purposes of Minnesota Statutes, section 469.176, subdivision 4c, the city of
 104.23 Spicer is a small city.

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

104.27 **Sec. 26. CITY OF WEST SAINT PAUL; TAX INCREMENT FINANCING**
 104.28 **AUTHORITY.**

104.29 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the
 104.30 economic development authority of the city of West Saint Paul or the city of West Saint

105.1 Paul may establish one or more redevelopment tax increment financing districts consisting
 105.2 of the parcels in the city of West Saint Paul, Dakota County, Minnesota, currently identified
 105.3 with the following parcel identification numbers: 42-83680-01-011, 42-11561-00-010,
 105.4 42-11561-01-010, 42-11560-01-021, 42-11561-00-020, 42-11560-01-022, as the same may
 105.5 be replatted or reconfigured, together with adjacent roads and rights-of-way.

105.6 Subd. 2. **Special rules.** If the city or authority establishes one or more tax increment
 105.7 financing districts under this section, the following special rules apply:

105.8 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section
 105.9 469.174, subdivision 10; and

105.10 (2) expenditures incurred in connection with the development of the property described
 105.11 in subdivision 1 are deemed to meet the requirements of Minnesota Statutes, section 469.176,
 105.12 subdivision 4j.

105.13 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 105.14 city of West Saint Paul and its chief clerical officer comply with Minnesota Statutes, section
 105.15 645.021, subdivisions 2 and 3.

105.16 Sec. 27. **CITY OF WOODBURY; TAX INCREMENT FINANCING DISTRICT**
 105.17 **NO. 13; EXPENDITURES ALLOWED; DURATION EXTENSION.**

105.18 (a) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, or any other
 105.19 law to the contrary, the city of Woodbury may expend increments generated from Tax
 105.20 Increment Financing District No. 13 for the maintenance, and facility and infrastructure
 105.21 upgrades to Central Park. All such expenditures are deemed expended on activities within
 105.22 the district.

105.23 (b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, the city of
 105.24 Woodbury may elect to extend the duration of Tax Increment Financing District No. 13 by
 105.25 five years.

105.26 **EFFECTIVE DATE.** Paragraph (a) is effective the day after the governing body of the
 105.27 city of Woodbury and its chief clerical officer comply with the requirements of Minnesota
 105.28 Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance
 105.29 by the city of Woodbury, Washington County, and Independent School District No. 833
 105.30 with the requirements of Minnesota Statutes, section 469.1782, subdivision 2.

ARTICLE 6**LOCAL TAXES**106.1
106.2

106.3 Section 1. Laws 1980, chapter 511, section 1, subdivision 2, as amended by Laws 1991,
106.4 chapter 291, article 8, section 22, Laws 1998, chapter 389, article 8, section 25, Laws 2003,
106.5 First Special Session chapter 21, article 8, section 11, Laws 2008, chapter 154, article 5,
106.6 section 2, Laws 2014, chapter 308, article 3, section 21, and Laws 2017, First Special Session
106.7 chapter 1, article 5, section 1, is amended to read:

106.8 Subd. 2. (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other law,
106.9 ordinance, or city charter provision to the contrary, the city of Duluth may, by ordinance,
106.10 impose an additional sales tax of up to one and three-quarter percent on sales transactions
106.11 which are described in Minnesota Statutes 2000, section 297A.01, subdivision 3, clause (c).
106.12 The imposition of this tax shall not be subject to voter referendum under either state law or
106.13 city charter provisions. When the city council determines that the taxes imposed under this
106.14 paragraph at a rate of three-quarters of one percent and other sources of revenue produce
106.15 revenue sufficient to pay debt service on bonds in the principal amount of \$40,285,000 plus
106.16 issuance and discount costs, issued for capital improvements at the Duluth Entertainment
106.17 and Convention Center, which include a new arena, the rate of tax under this subdivision
106.18 must be reduced by three-quarters of one percent.

106.19 (b) In addition to the tax in paragraph (a) and notwithstanding Minnesota Statutes, section
106.20 477A.016, or any other law, ordinance, or city charter provision to the contrary, the city of
106.21 Duluth may, by ordinance, impose an additional sales tax of up to one-half of one percent
106.22 on sales transactions which are described in Minnesota Statutes 2000, section 297A.01,
106.23 subdivision 3, clause (c). This tax expires when the city council determines that the tax
106.24 imposed under this paragraph, along with the tax imposed under section 22, paragraph (b),
106.25 has produced revenues sufficient to pay the debt service on bonds in a principal amount of
106.26 no more than ~~\$18,000,000~~ \$54,000,000, plus issuance and discount costs, to finance capital
106.27 improvements to public facilities to support tourism and recreational activities in that portion
106.28 of the city west of 14th Avenue West and the area south of and including Skyline Parkway,
106.29 and capital improvements to parks-based public athletic facilities to support sports tourism.

106.30 (c) The city of Duluth may sell and issue up to \$18,000,000 in general obligation bonds
106.31 under Minnesota Statutes, chapter 475, plus an additional amount to pay for the costs of
106.32 issuance and any premiums. The proceeds may be used to finance capital improvements to
106.33 public facilities that support tourism and recreational activities in the portion of the city
106.34 west of 14th Avenue West and the area south of and including Skyline Parkway, as described
106.35 in paragraph (b). The issuance of the bonds is subject to the provisions of Minnesota Statutes,

107.1 chapter 475, except no election shall be required unless required by the city charter. The
107.2 bonds shall not be included in computing net debt. The revenues from the taxes that the city
107.3 of Duluth may impose under paragraph (b) and under section 22, paragraph (b), may be
107.4 pledged to pay principal of and interest on such bonds.

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

107.8 Sec. 2. Laws 1980, chapter 511, section 2, as amended by Laws 1998, chapter 389, article
107.9 8, section 26, Laws 2003, First Special Session chapter 21, article 8, section 12, Laws 2014,
107.10 chapter 308, article 3, section 22, and Laws 2017, First Special Session chapter 1, article
107.11 5, section 2, is amended to read:

107.12 **Sec. 2. CITY OF DULUTH; TAX ON RECEIPTS BY HOTELS AND MOTELS.**

107.13 (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other law, or ordinance,
107.14 or city charter provision to the contrary, the city of Duluth may, by ordinance, impose an
107.15 additional tax of one percent upon the gross receipts from the sale of lodging for periods of
107.16 less than 30 days in hotels and motels located in the city. The tax shall be collected in the
107.17 same manner as the tax set forth in the Duluth city charter, section 54(d), paragraph one.
107.18 The imposition of this tax shall not be subject to voter referendum under either state law or
107.19 city charter provisions.

107.20 (b) In addition to the tax in paragraph (a) and notwithstanding Minnesota Statutes, section
107.21 477A.016, or any other law, ordinance, or city charter provision to the contrary, the city of
107.22 Duluth may, by ordinance, impose an additional sales tax of up to one-half of one percent
107.23 on the gross receipts from the sale of lodging for periods of less than 30 days in hotels and
107.24 motels located in the city. This tax expires when the city council first determines that the
107.25 tax imposed under this paragraph, along with the tax imposed under section 21, paragraph
107.26 (b), has produced revenues sufficient to pay the debt service on bonds in a principal amount
107.27 of no more than ~~\$18,000,000~~ \$54,000,000, plus issuance and discount costs, to finance
107.28 capital improvements to public facilities to support tourism and recreational activities in
107.29 that portion of the city west of 14th Avenue West and the area south of and including Skyline
107.30 Parkway, and capital improvements to parks-based public athletic facilities to support sports
107.31 tourism.

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

108.4 Sec. 3. Laws 2008, chapter 366, article 7, section 17, is amended to read:

108.5 Sec. 17. **COOK COUNTY; LODGING AND ADMISSIONS TAXES TAX.**

108.6 Subdivision 1. **Lodging tax.** Notwithstanding Minnesota Statutes, section 477A.016,
 108.7 or any other provision of law, ordinance, or city charter, the Board of Commissioners of
 108.8 Cook County may impose, by ordinance, a tax of up to one percent on the gross receipts
 108.9 subject to the lodging tax under Minnesota Statutes, section 469.190. This tax is in addition
 108.10 to any tax imposed under Minnesota Statutes, section 469.190, and the total tax imposed
 108.11 under that section and this provision must not exceed four percent.

108.12 ~~Subd. 2. **Admissions and recreation tax.** Notwithstanding Minnesota Statutes, section~~
 108.13 ~~477A.016, or any other provision of law, ordinance, or city charter, the Board of~~
 108.14 ~~Commissioners of Cook County may impose, by ordinance, a tax of up to three percent on~~
 108.15 ~~admissions to entertainment and recreational facilities and rental of recreation equipment.~~

108.16 Subd. 3. **Use of taxes.** The ~~taxes tax~~ imposed in ~~subdivisions~~ subdivision 1 and 2 must
 108.17 be used to fund a new Cook County Event and Visitors Bureau as established by the Board
 108.18 of Commissioners of Cook County. The Board of Commissioners of Cook County must
 108.19 annually review the budget of the Cook County Event and Visitors Bureau. The event and
 108.20 visitors bureau may not receive revenues raised from the ~~taxes tax~~ imposed in ~~subdivisions~~
 108.21 subdivision 1 and 2 until the board of commissioners approves the annual budget.

108.22 Subd. 4. **Termination.** The ~~taxes tax~~ imposed in ~~subdivisions~~ subdivision 1 and 2
 108.23 ~~terminate 15~~ terminates 30 years after ~~they are~~ it is first imposed.

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

108.25

ARTICLE 7

108.26

MISCELLANEOUS

108.27 Section 1. Minnesota Statutes 2022, section 278.01, subdivision 1, is amended to read:

108.28 Subdivision 1. **Determination of validity.** (a) Any person having personal property, or
 108.29 any estate, right, title, or interest in or lien upon any parcel of land, who claims that such
 108.30 property has been partially, unfairly, or unequally assessed in comparison with other property
 108.31 in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class,

109.1 the portion of the county excluding the first class city, or that the parcel has been assessed
 109.2 at a valuation greater than its real or actual value, or that the tax levied against the same is
 109.3 illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so
 109.4 levied, may have the validity of the claim, defense, or objection determined by the district
 109.5 court of the county in which the tax is levied or by the Tax Court by personally serving one
 109.6 copy of a petition for such determination upon the county auditor, ~~one copy on the county~~
 109.7 ~~attorney, one copy on the county treasurer, and three copies on the county assessor.~~ The
 109.8 ~~county assessor shall immediately forward one copy of the petition to the appropriate~~
 109.9 ~~governmental authority in a home rule charter or statutory city or town in which the property~~
 109.10 ~~is located if that city or town employs its own certified assessor. A copy of the petition shall~~
 109.11 ~~also be forwarded by the assessor to the school board of the school district in which the~~
 109.12 ~~property is located.~~ The county auditor may waive personal service of a petition by: (i)
 109.13 agreeing to accept service through an alternative service method; (ii) designating an
 109.14 alternative service method on its website; or (iii) acknowledging receipt of a petition served
 109.15 through an alternative service method. An alternative service method includes but is not
 109.16 limited to service by email or by an electronic upload to a website designated by the county.
 109.17 Service may be made by any person, including a party to the action.

109.18 (b) ~~In counties where the office of county treasurer has been combined with the office~~
 109.19 ~~of county auditor, the county may elect to require the petitioner to serve the number of~~
 109.20 ~~copies as determined by the county.~~ Within 30 days after a petition is served and filed, the
 109.21 county auditor must provide a copy of the petition, if a copy has not already been provided,
 109.22 to the county assessor, county treasurer, and the county attorney. The county assessor shall
 109.23 immediately forward one copy of the petition to the appropriate governmental authority in
 109.24 a home rule charter or statutory city or town in which the property is located if that city or
 109.25 town employs its own certified assessor. On or before the first day of July, the county auditor
 109.26 must send a list of petitioned properties, including to the school board of the school district
 109.27 in which the property is located. The list must include the name of the petitioner, the
 109.28 identification number of the property, and the estimated market value, shall be sent on or
 109.29 before the first day of July by the county auditor/treasurer to the school board of the school
 109.30 district in which the property is located of the property.

109.31 (c) For all counties, the petitioner must file ~~the copies with~~ a copy of the petition and
 109.32 proof of service, of the petition in the office of the court administrator of the district court
 109.33 on or before April 30 of the year in which the tax becomes payable. A petition for
 109.34 determination under this section may be transferred by the district court to the Tax Court.
 109.35 An appeal may also be taken to the Tax Court under chapter 271 at any time following

110.1 receipt of the valuation notice that county assessors or city assessors having the powers of
110.2 a county assessor are required by section 273.121 to send to persons whose property is to
110.3 be included on the assessment roll that year, but prior to May 1 of the year in which the
110.4 taxes are payable.

110.5 Sec. 2. Minnesota Statutes 2022, section 279.03, subdivision 1a, is amended to read:

110.6 Subd. 1a. **Rate.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), interest on
110.7 delinquent property taxes, penalties, and costs unpaid on or after January 1 is payable at the
110.8 per annum rate determined in section 270C.40, subdivision 5. ~~If the rate so determined is~~
110.9 ~~less than ten percent, the rate of interest is ten percent.~~ The maximum per annum rate is 14
110.10 percent if the rate specified under section 270C.40, subdivision 5, exceeds 14 percent. The
110.11 rate is subject to change on January 1 of each year.

110.12 (b) If a person is the owner of one or more parcels of property on which taxes are
110.13 delinquent, and the delinquent taxes are more than 25 percent of the prior year's school
110.14 district levy, interest on the delinquent property taxes, penalties, and costs unpaid is payable
110.15 at twice the rate determined under paragraph (a) for the year.

110.16 (c) A county board, by resolution, may establish an interest rate lower than the interest
110.17 rate determined under paragraph (a).

110.18 **EFFECTIVE DATE.** This section is effective for property taxes, penalties, and costs
110.19 determined to be delinquent on or after January 1, 2024.

110.20 Sec. 3. Minnesota Statutes 2022, section 282.261, subdivision 2, is amended to read:

110.21 Subd. 2. **Interest rate.** (a) Except as provided under paragraph (b), the unpaid balance
110.22 on any repurchase contract approved by the county board is subject to interest at the rate
110.23 determined in section 279.03, subdivision 1a. The interest rate is subject to change each
110.24 year on the unpaid balance in the manner provided for rate changes in section 279.03,
110.25 subdivision 1a.

110.26 (b) A county board, by resolution, or a county auditor, if delegated the responsibility to
110.27 administer tax-forfeited land assigned to the county board as provided under section 282.135,
110.28 may establish an interest rate lower than the interest rate determined under paragraph (a).

110.29 **EFFECTIVE DATE.** This section is effective January 1, 2024.

111.1 Sec. 4. **[428B.01] DEFINITIONS.**

111.2 **Subdivision 1. Applicability.** As used in sections 428B.01 to 428B.09, the terms in this
111.3 section have the meanings given them.

111.4 **Subd. 2. Activity.** "Activity" means but is not limited to all of the following:

111.5 (1) promotion of tourism within the district;

111.6 (2) promotion of business activity, including but not limited to tourism, of businesses
111.7 subject to the service charge within the tourism improvement district;

111.8 (3) marketing, sales, and economic development; and

111.9 (4) other services provided for the purpose of conferring benefits upon businesses located
111.10 in the tourism improvement district that are subject to the tourism improvement district
111.11 service charge.

111.12 **Subd. 3. Business.** "Business" means the type or class of lodging business that is
111.13 described in the municipality's ordinance, which benefits from district activities, adopted
111.14 under section 428B.02.

111.15 **Subd. 4. Business owner.** "Business owner" means a person recognized by a municipality
111.16 as the owner of a business.

111.17 **Subd. 5. City.** "City" means a home rule charter or statutory city.

111.18 **Subd. 6. Clerk.** "Clerk" means the chief clerical officer of the municipality.

111.19 **Subd. 7. Governing body.** "Governing body" means, with respect to a city, a city council
111.20 or other governing body of a city. With respect to a town, governing body means a town
111.21 board or other governing body of a town. With respect to a county, governing body means
111.22 a board of commissioners or other governing body of a county.

111.23 **Subd. 8. Impacted business owners.** "Impacted business owners" means a majority of
111.24 business owners located within a proposed or established tourism improvement district.

111.25 **Subd. 9. Municipality.** "Municipality" means a county, city, or town.

111.26 **Subd. 10. Tourism improvement association.** "Tourism improvement association"
111.27 means a new or existing and tax-exempt nonprofit corporation, entity, or agency charged
111.28 with promoting tourism within the tourism improvement district and that is under contract
111.29 with the municipality to administer the tourism improvement district and implement the
111.30 activities and improvements listed in the municipality's ordinance.

112.1 Subd. 11. **Tourism improvement district.** "Tourism improvement district" means a
 112.2 tourism improvement district established under this chapter.

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

112.4 Sec. 5. **[428B.02] ESTABLISHMENT OF TOURISM IMPROVEMENT DISTRICT.**

112.5 Subdivision 1. **Ordinance.** (a) Upon a petition by impacted business owners, a governing
 112.6 body of a municipality may adopt an ordinance establishing a tourism improvement district
 112.7 after holding a public hearing on the district. The ordinance must include:

112.8 (1) a map that identifies the tourism improvement district boundaries in sufficient detail
 112.9 to allow a business owner to determine whether a business is located within the tourism
 112.10 improvement district boundaries;

112.11 (2) the name of the tourism improvement association designated to administer the tourism
 112.12 improvement district and implement the approved activities and improvements;

112.13 (3) a list of the proposed activities and improvements in the tourism improvement district;

112.14 (4) the time and manner of collecting the service charge and any interest and penalties
 112.15 for nonpayment;

112.16 (5) a definition describing the type or class of businesses to be included in the tourism
 112.17 improvement district and subject to the service charge;

112.18 (6) the rate, method, and basis of the service charge with intent, and penalties on
 112.19 delinquent payments for the district, including the portion dedicated to covering expenses
 112.20 listed in subdivision 4, paragraph (b); and

112.21 (7) the number of years the service charge will be in effect.

112.22 (b) If the boundaries of a proposed tourism improvement district overlap with the
 112.23 boundaries of an existing special service district, the tourism improvement district ordinance
 112.24 may list measures to avoid any impediments on the ability of the special service district to
 112.25 continue to provide its services to benefit its property owners.

112.26 Subd. 2. **Notice.** A municipality must provide notice of the hearing by publication in at
 112.27 least two issues of the official newspaper of the municipality. The two publications must
 112.28 be two weeks apart and the municipality must hold the hearing at least three days after the
 112.29 last publication. Not less than ten days before the hearing, the municipality must mail, or
 112.30 deliver by electronic means, notice to the business owner of each business subject to the
 112.31 proposed service charge by the tourism improvement district. The notice must include:

113.1 (1) a map showing the boundaries of the proposed district;

113.2 (2) the time and place of the hearing;

113.3 (3) a statement that all interested persons will be given an opportunity to be heard at the
113.4 hearing regarding the proposed service charge; and

113.5 (4) a brief description of the proposed activities, improvements, and service charge.

113.6 Subd. 3. **Business owner determination.** A business must provide ownership information
113.7 to the municipality. A municipality has no obligation to obtain other information regarding
113.8 the ownership of businesses, and its determination of ownership shall be final for the purposes
113.9 of this chapter. If this chapter requires the signature of a business owner, the signature of
113.10 the authorized representative of a business owner is sufficient.

113.11 Subd. 4. **Service charges; relationship to services.** (a) A municipality may impose a
113.12 service charge on a business pursuant to this chapter for the purpose of providing activities
113.13 and improvements that will provide benefits to a business that is located within the tourism
113.14 improvement district and subject to the tourism improvement district service charge. Each
113.15 business paying a service charge within a district must benefit directly or indirectly from
113.16 improvements provided by a tourism improvement association, provided, however, the
113.17 business need not benefit equally. Service charges must be based on a percent of gross
113.18 business revenue, a fixed dollar amount per transaction, or any other reasonable method
113.19 based upon benefit and approved by the municipality.

113.20 (b) Service charges may be used to cover the costs of collections, as well as other
113.21 administrative costs associated with operating, forming, or maintaining the district.

113.22 Subd. 5. **Public hearing.** At the hearing regarding the adoption of the ordinance
113.23 establishing a tourism improvement district, business owners and persons affected by the
113.24 proposed district may testify on issues relevant to the proposed district. The hearing may
113.25 be adjourned from time to time. The ordinance establishing the district may be adopted at
113.26 any time within six months after the date of the conclusion of the hearing by a vote of the
113.27 majority of the governing body of the municipality.

113.28 Subd. 6. **Appeal to district court.** Within 45 days after the adoption of the ordinance
113.29 establishing a tourism improvement district, a person aggrieved, who is not precluded by
113.30 failure to object before or at the hearing, may appeal to the district court by serving a notice
113.31 on the clerk of the municipality or governing body. The validity of the tourism improvement
113.32 district and the service charge imposed under this chapter shall not be contested in an action
113.33 or proceeding unless the action or proceeding is commenced within 45 days after the adoption

114.1 of the ordinance establishing a tourism improvement district. The petitioner must file notice
114.2 with the court administrator of the district court within ten days after its service. The clerk
114.3 of the municipality must provide the petitioner with a certified copy of the findings and
114.4 determination of the governing body. The court may affirm the action objected to or, if the
114.5 petitioner's objections have merit, modify or cancel it. If the petitioner does not prevail on
114.6 the appeal, the costs incurred shall be charged to the petitioner by the court and judgment
114.7 entered for them. All objections shall be deemed waived unless presented on appeal.

114.8 Subd. 7. **Notice to the commissioner of revenue.** Within 30 days of adoption of the
114.9 ordinance, the governing body must send a copy of the ordinance to the commissioner of
114.10 revenue.

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

114.12 Sec. 6. **[428B.03] SERVICE CHARGE AUTHORITY; NOTICE; HEARING**
114.13 **REQUIREMENT.**

114.14 Subdivision 1. **Authority.** A municipality may impose service charges authorized under
114.15 section 428B.02, subdivision 4, to finance an activity or improvement in the tourism
114.16 improvement district that is provided by the municipality if the activity or improvement is
114.17 provided in the tourism improvement district at an increased level of service. The service
114.18 charges may be imposed in the amount needed to pay for the increased level of service
114.19 provided by the activity or improvement.

114.20 Subd. 2. **Annual hearing requirement; notice.** Beginning one year after the
114.21 establishment of the tourism improvement district, the municipality must hold an annual
114.22 public hearing regarding continuation of the service charges in the tourism improvement
114.23 district. The municipality must provide notice of the hearing by publication in the official
114.24 newspaper at least seven days before the hearing. The municipality must mail, or deliver
114.25 by electronic means, notice of the hearing to business owners subject to the service charge
114.26 at least seven days before the hearing. At the hearing, a person affected by the proposed
114.27 district may testify on issues relevant to the proposed district. Within six months of the
114.28 hearing, the municipality may adopt a resolution to continue imposing service charges within
114.29 the district not exceeding the amount or rate expressed in the notice. For purposes of this
114.30 section, the notice must include:

114.31 (1) a map showing the boundaries of the district;

114.32 (2) the time and place of the hearing;

115.1 (3) a statement that all interested persons will be given an opportunity to be heard at the
 115.2 hearing regarding the proposed service charge;

115.3 (4) a brief description of the proposed activities and improvements;

115.4 (5) the estimated annual amount of proposed expenditures for activities and
 115.5 improvements;

115.6 (6) the rate of the service charge for the district during the year and the nature and
 115.7 character of the proposed activities and improvements for the district during the year in
 115.8 which service charges are collected;

115.9 (7) the number of years the service charge will be in effect; and

115.10 (8) a statement that the petition requirement of section 428B.07 has either been met or
 115.11 does not apply to the proposed service charge.

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

115.13 Sec. 7. **[428B.04] MODIFICATION OF ORDINANCE.**

115.14 **Subdivision 1. Adoption of ordinance; request for modification.** Upon written request
 115.15 of the tourism improvement association, the governing body of a municipality may adopt
 115.16 an ordinance to modify the district after conducting a public hearing on the proposed
 115.17 modifications. If the modification includes a change to the rate, method, and basis of
 115.18 imposing the service charge or the expansion of the tourism improvement district's geographic
 115.19 boundaries, a petition as described in section 428B.07 must be submitted by impacted
 115.20 business owners to initiate proceedings for modification.

115.21 **Subd. 2. Notice of modification.** A municipality must provide notice of the hearing by
 115.22 publication in at least two issues of the municipality's official newspaper. The two
 115.23 publications must be two weeks apart and the municipality must hold a hearing at least three
 115.24 days after the last publication. Not less than ten days before the hearing, the municipality
 115.25 must mail, or deliver by electronic means, notice to the business owner of each business
 115.26 subject to the service charge by the tourism improvement district. The notice must include:

115.27 (1) a map showing the boundaries of the district and any proposed changes to the
 115.28 boundaries of the district;

115.29 (2) the time and place of the hearing;

115.30 (3) a statement that all interested persons will be given an opportunity to be heard at the
 115.31 hearing regarding the proposed service charge; and

116.1 (4) a brief description of the proposed modification to the ordinance.

116.2 Subd. 3. **Hearing on modification.** At the hearing regarding modification to the
116.3 ordinance, business owners and persons affected by the proposed modification may testify
116.4 on issues relevant to the proposed modification. Within six months after the conclusion of
116.5 the hearing, the municipality may adopt the ordinance modifying the district by a vote of
116.6 the majority of the governing body in accordance with the request for modification by the
116.7 tourism improvement association and as described in the notice.

116.8 Subd. 4. **Objection.** If the modification of the ordinance includes the expansion of the
116.9 tourism improvement district's geographic boundaries, the ordinance modifying the district
116.10 may be adopted after following the notice and veto requirements in section 428B.08;
116.11 however, a successful objection will be determined based on a majority of business owners
116.12 who will pay the service charge in the expanded area of the district. For all other
116.13 modifications, the ordinance modifying the district may be adopted following the notice
116.14 and veto requirements in section 428B.08.

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

116.16 Sec. 8. **[428B.05] COLLECTION OF SERVICE CHARGES; PENALTIES.**

116.17 The service charges imposed under this chapter may be collected by the municipality,
116.18 tourism improvement association, or other designated agency or entity. Collection of the
116.19 service charges must be made at the time and in the manner set forth in the ordinance. The
116.20 entity collecting the service charges may charge interest and penalties on delinquent payments
116.21 for service charges imposed under this chapter as set forth in the municipality's ordinance.

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

116.23 Sec. 9. **[428B.06] TOURISM IMPROVEMENT ASSOCIATION.**

116.24 Subdivision 1. **Composition and duties.** The tourism improvement association must
116.25 be designated in the municipality's ordinance. The tourism improvement association shall
116.26 appoint a governing board or committee composed of a majority of business owners who
116.27 pay the tourism improvement district service charge, or the representatives of those business
116.28 owners. The governing board or committee must manage the funds raised by the tourism
116.29 improvement district and fulfill the obligations of the tourism improvement district. A
116.30 tourism improvement association has full discretion to select the specific activities and
116.31 improvements that are funded with tourism improvement district service charges within the
116.32 authorized activities and improvements described in the ordinance.

117.1 Subd. 2. **Annual report.** The tourism improvement association must submit to the
117.2 municipality an annual report for each year in which a service charge is imposed. The report
117.3 must include a financial statement of revenue raised by the district. The municipality may
117.4 also, as part of the enabling ordinance, require the submission of other relevant information
117.5 related to the association.

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

117.7 Sec. 10. **[428B.07] PETITION REQUIRED.**

117.8 A municipality may not establish a tourism improvement district under section 428B.02
117.9 unless impacted business owners file a petition requesting a public hearing on the proposed
117.10 action with the clerk of the municipality.

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

117.12 Sec. 11. **[428B.08] VETO POWER OF OWNERS.**

117.13 Subdivision 1. **Notice of right to file objections.** The effective date of an ordinance or
117.14 resolution adopted under this chapter must be at least 45 days after it is adopted by the
117.15 municipality. Within five days after the municipality adopts the ordinance or resolution,
117.16 the municipality must mail a summary of the ordinance or resolution to each business owner
117.17 subject to the service charge within the tourism improvement district in the same manner
117.18 that notice is mailed, or delivered by electronic means, under section 428B.02. The mailing
117.19 must include a notice that business owners subject to the service charge have the right to
117.20 veto, by a simple majority, the ordinance or resolution by filing the required number of
117.21 objections with the clerk of the municipality before the effective date of the ordinance or
117.22 resolution and include notice that a copy of the ordinance or resolution is available for public
117.23 inspection with the clerk of the municipality.

117.24 Subd. 2. **Requirements for veto.** If impacted business owners file an objection to the
117.25 ordinance or resolution before the effective date of the ordinance or resolution, the ordinance
117.26 or resolution does not become effective.

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

117.28 Sec. 12. **[428B.09] DISESTABLISHMENT.**

117.29 Subdivision 1. **Procedure for disestablishment.** An ordinance adopted under this chapter
117.30 must provide a 30-day period each year in which business owners subject to the service
117.31 charge may request disestablishment of the district. Beginning one year after establishment

118.1 of the tourism improvement district, an annual 30-day period of disestablishment begins
 118.2 with the anniversary of the date of establishment. Upon submission of a petition from
 118.3 impacted business owners, the municipality may disestablish a tourism improvement district
 118.4 by adopting an ordinance after holding a public hearing on the disestablishment. Prior to
 118.5 the hearing, the municipality must publish notice of the hearing on disestablishment in at
 118.6 least two issues of the municipality's official newspaper. The two publications must be two
 118.7 weeks apart and the municipality must hold the hearing at least three days after the last
 118.8 publication. Not less than ten days before the hearing, the municipality must mail, or deliver
 118.9 by electronic means, notice to the business owner of each business subject to the service
 118.10 charge. The notice must include:

118.11 (1) the time and place of the hearing;

118.12 (2) a statement that all interested persons will be given an opportunity to be heard at the
 118.13 hearing regarding disestablishment;

118.14 (3) the reason for disestablishment; and

118.15 (4) a proposal to dispose of any assets acquired with the revenues of the service charge
 118.16 imposed under the tourism improvement district.

118.17 Subd. 2. **Objection.** An ordinance disestablishing the tourism improvement district
 118.18 becomes effective following the notice and veto requirements in section 428B.08.

118.19 Subd. 3. **Refund to business owners.** (a) Upon the disestablishment of a tourism
 118.20 improvement district, any remaining revenues derived from the service charge, or any
 118.21 revenues derived from the sale of assets acquired with the service charge revenues, shall
 118.22 be refunded to business owners located and operating within the tourism improvement
 118.23 district in which service charges were imposed by applying the same method and basis that
 118.24 was used to calculate the service charges levied in the fiscal year in which the district is
 118.25 disestablished.

118.26 (b) If the disestablishment occurs before the service charge is imposed for the fiscal
 118.27 year, the method and basis that was used to calculate the service charge imposed in the
 118.28 immediate prior fiscal year shall be used to calculate the amount of a refund, if any.

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

118.30 Sec. 13. **[428B.10] COORDINATION OF DISTRICTS.**

118.31 If a county establishes a tourism improvement district in a city or town under this chapter,
 118.32 a city or town may not establish a tourism improvement district in the part of the city or

119.1 town located in the county-established district. If a city or town establishes a tourism
 119.2 improvement district under this chapter, a county may not establish a tourism improvement
 119.3 district in the part of the city or town located in the city- or town-established district.

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

119.5 Sec. 14. **CITY OF VIRGINIA; NET DEBT LIMIT EXEMPTION.**

119.6 The city of Virginia may finance the construction of a public safety building in the city
 119.7 of Virginia by obtaining a loan from the United States Department of Agriculture secured
 119.8 by its general obligation pledge. Any bonds issued relating to this construction project or
 119.9 repayment of the loan must not be included in the computation of the city's limit on net debt
 119.10 under Minnesota Statutes, section 475.53, subdivision 1.

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

119.12 Sec. 15. **RAMSEY COUNTY; EXTENDING REDEMPTION PERIODS OF**
 119.13 **PROPERTIES IN TARGETED COMMUNITIES.**

119.14 The period of redemption under Minnesota Statutes, chapter 281, shall be three years
 119.15 for all lands in Ramsey County that are, or previously were, located in a targeted community
 119.16 as defined in Minnesota Statutes, section 469.201, subdivision 10, and that are, or previously
 119.17 were, sold to the state in a tax judgment sale as a result of delinquency in paying taxes for
 119.18 taxes payable year 2023 or later.

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

119.22 Delete the title and insert:

119.23 "A bill for an act
 119.24 relating to taxation; property; modifying provisions governing property taxes,
 119.25 certain state aid programs, certain local taxes, tax increment financing, and various
 119.26 other taxes and tax-related provisions; modifying local government aid calculation;
 119.27 establishing soil and water conservation district aid; converting renter's property
 119.28 tax refund into refundable individual income tax credit; establishing tourism
 119.29 improvement special taxing districts; requiring reports; appropriating money;
 119.30 amending Minnesota Statutes 2022, sections 10A.31, subdivisions 1, 3; 13.46,
 119.31 subdivision 2; 270B.12, subdivision 8; 270B.14, subdivision 1; 270C.445,
 119.32 subdivisions 2, 3; 272.01, subdivision 2; 272.02, subdivisions 24, 73, 98, by adding
 119.33 a subdivision; 273.11, subdivision 12; 273.13, subdivisions 25, 34, 35; 273.1341;
 119.34 273.1392; 278.01, subdivision 1; 279.03, subdivision 1a; 282.261, subdivision 2;
 119.35 289A.18, subdivision 5; 289A.38, subdivision 4; 289A.56, subdivision 6; 289A.60,
 119.36 subdivisions 12, 13, 28; 290A.02; 290A.03, subdivisions 3, 6, 8, 12, 13, by adding
 119.37 a subdivision; 290A.04, subdivisions 1, 2, 2h, 4, 5; 290A.05; 290A.07, subdivision
 119.38 2a; 290A.08; 290A.09; 290A.091; 290A.13; 290A.19; 290A.25; 290B.03,

120.1 subdivision 1; 290B.04, subdivisions 3, 4; 290B.05, subdivision 1; 297A.68,
120.2 subdivision 4; 298.015; 298.018, subdivisions 1, 1a; 298.28, subdivisions 5, 7a;
120.3 298.296, subdivision 4; 327C.02, subdivision 5; 462A.05, subdivision 24; 469.174,
120.4 subdivision 14, by adding a subdivision; 469.175, subdivision 6; 469.176,
120.5 subdivisions 3, 4; 469.1761, subdivision 1; 469.1763, subdivisions 2, 3, 4, 6;
120.6 469.1771, subdivisions 2, 2a, 3; 477A.011, subdivision 34, by adding subdivisions;
120.7 477A.0124, subdivision 2; 477A.013, subdivisions 8, 9; 477A.03, subdivisions
120.8 2a, 2b, by adding a subdivision; 477A.12, subdivisions 1, 3, by adding a
120.9 subdivision; Laws 1980, chapter 511, sections 1, subdivision 2, as amended; 2, as
120.10 amended; Laws 2006, chapter 259, article 11, section 3, as amended; Laws 2008,
120.11 chapter 366, article 5, section 26, as amended; article 7, section 17; Laws 2014,
120.12 chapter 308, article 6, section 12, subdivision 2; proposing coding for new law in
120.13 Minnesota Statutes, chapters 290; 477A; proposing coding for new law as
120.14 Minnesota Statutes, chapter 428B; repealing Minnesota Statutes 2022, sections
120.15 290A.03, subdivisions 9, 11; 290A.04, subdivision 2a; 290A.23, subdivision 1;
120.16 477A.011, subdivisions 30a, 38, 42, 45; 477A.013, subdivision 13."