

1.1 ..... moves to amend H.F. No. 984, the first engrossment, as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 PROPERTY TAXPAYER EMPOWERMENT

1.5 Section 1. Minnesota Statutes 2014, section 123B.63, subdivision 3, is amended to read:

1.6 Subd. 3. **Capital project levy referendum.** (a) A district may levy the local tax  
1.7 rate approved by a majority of the electors voting on the question to provide funds for  
1.8 an approved project. The election must take place no more than five years before the  
1.9 estimated date of commencement of the project. The referendum ~~must~~ may be ~~held on~~  
1.10 ~~a date set by~~ called by the board and, except as provided in paragraph (g), must be held  
1.11 on the first Tuesday after the first Monday in November in either an even-numbered or  
1.12 odd-numbered year. A district must meet the requirements of section 123B.71 for projects  
1.13 funded under this section. If a review and comment is required under section 123B.71,  
1.14 subdivision 8, a referendum for a project not receiving a positive review and comment by  
1.15 the commissioner must be approved by at least 60 percent of the voters at the election.

1.16 (b) ~~The~~ A referendum ~~may be called by the school board and~~ under this subdivision  
1.17 may be held:

1.18 (1) separately, before an election for the issuance of obligations for the project  
1.19 under chapter 475; or

1.20 (2) in conjunction with an election for the issuance of obligations for the project  
1.21 under chapter 475; or

1.22 (3) notwithstanding section 475.59, as a conjunctive question authorizing both the  
1.23 capital project levy and the issuance of obligations for the project under chapter 475. Any  
1.24 obligations authorized for a project may be issued within five years of the date of the  
1.25 election.

2.1 (c) The ballot must provide a general description of the proposed project, state the  
 2.2 estimated total cost of the project, state whether the project has received a positive or  
 2.3 negative review and comment from the commissioner, state the maximum amount of the  
 2.4 capital project levy as a percentage of net tax capacity, state the amount that will be raised  
 2.5 by that local tax rate in the first year it is to be levied, and state the maximum number of  
 2.6 years that the levy authorization will apply.

2.7 The ballot must contain a textual portion with the information required in this  
 2.8 section and a question stating substantially the following:

2.9 "Shall the capital project levy proposed by the board of ..... School District  
 2.10 No. .... be approved?"

2.11 If approved, the amount provided by the approved local tax rate applied to the net  
 2.12 tax capacity for the year preceding the year the levy is certified may be certified for the  
 2.13 number of years, not to exceed ten, approved.

2.14 (d) If the district proposes a new capital project to begin at the time the existing  
 2.15 capital project expires and at the same maximum tax rate, the general description on the  
 2.16 ballot may state that the capital project levy is being renewed and that the tax rate is not  
 2.17 being increased from the previous year's rate. An election to renew authority under this  
 2.18 paragraph may be called at any time that is otherwise authorized by this subdivision. The  
 2.19 ballot notice required under section 275.60 may be modified to read:

2.20 "BY VOTING YES ON THIS BALLOT QUESTION, YOU ARE VOTING  
 2.21 TO RENEW AN EXISTING CAPITAL PROJECTS REFERENDUM THAT IS  
 2.22 SCHEDULED TO EXPIRE."

2.23 (e) In the event a conjunctive question proposes to authorize both the capital project  
 2.24 levy and the issuance of obligations for the project, appropriate language authorizing the  
 2.25 issuance of obligations must also be included in the question.

2.26 (f) The district must notify the commissioner of the results of the referendum.

2.27 (g) Notwithstanding paragraph (a), a referendum to levy the amount needed to  
 2.28 finance a district's response to a disaster or emergency may be held on a date set by the  
 2.29 board. "Disaster" means a situation that creates an actual or imminent serious threat to  
 2.30 the health and safety of persons or a situation that has resulted or is likely to result in  
 2.31 catastrophic loss to property or the environment. "Emergency" means an unforeseen  
 2.32 combination of circumstances that calls for immediate action to prevent a disaster from  
 2.33 developing or occurring.

2.34 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 2.35 2015, and applies to any referendum authorized on or after that date.

3.1 Sec. 2. Minnesota Statutes 2014, section 126C.17, subdivision 9, is amended to read:

3.2 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,  
 3.3 subdivision 1, may be increased in the amount approved by the voters of the district  
 3.4 at a referendum called for the purpose. The referendum may be called by the board.  
 3.5 The referendum must be conducted one or two calendar years before the increased levy  
 3.6 authority, if approved, first becomes payable. Only one election to approve an increase  
 3.7 may be held in a calendar year. ~~Unless the referendum is conducted by mail under~~  
 3.8 ~~subdivision 11, paragraph (a),~~ The referendum must be held on the first Tuesday after the  
 3.9 first Monday in November. The ballot must state the maximum amount of the increased  
 3.10 revenue per adjusted pupil unit. The ballot may state a schedule, determined by the board,  
 3.11 of increased revenue per adjusted pupil unit that differs from year to year over the number  
 3.12 of years for which the increased revenue is authorized or may state that the amount shall  
 3.13 increase annually by the rate of inflation. The ballot must state the cumulative amount per  
 3.14 pupil of any local optional revenue, board-approved referendum authority, and previous  
 3.15 voter-approved referendum authority, if any, that the board expects to certify for the  
 3.16 next school year. For this purpose, the rate of inflation shall be the annual inflationary  
 3.17 increase calculated under subdivision 2, paragraph (b). The ballot may state that existing  
 3.18 referendum levy authority is expiring. In this case, the ballot may also compare the  
 3.19 proposed levy authority to the existing expiring levy authority, and express the proposed  
 3.20 increase as the amount, if any, over the expiring referendum levy authority. The ballot  
 3.21 must designate the specific number of years, not to exceed ten, for which the referendum  
 3.22 authorization applies. The ballot, including a ballot on the question to revoke or reduce the  
 3.23 increased revenue amount under paragraph (c), must abbreviate the term "per adjusted pupil  
 3.24 unit" as "per pupil." The notice required under section 275.60 may be modified to read, in  
 3.25 cases of renewing existing levies at the same amount per pupil as in the previous year:

3.26 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING  
 3.27 TO EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS  
 3.28 SCHEDULED TO EXPIRE."

3.29 The ballot may contain a textual portion with the information required in this  
 3.30 subdivision and a question stating substantially the following:

3.31 "Shall the increase in the revenue proposed by (petition to) the board of .....,  
 3.32 School District No. ..., be approved?"

3.33 If approved, an amount equal to the approved revenue per adjusted pupil unit times  
 3.34 the adjusted pupil units for the school year beginning in the year after the levy is certified  
 3.35 shall be authorized for certification for the number of years approved, if applicable, or  
 3.36 until revoked or reduced by the voters of the district at a subsequent referendum.

4.1 (b) The board must prepare and deliver by first class mail at least 15 days but no more  
4.2 than 30 days before the day of the referendum to each taxpayer a notice of the referendum  
4.3 and the proposed revenue increase. The board need not mail more than one notice to any  
4.4 taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be  
4.5 those shown to be owners on the records of the county auditor or, in any county where  
4.6 tax statements are mailed by the county treasurer, on the records of the county treasurer.  
4.7 Every property owner whose name does not appear on the records of the county auditor  
4.8 or the county treasurer is deemed to have waived this mailed notice unless the owner  
4.9 has requested in writing that the county auditor or county treasurer, as the case may be,  
4.10 include the name on the records for this purpose. The notice must project the anticipated  
4.11 amount of tax increase in annual dollars for typical residential homesteads, agricultural  
4.12 homesteads, apartments, and commercial-industrial property within the school district.

4.13 The notice must state the cumulative and individual amounts per pupil of any local  
4.14 optional revenue, board-approved referendum authority, and voter-approved referendum  
4.15 authority, if any, that the board expects to certify for the next school year.

4.16 The notice for a referendum may state that an existing referendum levy is expiring  
4.17 and project the anticipated amount of increase over the existing referendum levy in  
4.18 the first year, if any, in annual dollars for typical residential homesteads, agricultural  
4.19 homesteads, apartments, and commercial-industrial property within the district.

4.20 The notice must include the following statement: "Passage of this referendum will  
4.21 result in an increase in your property taxes." However, in cases of renewing existing levies,  
4.22 the notice may include the following statement: "Passage of this referendum extends an  
4.23 existing operating referendum at the same amount per pupil as in the previous year."

4.24 (c) A referendum on the question of revoking or reducing the increased revenue  
4.25 amount authorized pursuant to paragraph (a) may be called by the board. A referendum to  
4.26 revoke or reduce the revenue amount must state the amount per adjusted pupil unit by  
4.27 which the authority is to be reduced. Revenue authority approved by the voters of the  
4.28 district pursuant to paragraph (a) must be available to the school district at least once  
4.29 before it is subject to a referendum on its revocation or reduction for subsequent years.  
4.30 Only one revocation or reduction referendum may be held to revoke or reduce referendum  
4.31 revenue for any specific year and for years thereafter.

4.32 (d) The approval of 50 percent plus one of those voting on the question is required to  
4.33 pass a referendum authorized by this subdivision.

4.34 (e) At least 15 days before the day of the referendum, the district must submit a  
4.35 copy of the notice required under paragraph (b) to the commissioner and to the county  
4.36 auditor of each county in which the district is located. Within 15 days after the results

5.1 of the referendum have been certified by the board, or in the case of a recount, the  
5.2 certification of the results of the recount by the canvassing board, the district must notify  
5.3 the commissioner of the results of the referendum.

5.4 Sec. 3. Minnesota Statutes 2014, section 205.10, subdivision 1, is amended to read:

5.5 Subdivision 1. **Questions.** Special elections may be held in a city or town on a  
5.6 question on which the voters are authorized by law or charter to pass judgment. A special  
5.7 election on a question may only be held on the first Tuesday after the first Monday in  
5.8 November in either an even-numbered or odd-numbered year. A special election may be  
5.9 ordered by the governing body of the municipality on its own motion or, on a question  
5.10 that has not been submitted to the voters in an election within the previous six months,  
5.11 upon a petition signed by a number of voters equal to 20 percent of the votes cast at the  
5.12 last municipal general election. A question is carried only with the majority in its favor  
5.13 required by law or charter. The election officials for a special election shall be the same as  
5.14 for the most recent municipal general election unless changed according to law. Otherwise  
5.15 special elections shall be conducted and the returns made in the manner provided for  
5.16 the municipal general election.

5.17 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
5.18 2015, and applies to any referendum authorized on or after that date.

5.19 Sec. 4. Minnesota Statutes 2014, section 205A.05, subdivision 1, is amended to read:

5.20 Subdivision 1. **Questions.** ~~(a)~~ Special elections must be held for a school district  
5.21 on a question on which the voters are authorized by law to pass judgment. The special  
5.22 election on a question may only be held on the first Tuesday after the first Monday in  
5.23 November of either an even-numbered or odd-numbered year. The school board may on  
5.24 its own motion call a special election to vote on any matter requiring approval of the voters  
5.25 of a district. Upon petition filed with the school board of 50 or more voters of the school  
5.26 district or five percent of the number of voters voting at the preceding school district  
5.27 general election, whichever is greater, the school board shall by resolution call a special  
5.28 election to vote on any matter requiring approval of the voters of a district. A question  
5.29 is carried only with the majority in its favor required by law. The election officials for a  
5.30 special election are the same as for the most recent school district general election unless  
5.31 changed according to law. Otherwise, special elections must be conducted and the returns  
5.32 made in the manner provided for the school district general election.

5.33 ~~(b) A special election may not be held:~~

6.1 ~~(1) during the 56 days before and the 56 days after a regularly scheduled primary or~~  
 6.2 ~~general election conducted wholly or partially within the school district;~~

6.3 ~~(2) on the date of a regularly scheduled town election in March conducted wholly~~  
 6.4 ~~or partially within the school district; or~~

6.5 ~~(3) during the 30 days before or the 30 days after a regularly scheduled town election~~  
 6.6 ~~in March conducted wholly or partially within the school district.~~

6.7 ~~(e) Notwithstanding any other law to the contrary, the time period in which a special~~  
 6.8 ~~election must be conducted under any other law may be extended by the school board to~~  
 6.9 ~~conform with the requirements of this subdivision.~~

6.10 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 6.11 2015, and applies to any referendum authorized on or after that date.

6.12 Sec. 5. Minnesota Statutes 2014, section 216B.46, is amended to read:

6.13 **216B.46 MUNICIPAL ACQUISITION PROCEDURES; NOTICE;**  
 6.14 **ELECTION.**

6.15 Any municipality which desires to acquire the property of a public utility as  
 6.16 authorized under the provisions of section 216B.45 may determine to do so by resolution of  
 6.17 the governing body of the municipality taken after a public hearing of which at least 30 days'  
 6.18 published notice shall be given as determined by the governing body. The determination  
 6.19 shall become effective when ratified by a majority of the qualified electors voting on the  
 6.20 question at a special election to be held for that purpose, ~~not less than 60 nor more than~~  
 6.21 ~~120 days after the resolution of the governing body of the municipality~~ on the first Tuesday  
 6.22 after the first Monday in November in either an even-numbered or odd-numbered year.

6.23 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 6.24 2015, and applies to any referendum authorized on or after that date.

6.25 Sec. 6. Minnesota Statutes 2014, section 237.19, is amended to read:

6.26 **237.19 MUNICIPAL TELECOMMUNICATIONS SERVICES.**

6.27 Any municipality shall have the right to own and operate a telephone exchange  
 6.28 within its own borders, subject to the provisions of this chapter. It may construct such  
 6.29 plant, or purchase an existing plant by agreement with the owner, or where it cannot  
 6.30 agree with the owner on price, it may acquire an existing plant by condemnation, as  
 6.31 hereinafter provided, but in no case shall a municipality construct or purchase such a  
 6.32 plant or proceed to acquire an existing plant by condemnation until such action by it  
 6.33 is authorized by a majority of the electors voting upon the proposition at a ~~general~~ an

7.1 ~~election or a special election called for that purpose~~ held on the first Tuesday after the  
 7.2 first Monday in November in either an even-numbered or odd-numbered year, and if the  
 7.3 proposal is to construct a new exchange where an exchange already exists, it shall not  
 7.4 be authorized to do so unless 65 percent of those voting thereon vote in favor of the  
 7.5 undertaking. A municipality that owns and operates a telephone exchange may enter into  
 7.6 a joint venture as a partner or shareholder with a telecommunications organization to  
 7.7 provide telecommunications services within its service area.

7.8 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 7.9 2015, and applies to any referendum authorized on or after that date.

7.10 Sec. 7. Minnesota Statutes 2014, section 275.065, subdivision 3, is amended to read:

7.11 Subd. 3. **Notice of proposed property taxes.** (a) The county auditor shall prepare  
 7.12 and the county treasurer shall deliver after November 10 and on or before November 24  
 7.13 each year, by first class mail to each taxpayer at the address listed on the county's current  
 7.14 year's assessment roll, a notice of proposed property taxes. Upon written request by  
 7.15 the taxpayer, the treasurer may send the notice in electronic form or by electronic mail  
 7.16 instead of on paper or by ordinary mail.

7.17 (b) The commissioner of revenue shall prescribe the form of the notice.

7.18 (c) The notice must inform taxpayers that it contains the amount of property taxes  
 7.19 each taxing authority proposes to collect for taxes payable the following year. In the case of  
 7.20 a town, or in the case of the state general tax, the final tax amount will be its proposed tax.  
 7.21 The notice must clearly state for each city that has a population over 500, county, school  
 7.22 district, regional library authority established under section 134.201, and metropolitan  
 7.23 taxing districts as defined in paragraph (i), the time and place of a meeting for each taxing  
 7.24 authority in which the budget and levy will be discussed and public input allowed, prior to  
 7.25 the final budget and levy determination. The taxing authorities must provide the county  
 7.26 auditor with the information to be included in the notice on or before the time it certifies  
 7.27 its proposed levy under subdivision 1. The public must be allowed to speak at that  
 7.28 meeting, which must occur after November 24 and must not be held before 6:00 p.m. It  
 7.29 must provide a telephone number for the taxing authority that taxpayers may call if they  
 7.30 have questions related to the notice and an address where comments will be received by  
 7.31 mail, except that no notice required under this section shall be interpreted as requiring the  
 7.32 printing of a personal telephone number or address as the contact information for a taxing  
 7.33 authority. If a taxing authority does not maintain public offices where telephone calls can  
 7.34 be received by the authority, the authority may inform the county of the lack of a public  
 7.35 telephone number and the county shall not list a telephone number for that taxing authority.

8.1 (d) The notice must state for each parcel:

8.2 (1) the market value of the property as determined under section 273.11, and used  
8.3 for computing property taxes payable in the following year and for taxes payable in the  
8.4 current year as each appears in the records of the county assessor on November 1 of the  
8.5 current year; and, in the case of residential property, whether the property is classified as  
8.6 homestead or nonhomestead. The notice must clearly inform taxpayers of the years to  
8.7 which the market values apply and that the values are final values;

8.8 (2) the items listed below, shown separately by county, city or town, and state  
8.9 general tax, agricultural homestead credit under section 273.1384, voter approved school  
8.10 levy, other local school levy, and the sum of the special taxing districts, and as a total  
8.11 of all taxing authorities:

8.12 (i) the actual tax for taxes payable in the current year; and

8.13 (ii) the proposed tax amount.

8.14 If the county levy under clause (2) includes an amount for a lake improvement  
8.15 district as defined under sections 103B.501 to 103B.581, the amount attributable for that  
8.16 purpose must be separately stated from the remaining county levy amount.

8.17 In the case of a town or the state general tax, the final tax shall also be its proposed  
8.18 tax unless the town changes its levy at a special town meeting under section 365.52. If a  
8.19 school district has certified under section 126C.17, subdivision 9, that a referendum will  
8.20 be held in the school district at the November general election, the county auditor must  
8.21 note next to the school district's proposed amount that a referendum is pending and that, if  
8.22 approved by the voters, the tax amount may be higher than shown on the notice. In the  
8.23 case of the city of Minneapolis, the levy for Minneapolis Park and Recreation shall be  
8.24 listed separately from the remaining amount of the city's levy. In the case of the city of  
8.25 St. Paul, the levy for the St. Paul Library Agency must be listed separately from the  
8.26 remaining amount of the city's levy. In the case of Ramsey County, any amount levied  
8.27 under section 134.07 may be listed separately from the remaining amount of the county's  
8.28 levy. In the case of a parcel where tax increment or the fiscal disparities areawide tax  
8.29 under chapter 276A or 473F applies, the proposed tax levy on the captured value or the  
8.30 proposed tax levy on the tax capacity subject to the areawide tax must each be stated  
8.31 separately and not included in the sum of the special taxing districts; ~~and~~

8.32 (3) the increase or decrease between the total taxes payable in the current year and  
8.33 the total proposed taxes, expressed as a percentage; and

8.34 (4) a statement at the top of the notice stating the following: if a county or city's  
8.35 proposed levy for next year is greater than its actual levy for the current year, the voters  
8.36 may have the right to petition for a referendum on next year's levy certification, according

9.1 to section 275.80, provided that the final levy that the local government certifies in  
9.2 December of this year is also greater than its levy for the current year.

9.3 For purposes of this section, the amount of the tax on homesteads qualifying under  
9.4 the senior citizens' property tax deferral program under chapter 290B is the total amount  
9.5 of property tax before subtraction of the deferred property tax amount.

9.6 (e) The notice must clearly state that the proposed or final taxes do not include  
9.7 the following:

9.8 (1) special assessments;

9.9 (2) levies approved by the voters after the date the proposed taxes are certified,  
9.10 including bond referenda and school district levy referenda;

9.11 (3) a levy limit increase approved by the voters by the first Tuesday after the first  
9.12 Monday in November of the levy year as provided under section 275.73;

9.13 (4) amounts necessary to pay cleanup or other costs due to a natural disaster  
9.14 occurring after the date the proposed taxes are certified;

9.15 (5) amounts necessary to pay tort judgments against the taxing authority that become  
9.16 final after the date the proposed taxes are certified; and

9.17 (6) the contamination tax imposed on properties which received market value  
9.18 reductions for contamination.

9.19 (f) Except as provided in subdivision 7, failure of the county auditor to prepare or  
9.20 the county treasurer to deliver the notice as required in this section does not invalidate the  
9.21 proposed or final tax levy or the taxes payable pursuant to the tax levy.

9.22 (g) If the notice the taxpayer receives under this section lists the property as  
9.23 nonhomestead, and satisfactory documentation is provided to the county assessor by the  
9.24 applicable deadline, and the property qualifies for the homestead classification in that  
9.25 assessment year, the assessor shall reclassify the property to homestead for taxes payable  
9.26 in the following year.

9.27 (h) In the case of class 4 residential property used as a residence for lease or rental  
9.28 periods of 30 days or more, the taxpayer must either:

9.29 (1) mail or deliver a copy of the notice of proposed property taxes to each tenant,  
9.30 renter, or lessee; or

9.31 (2) post a copy of the notice in a conspicuous place on the premises of the property.

9.32 The notice must be mailed or posted by the taxpayer by November 27 or within  
9.33 three days of receipt of the notice, whichever is later. A taxpayer may notify the county  
9.34 treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to  
9.35 which the notice must be mailed in order to fulfill the requirements of this paragraph.

10.1 (i) For purposes of this subdivision and subdivision 6, "metropolitan special taxing  
 10.2 districts" means the following taxing districts in the seven-county metropolitan area that  
 10.3 levy a property tax for any of the specified purposes listed below:

10.4 (1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325,  
 10.5 473.446, 473.521, 473.547, or 473.834;

10.6 (2) Metropolitan Airports Commission under section 473.667, 473.671, or 473.672;  
 10.7 and

10.8 (3) Metropolitan Mosquito Control Commission under section 473.711.

10.9 For purposes of this section, any levies made by the regional rail authorities in the  
 10.10 county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter  
 10.11 398A shall be included with the appropriate county's levy.

10.12 (j) The governing body of a county, city, or school district may, with the consent  
 10.13 of the county board, include supplemental information with the statement of proposed  
 10.14 property taxes about the impact of state aid increases or decreases on property tax  
 10.15 increases or decreases and on the level of services provided in the affected jurisdiction.  
 10.16 This supplemental information may include information for the following year, the current  
 10.17 year, and for as many consecutive preceding years as deemed appropriate by the governing  
 10.18 body of the county, city, or school district. It may include only information regarding:

10.19 (1) the impact of inflation as measured by the implicit price deflator for state and  
 10.20 local government purchases;

10.21 (2) population growth and decline;

10.22 (3) state or federal government action; and

10.23 (4) other financial factors that affect the level of property taxation and local services  
 10.24 that the governing body of the county, city, or school district may deem appropriate to  
 10.25 include.

10.26 The information may be presented using tables, written narrative, and graphic  
 10.27 representations and may contain instruction toward further sources of information or  
 10.28 opportunity for comment.

10.29 **EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and  
 10.30 thereafter.

10.31 Sec. 8. Minnesota Statutes 2014, section 275.07, subdivision 1, is amended to read:

10.32 Subdivision 1. **Certification of levy.** (a) Except as provided under paragraph (b),  
 10.33 the taxes voted by cities, counties, school districts, and special districts shall be certified  
 10.34 by the proper authorities to the county auditor on or before five working days after  
 10.35 December 20 in each year. A town must certify the levy adopted by the town board to

11.1 the county auditor by September 15 each year. If the town board modifies the levy at a  
 11.2 special town meeting after September 15, the town board must recertify its levy to the  
 11.3 county auditor on or before five working days after December 20. If a city or county levy  
 11.4 is subject to a referendum under section 275.80 and the referendum was approved by the  
 11.5 voters, the maximum levy certified under this section is the proposed levy certified under  
 11.6 section 275.065. If the referendum was not approved, the maximum amount of levy that a  
 11.7 city or county may approve under this section is the maximum alternative levy allowed in  
 11.8 section 275.80, subdivision 2. The city or county may choose to certify a levy less than the  
 11.9 allowed maximum amount. If a city, town, county, school district, or special district fails to  
 11.10 certify its levy by that date, its levy shall be the amount levied by it for the preceding year.

11.11 (b)(i) The taxes voted by counties under sections 103B.241, 103B.245, and 103B.251  
 11.12 shall be separately certified by the county to the county auditor on or before five working  
 11.13 days after December 20 in each year. The taxes certified shall not be reduced by the county  
 11.14 auditor by the aid received under section 273.1398, subdivision 3. If a county fails to  
 11.15 certify its levy by that date, its levy shall be the amount levied by it for the preceding year.

11.16 (ii) For purposes of the proposed property tax notice under section 275.065 and  
 11.17 the property tax statement under section 276.04, for the first year in which the county  
 11.18 implements the provisions of this paragraph, the county auditor shall reduce the county's  
 11.19 levy for the preceding year to reflect any amount levied for water management purposes  
 11.20 under clause (i) included in the county's levy.

11.21 **EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and  
 11.22 thereafter.

11.23 Sec. 9. Minnesota Statutes 2014, section 275.60, is amended to read:

11.24 **275.60 LEVY OR BOND REFERENDUM; BALLOT NOTICE.**

11.25 (a) Notwithstanding any general or special law or any charter provisions, but subject  
 11.26 to section 126C.17, subdivision 9, any question submitted to the voters by any local  
 11.27 governmental subdivision at a ~~general or special~~ an election after ~~June 8, 1995~~ June 30,  
 11.28 2015, authorizing a property tax levy or tax rate increase, including the issuance of debt  
 11.29 obligations payable in whole or in part from property taxes, must include on the ballot the  
 11.30 following notice in boldface type:

11.31 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR  
 11.32 A PROPERTY TAX INCREASE."

11.33 (b) For purposes of this section and section 275.61, "local governmental subdivision"  
 11.34 includes counties, home rule and statutory cities, towns, school districts, and all special

12.1 taxing districts. This statement is in addition to any general or special laws or any charter  
 12.2 provisions that govern the contents of a ballot question and, in the case of a question  
 12.3 on the issuance of debt obligations, may be supplemented by a description of revenues  
 12.4 pledged to payment of the obligations that are intended as the primary source of payment.

12.5 (c) An election under this section must be held on the first Tuesday after the first  
 12.6 Monday in November of either an even-numbered or odd-numbered year. This paragraph  
 12.7 does not apply to an election on levying a tax or issuing debt obligations to finance the  
 12.8 local government's response to a disaster or emergency. An election for these purposes  
 12.9 may be held on a date set by the governing body. "Disaster" means a situation that creates  
 12.10 an actual or imminent serious threat to the health and safety of persons or a situation that  
 12.11 has resulted or is likely to result in catastrophic loss to property or the environment.  
 12.12 "Emergency" means an unforeseen combination of circumstances that calls for immediate  
 12.13 action to prevent a disaster from developing or occurring.

12.14 ~~(e)~~ (d) This section does not apply to a school district bond election if the debt  
 12.15 service payments are to be made entirely from transfers of revenue from the capital fund  
 12.16 to the debt service fund.

12.17 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 12.18 2015, and applies to any referendum authorized on or after that date.

12.19 Sec. 10. **[275.80] LEVY INCREASE; REVERSE REFERENDUM**

12.20 **AUTHORIZED.**

12.21 Subdivision 1. **Citation.** This section shall be known as the "Property Tax Payers'  
 12.22 Empowerment Act."

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

12.25 (b) "General levy" means the total levy certified under section 275.07 by the local  
 12.26 governmental unit excluding any levy that was approved by the voters at a general or  
 12.27 special election.

12.28 (c) "Local governmental unit" means a county or a statutory or home rule charter  
 12.29 city with a population of 500 or greater.

12.30 (d) "Maximum alternative levy" for taxes levied in a current year by a local  
 12.31 governmental unit means the sum of (i) its nondebt levy certified two years previous to the  
 12.32 current year, and (ii) the amount of its proposed levy for the current year levied for the  
 12.33 purposes listed in section 275.70, subdivision 5, clauses (1) to (5).

13.1 (e) "Nondebt levy" means the total levy certified under section 275.07 by the local  
 13.2 governmental unit, minus any amount levied for the purposes listed in section 275.70,  
 13.3 subdivision 5, clauses (1) to (5).

13.4 Subd. 3. **Levy increase; reverse referendum authority.** If the certified general  
 13.5 levy exceeds the general levy in the previous year, the voters may petition for a  
 13.6 referendum on the levy to be certified for the following year. The county auditor must  
 13.7 publish information on the right to petition for a referendum as provided in section 276.04,  
 13.8 subdivisions 1 and 2. If by June 30, a petition signed by the voters equal in number to ten  
 13.9 percent of the votes cast in the last general election requesting a vote on the levy is filed  
 13.10 with the county auditor, a question on the levy to be certified for the current year must be  
 13.11 placed on the ballot at either the general election or at a special election held on the first  
 13.12 Tuesday after the first Monday in November of the current calendar year.

13.13 Subd. 4. **Prohibition against new debt before the election.** Notwithstanding any  
 13.14 other provision of law, ordinance, or local charter provision, a county or city must not issue  
 13.15 any new debt or obligation from the time the petition for referendum is filed with the county  
 13.16 auditor under subdivision 3 until the day after the referendum required under this section is  
 13.17 held, except as allowed in this subdivision. Refunding bonds and bonds that have already  
 13.18 received voter approval are exempt from the prohibition in this subdivision. For purposes  
 13.19 of this subdivision, "obligation" has the meaning given in section 475.51, subdivision 3.

13.20 Subd. 5. **Ballot question; consequence of the vote.** (a) The question submitted to  
 13.21 the voters as required under subdivision 3 shall take the following form:

13.22 "The governing body of ..... has imposed the following property tax levy in the last  
 13.23 two years and is proposing the following maximum levy increase for the coming year:

13.24	<u>(previous payable year)</u>	<u>(current payable year)</u>	<u>(coming payable year)</u>
13.25	<u>Total levy</u>	<u>Total levy</u>	<u>Maximum proposed levy</u>
13.26	<u>\$.....</u>	<u>\$.....</u>	<u>\$.....</u>

13.27 Shall the governing body of ..... be allowed to impose the maximum proposed  
 13.28 levy listed above?

13.29 Yes .....  
 13.30 No .....

13.31 If the majority of votes cast are "no," its maximum allowed property tax levy for the  
 13.32 coming year will be reduced to its maximum alternative levy of ....."

13.33 (b) If a city is subject to this provision, it will provide the county auditor with  
 13.34 information on its proposed levy by September 30 necessary to calculate the maximum  
 13.35 alternative levy under subdivision 2.

14.1 (c) If the majority of votes cast on this question are in the affirmative, the levy  
 14.2 certified by the local governmental unit under section 275.07 must be less than or equal  
 14.3 to its proposed levy under section 275.065. If the question does not receive sufficient  
 14.4 affirmative votes, the levy amount that the local governmental unit certifies under section  
 14.5 275.07 in the current year must be less than or equal to its maximum alternative levy as  
 14.6 defined in subdivision 2.

14.7 **EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and  
 14.8 thereafter.

14.9 Sec. 11. Minnesota Statutes 2014, section 276.04, subdivision 1, is amended to read:

14.10 Subdivision 1. **Auditor to publish rates.** On receiving the tax lists from the county  
 14.11 auditor, the county treasurer shall, if directed by the county board, give three weeks'  
 14.12 published notice in a newspaper specifying the rates of taxation for all general purposes  
 14.13 and the amounts raised for each specific purpose. If a city or county is subject to a petition  
 14.14 of the voters due to a general levy increase as provided in section 275.80, the published  
 14.15 notice must also include the general levy for the current year and the previous year for that  
 14.16 city or county along with the statement in the following form:

14.17 "Because the governing body of ..... increased its nonvoter approved levy in the  
 14.18 current year, the voters in that jurisdiction have the right to petition for a referendum under  
 14.19 section 275.80 on that jurisdiction's levy amount. To invoke the referendum, a petition  
 14.20 signed by voters equal to ten percent of the votes cast in the last general election must be  
 14.21 filed with the county auditor by June 30 of the current year."

14.22 **EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and  
 14.23 thereafter.

14.24 Sec. 12. Minnesota Statutes 2014, section 276.04, subdivision 2, is amended to read:

14.25 Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the printing  
 14.26 of the tax statements. The commissioner of revenue shall prescribe the form of the property  
 14.27 tax statement and its contents. The tax statement must not state or imply that property tax  
 14.28 credits are paid by the state of Minnesota. The statement must contain a tabulated statement  
 14.29 of the dollar amount due to each taxing authority and the amount of the state tax from the  
 14.30 parcel of real property for which a particular tax statement is prepared. The dollar amounts  
 14.31 attributable to the county, the state tax, the voter approved school tax, the other local school  
 14.32 tax, the township or municipality, and the total of the metropolitan special taxing districts  
 14.33 as defined in section 275.065, subdivision 3, paragraph (i), must be separately stated.

15.1 The amounts due all other special taxing districts, if any, may be aggregated except that  
15.2 any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota,  
15.3 Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be listed on a separate  
15.4 line directly under the appropriate county's levy. If the county levy under this paragraph  
15.5 includes an amount for a lake improvement district as defined under sections 103B.501  
15.6 to 103B.581, the amount attributable for that purpose must be separately stated from the  
15.7 remaining county levy amount. In the case of Ramsey County, if the county levy under this  
15.8 paragraph includes an amount for public library service under section 134.07, the amount  
15.9 attributable for that purpose may be separated from the remaining county levy amount.  
15.10 The amount of the tax on homesteads qualifying under the senior citizens' property tax  
15.11 deferral program under chapter 290B is the total amount of property tax before subtraction  
15.12 of the deferred property tax amount. The amount of the tax on contamination value  
15.13 imposed under sections 270.91 to 270.98, if any, must also be separately stated. The dollar  
15.14 amounts, including the dollar amount of any special assessments, may be rounded to the  
15.15 nearest even whole dollar. For purposes of this section whole odd-numbered dollars may  
15.16 be adjusted to the next higher even-numbered dollar. The amount of market value excluded  
15.17 under section 273.11, subdivision 16, if any, must also be listed on the tax statement.

15.18 (b) The property tax statements for manufactured homes and sectional structures  
15.19 taxed as personal property shall contain the same information that is required on the  
15.20 tax statements for real property.

15.21 (c) Real and personal property tax statements must contain the following information  
15.22 in the order given in this paragraph. The information must contain the current year tax  
15.23 information in the right column with the corresponding information for the previous year  
15.24 in a column on the left:

15.25 (1) the property's estimated market value under section 273.11, subdivision 1;

15.26 (2) the property's homestead market value exclusion under section 273.13,  
15.27 subdivision 35;

15.28 (3) the property's taxable market value under section 272.03, subdivision 15;

15.29 (4) the property's gross tax, before credits;

15.30 (5) for homestead agricultural properties, the credit under section 273.1384;

15.31 (6) any credits received under sections 273.119; 273.1234 or 273.1235; 273.135;  
15.32 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of  
15.33 credit received under section 273.135 must be separately stated and identified as "taconite  
15.34 tax relief"; and

15.35 (7) the net tax payable in the manner required in paragraph (a).

16.1 (d) If a city or county is subject to a petition of the voters due to a general levy  
 16.2 increase as provided in section 275.80, the tax statement must also include the general  
 16.3 levy for the current year and the previous year for that city or county along with the  
 16.4 following statement:

16.5 "Because the governing body of ..... increased its nonvoter approved levy in the  
 16.6 current year, the voters in that jurisdiction have the right to petition for a referendum on  
 16.7 that jurisdiction's levy amount under section 275.80. To invoke the referendum, a petition  
 16.8 signed by voters equal to ten percent of the votes cast in the last general election on this  
 16.9 issue must be filed with the county auditor by June 30 of the current year."

16.10 (e) If the county uses envelopes for mailing property tax statements and if the county  
 16.11 agrees, a taxing district may include a notice with the property tax statement notifying  
 16.12 taxpayers when the taxing district will begin its budget deliberations for the current  
 16.13 year, and encouraging taxpayers to attend the hearings. If the county allows notices to  
 16.14 be included in the envelope containing the property tax statement, and if more than  
 16.15 one taxing district relative to a given property decides to include a notice with the tax  
 16.16 statement, the county treasurer or auditor must coordinate the process and may combine  
 16.17 the information on a single announcement.

16.18 **EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and  
 16.19 thereafter.

16.20 Sec. 13. Minnesota Statutes 2014, section 412.221, subdivision 2, is amended to read:

16.21 Subd. 2. **Contracts.** The council shall have power to make such contracts as may be  
 16.22 deemed necessary or desirable to make effective any power possessed by the council. The  
 16.23 city may purchase personal property through a conditional sales contract and real property  
 16.24 through a contract for deed under which contracts the seller is confined to the remedy of  
 16.25 recovery of the property in case of nonpayment of all or part of the purchase price, which  
 16.26 shall be payable over a period of not to exceed five years. When the contract price of  
 16.27 property to be purchased by contract for deed or conditional sales contract exceeds 0.24177  
 16.28 percent of the estimated market value of the city, the city may not enter into such a contract  
 16.29 for at least ten days after publication in the official newspaper of a council resolution  
 16.30 determining to purchase property by such a contract; and, if before the end of that time a  
 16.31 petition asking for an election on the proposition signed by voters equal to ten percent of  
 16.32 the number of voters at the last regular city election is filed with the clerk, the city may  
 16.33 not enter into such a contract until the proposition has been approved by a majority of the  
 16.34 votes cast on the question at ~~a regular or special~~ an election held on the first Tuesday after  
 16.35 the first Monday in November of either an even-numbered or odd-numbered year.

17.1 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 17.2 2015, and applies to any referendum authorized on or after that date.

17.3 Sec. 14. Minnesota Statutes 2014, section 412.301, is amended to read:

17.4 **412.301 FINANCING PURCHASE OF CERTAIN EQUIPMENT.**

17.5 (a) The council may issue certificates of indebtedness or capital notes subject to the  
 17.6 city debt limits to purchase capital equipment.

17.7 (b) For purposes of this section, "capital equipment" means:

17.8 (1) public safety equipment, ambulance and other medical equipment, road  
 17.9 construction and maintenance equipment, and other capital equipment; and

17.10 (2) computer hardware and software, whether bundled with machinery or equipment  
 17.11 or unbundled, together with application development services and training related to the  
 17.12 use of the computer hardware or software.

17.13 (c) The equipment or software must have an expected useful life at least as long as  
 17.14 the terms of the certificates or notes.

17.15 (d) Such certificates or notes shall be payable in not more than ten years and shall be  
 17.16 issued on such terms and in such manner as the council may determine.

17.17 (e) If the amount of the certificates or notes to be issued to finance any such purchase  
 17.18 exceeds 0.25 percent of the estimated market value of taxable property in the city, they shall  
 17.19 not be issued for at least ten days after publication in the official newspaper of a council  
 17.20 resolution determining to issue them; and if before the end of that time, a petition asking  
 17.21 for an election on the proposition signed by voters equal to ten percent of the number of  
 17.22 voters at the last regular municipal election is filed with the clerk, such certificates or notes  
 17.23 shall not be issued until the proposition of their issuance has been approved by a majority  
 17.24 of the votes cast on the question at ~~a regular or special~~ an election held on the first Tuesday  
 17.25 after the first Monday in November of either an even-numbered or odd-numbered year.

17.26 (f) A tax levy shall be made for the payment of the principal and interest on such  
 17.27 certificates or notes, in accordance with section 475.61, as in the case of bonds.

17.28 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 17.29 2015, and applies to any referendum authorized on or after that date.

17.30 Sec. 15. **[416.17] VOTER APPROVAL REQUIRED; LEASES OF PUBLIC**  
 17.31 **BUILDINGS.**

17.32 Subdivision 1. **Reverse referendum; certain leases.** (a) Before executing a  
 17.33 qualified lease, a municipality must publish notice of its intention to execute the lease

18.1 and the date and time of a hearing to obtain public comment on the matter. The notice  
 18.2 must be published in the official newspaper of the municipality or in a newspaper of  
 18.3 general circulation in the municipality and must include a statement of the amount of the  
 18.4 obligations to be issued by the authority and the maximum amount of annual rent to be  
 18.5 paid by the municipality under the qualified lease. The notice must be published at least  
 18.6 14, but not more than 28, days before the date of the hearing.

18.7 (b) A municipality may enter a lease subject to paragraph (a) only upon obtaining  
 18.8 the approval of a majority of the voters voting on the question of issuing the obligations, if  
 18.9 a petition requesting a vote on the issuance is signed by voters equal to five percent of  
 18.10 the votes cast in the municipality in the last general election and is filed with the county  
 18.11 auditor within 30 days after the public hearing.

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

18.14 (b) "Authority" includes any of the following governmental units, the boundaries of  
 18.15 which include all or part of the geographic area of the municipality:

18.16 (1) a housing and redevelopment authority, as defined in section 469.002;

18.17 (2) a port authority, as defined in section 469.048;

18.18 (3) an economic development authority, as defined in section 469.090; or

18.19 (4) an entity established or exercising powers under a special law with powers  
 18.20 similar to those of an entity described in clauses (1) to (3).

18.21 (c) "Municipality" means a statutory or home rule charter city, a county, or a  
 18.22 town described in section 368.01, but does not include a city of the first class, however  
 18.23 organized, as defined in section 410.01.

18.24 (d) "Qualified lease" means a lease for use of public land, all or part of a public  
 18.25 building, or other public facilities consisting of real property for a term of three or more  
 18.26 years as a lessee if the property to be leased to the municipality was acquired or improved  
 18.27 with the proceeds of obligations, as defined in section 475.51, subdivision 3, issued by an  
 18.28 authority.

18.29 Sec. 16. Minnesota Statutes 2014, section 426.19, subdivision 2, is amended to read:

18.30 **Subd. 2. Referendum in certain cases.** Before the pledge of any such revenues to  
 18.31 the payment of any such bonds, warrants or certificates of indebtedness, except bonds,  
 18.32 warrants or certificates of indebtedness to construct, reconstruct, enlarge or equip a  
 18.33 municipal liquor store shall be made, the governing body shall submit to the voters of the  
 18.34 city the question of whether such revenues shall be so pledged and such pledge shall not  
 18.35 be binding on the city until it shall have been approved by a majority of the voters voting

19.1 on the question at ~~either a general~~ an election ~~or special election called for that purpose~~  
 19.2 held on the first Tuesday after the first Monday in November of either an even-numbered  
 19.3 or odd-numbered year. No election shall be required for pledge of such revenues for  
 19.4 payment of bonds, warrants or certificates of indebtedness to construct, reconstruct,  
 19.5 enlarge or equip a municipal liquor store.

19.6 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 19.7 2015, and applies to any referendum authorized on or after that date.

19.8 Sec. 17. Minnesota Statutes 2014, section 447.045, subdivision 2, is amended to read:

19.9 Subd. 2. **Statutory city; on-sale and off-sale store.** If the voters of a statutory city  
 19.10 operating an on-sale and off-sale municipal liquor store, at a ~~general or special~~ an election  
 19.11 held on the first Tuesday after the first Monday in November of either an even-numbered  
 19.12 or odd-numbered year, vote in favor of contributing from its liquor dispensary fund  
 19.13 toward the construction of a community hospital, the city council may appropriate not  
 19.14 more than \$60,000 from the fund to any incorporated nonprofit hospital association to  
 19.15 build a community hospital in the statutory city. The hospital must be governed by a board  
 19.16 including two or more members of the statutory city council and be open to all residents of  
 19.17 the statutory city on equal terms. This appropriation must not exceed one-half the total  
 19.18 cost of construction of the hospital. The council must not appropriate the money unless  
 19.19 the average net earnings of the on-sale and off-sale municipal liquor store have been at  
 19.20 least \$10,000 for the last five completed fiscal years before the date of the appropriation.

19.21 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 19.22 2015, and applies to any referendum authorized on or after that date.

19.23 Sec. 18. Minnesota Statutes 2014, section 447.045, subdivision 3, is amended to read:

19.24 Subd. 3. **Statutory city; off-sale or on- and off-sale store.** (a) If a statutory  
 19.25 city operates an off-sale, or an on- and off-sale municipal liquor store it may provide  
 19.26 for a vote at a ~~general or special~~ an election held on the first Tuesday after the first  
 19.27 Monday in November of either an even-numbered or odd-numbered year on the question  
 19.28 of contributing from the city liquor dispensary fund to build, maintain, and operate a  
 19.29 community hospital. If the vote is in favor, the city council may appropriate money  
 19.30 from the fund to an incorporated hospital association for a period of four years. The  
 19.31 appropriation must be from the net profits or proceeds of the municipal liquor store. It  
 19.32 must not exceed \$4,000 a year for hospital construction and maintenance or \$1,000 a year  
 19.33 for operation. The hospital must be open to all residents of the community on equal terms.

20.1 (b) The council must not appropriate the money unless the average net earnings of  
 20.2 the off-sale, or on- and off-sale municipal liquor store have been at least \$8,000 for the last  
 20.3 two completed years before the date of the appropriation.

20.4 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 20.5 2015, and applies to any referendum authorized on or after that date.

20.6 Sec. 19. Minnesota Statutes 2014, section 447.045, subdivision 4, is amended to read:

20.7 Subd. 4. **Fourth class city operating store.** If a city of the fourth class operates a  
 20.8 municipal liquor store, it may provide for a vote at ~~a general or special~~ an election held  
 20.9 on the first Tuesday after the first Monday in November of either an even-numbered  
 20.10 or odd-numbered year on the question of contributing from the profit in the city liquor  
 20.11 dispensary fund to build, equip, and maintain a community hospital within the city  
 20.12 limits. If the vote is in favor, the city council may appropriate not more than \$200,000  
 20.13 from profits in the fund for the purpose. The hospital must be open to all residents of  
 20.14 the city on equal terms.

20.15 The city may issue certificates of indebtedness in anticipation of and payable only  
 20.16 from profits from the operation of municipal liquor stores.

20.17 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 20.18 2015, and applies to any referendum authorized on or after that date.

20.19 Sec. 20. Minnesota Statutes 2014, section 447.045, subdivision 6, is amended to read:

20.20 Subd. 6. **Statutory city; fourth class.** If a fourth class statutory city operates a  
 20.21 municipal liquor store, it may provide for a vote at ~~a general or special~~ an election held  
 20.22 on the first Tuesday after the first Monday in November of either an even-numbered  
 20.23 or odd-numbered year on the question of contributing from the city liquor dispensary  
 20.24 fund not more than \$15,000 a year for five years to build and maintain a community  
 20.25 hospital. If the vote is in favor the council may appropriate the money from the fund to an  
 20.26 incorporated community hospital association in the city.

20.27 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 20.28 2015, and applies to any referendum authorized on or after that date.

20.29 Sec. 21. Minnesota Statutes 2014, section 447.045, subdivision 7, is amended to read:

20.30 Subd. 7. **Statutory city; any store.** If a statutory city operates a municipal liquor  
 20.31 store, it may provide for a vote at ~~a general or special~~ an election held on the first Tuesday  
 20.32 after the first Monday in November of either an even-numbered or odd-numbered year

21.1 on the question of contributing from the statutory city liquor dispensary fund toward the  
 21.2 acquisition, construction, improvement, maintenance, and operation of a community  
 21.3 hospital. If the vote is in favor, the council may appropriate money from time to time out  
 21.4 of the net profits or proceeds of the municipal liquor store to an incorporated nonprofit  
 21.5 hospital association in the statutory city. The hospital association must be governed by a  
 21.6 board of directors elected by donors of \$50 or more, who each have one vote. The hospital  
 21.7 must be open to all residents of the community on equal terms.

21.8 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 21.9 2015, and applies to any referendum authorized on or after that date.

21.10 Sec. 22. Minnesota Statutes 2014, section 452.11, is amended to read:

21.11 **452.11 SUBMISSION TO VOTERS.**

21.12 No city of the first class shall acquire or construct any public utility under the terms  
 21.13 of sections 452.08 to 452.13 unless the proposition to acquire or construct same has  
 21.14 first been submitted to the qualified electors of the city at a ~~general city election or at a~~  
 21.15 ~~special election called for that purpose,~~ held on the first Tuesday after the first Monday in  
 21.16 November of either an even-numbered or odd-numbered year and has been approved by a  
 21.17 majority vote of all electors voting upon the proposition.

21.18 The question of issuing public utility certificates as provided in section 452.09  
 21.19 may, at the option of the council, be submitted at the same election as the question of the  
 21.20 acquisition or construction of the public utility.

21.21 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 21.22 2015, and applies to any referendum authorized on or after that date.

21.23 Sec. 23. Minnesota Statutes 2014, section 455.24, is amended to read:

21.24 **455.24 SUBMISSION TO VOTERS.**

21.25 Before incurring any expense under the powers conferred by section 455.23, the  
 21.26 approval of the voters of the city shall first be had at a ~~general or special~~ an election  
 21.27 ~~held therein~~ held on the first Tuesday after the first Monday in November of either an  
 21.28 even-numbered or odd-numbered year. If a majority of the voters of the city participating  
 21.29 at the election shall vote in favor of the construction of the system of poles, wires and  
 21.30 cables herein authorized to be made, the council shall proceed with the construction.

21.31 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 21.32 2015, and applies to any referendum authorized on or after that date.

22.1 Sec. 24. Minnesota Statutes 2014, section 455.29, is amended to read:

22.2 **455.29 MUNICIPALITIES MAY EXTEND ELECTRIC SERVICE.**

22.3 Except as otherwise restricted by chapter 216B, the governing body, or the  
 22.4 commission or board charged with the operation of the public utilities, if one exists  
 22.5 therein, of any municipality in the state owning and operating an electric light and power  
 22.6 plant for the purpose of the manufacture and sale of electrical power or for the purchase  
 22.7 and redistribution of electrical power, may, upon a two-thirds vote of the governing  
 22.8 body, or the commission or board, in addition to all other powers now possessed by  
 22.9 such municipality, sell electricity to customers, singly or collectively, outside of such  
 22.10 municipality, within the state but not to exceed a distance of 30 miles from the corporate  
 22.11 limits of the municipality. Before any municipality shall have the power to extend its  
 22.12 lines and sell electricity outside of the municipality as provided by sections 455.29 and  
 22.13 455.30, the governing body shall first submit to the voters of the municipality, at a ~~general~~  
 22.14 ~~or special~~ an election held on the first Tuesday after the first Monday in November of  
 22.15 either an even-numbered or odd-numbered year, the general principle of going outside the  
 22.16 municipality and fixing the maximum amount of contemplated expenditures reasonably  
 22.17 expected to be made for any and all extensions then or thereafter contemplated. Three  
 22.18 weeks' published notice shall be given of such election as required by law, and if a  
 22.19 majority of those voting upon the proposition favors the same, then the municipality shall  
 22.20 thereafter be considered as having chosen to enter the general business of extending  
 22.21 its electric light and power facilities beyond the corporate limits of the municipality.  
 22.22 It shall not be necessary to submit to a vote of the people the question of any specific  
 22.23 enlargement, extension, or improvement of any outside lines; provided the voters of  
 22.24 the municipality have generally elected to exercise the privileges afforded by sections  
 22.25 455.29 and 455.30, and, provided, that each and any specific extension, enlargement, or  
 22.26 improvement project is within the limit of the maximum expenditure authorized at the  
 22.27 election. In cities operating under a home rule charter, where a vote of the people is not  
 22.28 now required in order to extend electric light and power lines, no election shall be required  
 22.29 under the provisions of any act. At any election held to determine the attitude of the  
 22.30 voters upon this principle, the question shall be simply stated upon the ballot provided  
 22.31 therefor, and shall be substantially in the following form: "Shall the city of .....  
 22.32 undertake the general proposition of extending its electric light and power lines beyond  
 22.33 the limits of the municipality, and limit the maximum expenditures for any and all future  
 22.34 extensions to the sum of \$.....?" For this purpose every municipality is authorized  
 22.35 and empowered to extend the lines, wires, and fixtures of its plant to such customers and  
 22.36 may issue certificates of indebtedness therefor in an amount not to exceed the actual cost

23.1 of the extensions and for a term not to exceed the reasonable life of the extensions. These  
 23.2 certificates of indebtedness shall in no case be made a charge against the municipality, but  
 23.3 shall be payable and paid out of current revenues of the plant other than taxes.

23.4 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 23.5 2015, and applies to any referendum authorized on or after that date.

23.6 Sec. 25. Minnesota Statutes 2014, section 459.06, subdivision 1, is amended to read:

23.7 Subdivision 1. **Accept donations.** Any county, city, or town may by resolution of  
 23.8 its governing body accept donations of land that the governing body deems to be better  
 23.9 adapted for the production of timber and wood than for any other purpose, for a forest, and  
 23.10 may manage it on forestry principles. The donor of not less than 100 acres of any such  
 23.11 land shall be entitled to have the land perpetually bear the donor's name. The governing  
 23.12 body of any city or town, when funds are available or have been levied therefor, may,  
 23.13 when authorized by a majority vote by ballot of the voters voting at any ~~general or special~~  
 23.14 city election held on the first Tuesday after the first Monday in November of either an  
 23.15 even-numbered or odd-numbered year or the annual town meeting where the question is  
 23.16 properly submitted, purchase or obtain by condemnation proceedings, and preferably at the  
 23.17 sources of streams, any tract of land for a forest which is better adapted for the production  
 23.18 of timber and wood than for any other purpose, and which is conveniently located for the  
 23.19 purpose, and manage it on forestry principles. The city or town may annually levy a tax  
 23.20 on all taxable property within its boundaries to procure and maintain such forests.

23.21 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 23.22 2015, and applies to any referendum authorized on or after that date.

23.23 Sec. 26. Minnesota Statutes 2014, section 469.053, subdivision 5, is amended to read:

23.24 Subd. 5. **Reverse referendum.** A city may increase its levy for port authority  
 23.25 purposes under subdivision 4 only as provided in this subdivision. Its city council must  
 23.26 first pass a resolution stating the proposed amount of levy increase. The city must then  
 23.27 publish the resolution together with a notice of public hearing on the resolution for  
 23.28 two successive weeks in its official newspaper or, if none exists, in a newspaper of  
 23.29 general circulation in the city. The hearing must be held two to four weeks after the  
 23.30 first publication. After the hearing, the city council may decide to take no action or may  
 23.31 adopt a resolution authorizing the proposed increase or a lesser increase. A resolution  
 23.32 authorizing an increase must be published in the city's official newspaper or, if none  
 23.33 exists, in a newspaper of general circulation in the city. The resolution is not effective if a

24.1 petition requesting a referendum on the resolution is filed with the city clerk within 30  
 24.2 days of publication of the resolution. The petition must be signed by voters equaling five  
 24.3 percent of the votes cast in the city in the last general election. The resolution is effective  
 24.4 if approved by a majority of those voting on the question. The commissioner of revenue  
 24.5 shall prepare a suggested form of referendum question. The referendum must be held at a  
 24.6 ~~special or general~~ an election before October 1 of the year for which the levy increase is  
 24.7 proposed conducted on the first Tuesday after the first Monday in November of either an  
 24.8 even-numbered or odd-numbered year. If approved by the voters, the levy increase may  
 24.9 take effect no sooner than the next calendar year.

24.10 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 24.11 2015, and applies to any referendum authorized on or after that date.

24.12 Sec. 27. Minnesota Statutes 2014, section 469.0724, is amended to read:

24.13 **469.0724 GENERAL OBLIGATION BONDS.**

24.14 The port authority of Cannon Falls or Redwood Falls must not proceed with the sale  
 24.15 of general obligation tax-supported bonds until the city council by resolution approves the  
 24.16 proposed issuance. The resolution must be published in the official newspaper. If, within  
 24.17 30 days after the publication, a petition signed by voters equal in number to ten percent of  
 24.18 the number of voters at the last regular city election is filed with the city clerk, the city  
 24.19 and port authority must not issue the general obligation tax-supported bonds until the  
 24.20 proposition has been approved by a majority of the votes cast on the question at a ~~regular~~  
 24.21 ~~or special~~ an election held on the first Tuesday after the first Monday in November of  
 24.22 either an even-numbered or odd-numbered year.

24.23 **EFFECTIVE DATE.** This section is effective for the city of Cannon Falls and the  
 24.24 city of Redwood Falls the day after the governing body and chief clerical officer of the  
 24.25 city timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

24.26 Sec. 28. Minnesota Statutes 2014, section 469.107, subdivision 2, is amended to read:

24.27 Subd. 2. **Reverse referendum.** A city may increase its levy for economic  
 24.28 development authority purposes under subdivision 1 in the following way. Its city council  
 24.29 must first pass a resolution stating the proposed amount of levy increase. The city must  
 24.30 then publish the resolution together with a notice of public hearing on the resolution  
 24.31 for two successive weeks in its official newspaper or if none exists in a newspaper of  
 24.32 general circulation in the city. The hearing must be held two to four weeks after the  
 24.33 first publication. After the hearing, the city council may decide to take no action or may

25.1 adopt a resolution authorizing the proposed increase or a lesser increase. A resolution  
 25.2 authorizing an increase must be published in the city's official newspaper or if none exists  
 25.3 in a newspaper of general circulation in the city. The resolution is not effective if a petition  
 25.4 requesting a referendum on the resolution is filed with the city clerk within 30 days of  
 25.5 publication of the resolution. The petition must be signed by voters equaling five percent  
 25.6 of the votes cast in the city in the last general election. The election must be held at a  
 25.7 ~~general or special~~ an election held on the first Tuesday after the first Monday in November  
 25.8 of either an even-numbered or odd-numbered year. Notice of the election must be given in  
 25.9 the manner required by law. The notice must state the purpose and amount of the levy.

25.10 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 25.11 2015, and applies to any referendum authorized on or after that date.

25.12 Sec. 29. Minnesota Statutes 2014, section 469.190, subdivision 1, is amended to read:

25.13 Subdivision 1. **Authorization.** Notwithstanding section 477A.016 or any other law,  
 25.14 a statutory or home rule charter city may by ordinance, and a town may by the affirmative  
 25.15 vote of the electors at the annual town meeting, ~~or at a special town meeting,~~ impose a  
 25.16 tax of up to three percent on the gross receipts from the furnishing for consideration of  
 25.17 lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or  
 25.18 leasing of it for a continuous period of 30 days or more. A statutory or home rule charter  
 25.19 city may by ordinance impose the tax authorized under this subdivision on the camping  
 25.20 site receipts of a municipal campground.

25.21 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 25.22 2015, and applies to any referendum authorized on or after that date.

25.23 Sec. 30. Minnesota Statutes 2014, section 469.190, subdivision 5, is amended to read:

25.24 Subd. 5. **Reverse referendum.** If the county board passes a resolution under  
 25.25 subdivision 4 to impose the tax, the resolution must be published for two successive  
 25.26 weeks in a newspaper of general circulation within the unorganized territory, together with  
 25.27 a notice fixing a date for a public hearing on the proposed tax.

25.28 The hearing must be held not less than two weeks nor more than four weeks after the  
 25.29 first publication of the notice. After the public hearing, the county board may determine to  
 25.30 take no further action, or may adopt a resolution authorizing the tax as originally proposed  
 25.31 or approving a lesser rate of tax. The resolution must be published in a newspaper of  
 25.32 general circulation within the unorganized territory. The voters of the unorganized  
 25.33 territory may request a referendum on the proposed tax by filing a petition with the county

26.1 auditor within 30 days after the resolution is published. The petition must be signed by  
 26.2 voters who reside in the unorganized territory. The number of signatures must equal at  
 26.3 least five percent of the number of persons voting in the unorganized territory in the last  
 26.4 general election. If such a petition is timely filed, the resolution is not effective until it  
 26.5 has been submitted to the voters residing in the unorganized territory at a ~~general or~~  
 26.6 ~~special~~ an election held on the first Tuesday after the first Monday in November of either  
 26.7 an even-numbered or odd-numbered year and a majority of votes cast on the question of  
 26.8 approving the resolution are in the affirmative. The commissioner of revenue shall prepare  
 26.9 a suggested form of question to be presented at the referendum.

26.10 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 26.11 2015, and applies to any referendum authorized on or after that date.

26.12 Sec. 31. Minnesota Statutes 2014, section 471.57, subdivision 3, is amended to read:

26.13 Subd. 3. **May use fund for other purposes upon vote.** The council of any  
 26.14 municipality which has established a public works reserve fund by an ordinance  
 26.15 designating the specific improvement or type of capital improvement for which the  
 26.16 fund may be used may submit to the voters of the municipality at any ~~regular or special~~  
 26.17 an election held on the first Tuesday after the first Monday in November of either an  
 26.18 even-numbered or odd-numbered year the question of using the fund for some other  
 26.19 purpose. If a majority of the votes cast on the question are in favor of such diversion from  
 26.20 the original purpose of the fund, it may be used for any purpose so approved by the voters.

26.21 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 26.22 2015, and applies to any referendum authorized on or after that date.

26.23 Sec. 32. Minnesota Statutes 2014, section 471.571, subdivision 3, is amended to read:

26.24 Subd. 3. **Expenditure from fund, limitation.** No expenditure for any one project in  
 26.25 excess of 60 percent of one year's levy or \$25,000, whichever is greater, may be made  
 26.26 from such permanent improvement or replacement fund in any year without first obtaining  
 26.27 the approval of a majority of the voters voting at a ~~general or special~~ municipal election  
 26.28 held on the first Tuesday after the first Monday in November of either an even-numbered  
 26.29 or odd-numbered year at which the question of making such expenditure has been  
 26.30 submitted. In submitting any proposal to the voters for approval, the amount proposed to  
 26.31 be spent and the purpose thereof shall be stated in the proposal submitted. The proceeds  
 26.32 of such levies may be pledged for the payment of any bonds issued pursuant to law for

27.1 any purposes authorized hereby and annual payments upon such bonds or interest may  
27.2 be made without additional authorization.

27.3 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
27.4 2015, and applies to any referendum authorized on or after that date.

27.5 Sec. 33. Minnesota Statutes 2014, section 471.572, subdivision 2, is amended to read:

27.6 Subd. 2. **Tax levy.** The governing body of a city may establish, by a two-thirds vote  
27.7 of all its members, by ordinance or resolution a reserve fund and may annually levy a  
27.8 property tax for the support of the fund. The proceeds of taxes levied for its support must  
27.9 be paid into the reserve fund. Any other revenue from a source not required by law to be  
27.10 paid into another fund for purposes other than those provided for the use of the reserve  
27.11 fund may be paid into the fund. Before a tax is levied under this section, the city must  
27.12 publish in the official newspaper of the city an initial resolution authorizing the tax levy. If  
27.13 within ten days after the publication a petition is filed with the city clerk requesting an  
27.14 election on the tax levy signed by a number of qualified voters greater than ten percent of  
27.15 the number who voted in the city at the last general election, the tax may not be levied  
27.16 until the levy has been approved by a majority of the votes cast on it at ~~a regular or special~~  
27.17 an election held on the first Tuesday after the first Monday in November of either an  
27.18 even-numbered or odd-numbered year.

27.19 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
27.20 2015, and applies to any referendum authorized on or after that date.

27.21 Sec. 34. Minnesota Statutes 2014, section 471.572, subdivision 4, is amended to read:

27.22 Subd. 4. **Use of fund for a specific purpose.** If the city has established a reserve  
27.23 fund, it may submit to the voters at ~~a regular or special~~ an election held on the first  
27.24 Tuesday after the first Monday in November of either an even-numbered or odd-numbered  
27.25 year the question of whether use of the fund should be restricted to a specific improvement  
27.26 or type of capital improvement. If a majority of the votes cast on the question are in  
27.27 favor of the limitation on the use of the reserve fund, it may be used only for the purpose  
27.28 approved by the voters.

27.29 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
27.30 2015, and applies to any referendum authorized on or after that date.

27.31 Sec. 35. Minnesota Statutes 2014, section 475.59, is amended to read:

28.1 **475.59 MANNER OF SUBMISSION; NOTICE.**

28.2 Subdivision 1. **Generally; notice.** When the governing body of a municipality  
 28.3 resolves to issue bonds for any purpose requiring the approval of the electors, it shall  
 28.4 provide for submission of the proposition of their issuance at a general or special election  
 28.5 or town or school district meeting. Notice of such election or meeting shall be given in  
 28.6 the manner required by law and shall state the maximum amount and the purpose of  
 28.7 the proposed issue. In any school district, the school board or board of education may,  
 28.8 according to its judgment and discretion, submit as a single ballot question or as two  
 28.9 or more separate questions in the notice of election and ballots the proposition of their  
 28.10 issuance for any one or more of the following, stated conjunctively or in the alternative:  
 28.11 acquisition or enlargement of sites, acquisition, betterment, erection, furnishing,  
 28.12 equipping of one or more new schoolhouses, remodeling, repairing, improving, adding to,  
 28.13 betterment, furnishing, equipping of one or more existing schoolhouses. In any city, town,  
 28.14 or county, the governing body may, according to its judgment and discretion, submit as a  
 28.15 single ballot question or as two or more separate questions in the notice of election and  
 28.16 ballots the proposition of their issuance, stated conjunctively or in the alternative, for the  
 28.17 acquisition, construction, or improvement of any facilities at one or more locations.

28.18 Subd. 2. **Election date.** An election to approve issuance of bonds under this section  
 28.19 held by a municipality other than a town, must be held on the first Tuesday after the first  
 28.20 Monday in November of either an even-numbered or odd-numbered year. An election  
 28.21 under this section held by a town may be held on the same day as the annual town meeting  
 28.22 or on the first Tuesday after the first Monday in November of either an even-numbered or  
 28.23 odd-numbered year.

28.24 Subd. 3. **Special laws.** If a referendum on the issuance of bonds or other debt  
 28.25 obligations authorized in a special law is required, it must be held on a date as provided in  
 28.26 subdivision 2, notwithstanding any provision in the special law authorizing the referendum  
 28.27 to be held at any other time.

28.28 Subd. 4. **Exception for disaster or emergency.** Subdivisions 2 and 3, and any other  
 28.29 law requiring an election to approve issuance of bonds or other debt obligations to be held  
 28.30 on the first Tuesday after the first Monday in November of either an even-numbered or  
 28.31 odd-numbered year, do not apply to issuance of bonds or other debt obligations to finance  
 28.32 the municipality's response to an emergency or disaster. "Disaster" means a situation  
 28.33 that creates an actual or imminent serious threat to the health and safety of persons or  
 28.34 a situation that has resulted or is likely to result in catastrophic loss to property or the  
 28.35 environment. "Emergency" means an unforeseen combination of circumstances that calls  
 28.36 for immediate action to prevent a disaster from developing or occurring.

29.1 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 29.2 2015, and applies to any referendum authorized on or after that date.

29.3 Sec. 36. **REPEALER.**

29.4 Minnesota Statutes 2014, section 205.10, subdivision 3, is repealed.

29.5 **EFFECTIVE DATE.** Except as otherwise provided, this act is effective August 1,  
 29.6 2015, and applies to any referendum authorized on or after that date.

## 29.7 **ARTICLE 2**

### 29.8 **PROPERTY TAXES**

29.9 Section 1. Minnesota Statutes 2014, section 40A.18, subdivision 2, is amended to read:

29.10 Subd. 2. **Allowed commercial and industrial operations.** Commercial and  
 29.11 industrial operations are not allowed on land within an agricultural preserve except:

29.12 (1) small on-farm commercial or industrial operations normally associated with and  
 29.13 important to farming in the agricultural preserve area;

29.14 (2) storage use of existing farm buildings that does not disrupt the integrity of the  
 29.15 agricultural preserve; ~~and~~

29.16 (3) small commercial use of existing farm buildings for trades not disruptive to the  
 29.17 integrity of the agricultural preserve such as a carpentry shop, small scale mechanics shop,  
 29.18 and similar activities that a farm operator might conduct; and

29.19 (4) wireless communication installments and related equipment and structure  
 29.20 capable of providing technology potentially beneficial to farming activities.

29.21 "Existing" in clauses (2) and (3) means existing on August 1, 1989.

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

29.23 Sec. 2. Minnesota Statutes 2014, section 273.072, is amended by adding a subdivision  
 29.24 to read:

29.25 Subd. 7. **Termination of local assessor's office by town vote.** (a) A town or  
 29.26 township may elect at its annual meeting to enter into a joint assessment agreement with  
 29.27 the county in which the town or township is wholly or partially situated, for purposes of  
 29.28 providing assessments under this section. The county to which assessment duties have  
 29.29 thereto been transferred shall enter into an agreement with the electing town or township  
 29.30 under terms negotiated with the town or township, or, if such terms cannot be mutually  
 29.31 determined, on terms pursuant to the county's authority under this chapter.

30.1 (b) If after electing to enter into a joint assessment agreement under paragraph  
 30.2 (a), the town or township determines that the interests of the town or township may be  
 30.3 better served through valuation by local assessors, it may, at its annual meeting, revoke  
 30.4 the election. Revocation under this paragraph may not be made within four years after  
 30.5 the election in paragraph (a). A revocation under this paragraph is effective at the second  
 30.6 assessment date following the revocation. The office of the town or township assessor shall  
 30.7 be filled as provided by charter or law 90 days before the effective date of the revocation.

30.8 **EFFECTIVE DATE.** This section is effective July 1, 2015.

30.9 Sec. 3. Minnesota Statutes 2014, section 273.124, subdivision 14, is amended to read:

30.10 Subd. 14. **Agricultural homesteads; special provisions.** (a) Real estate of less than  
 30.11 ten acres that is the homestead of its owner must be classified as class 2a under section  
 30.12 273.13, subdivision 23, paragraph (a), if:

30.13 (1) the parcel on which the house is located is contiguous on at least two sides to (i)  
 30.14 agricultural land, (ii) land owned or administered by the United States Fish and Wildlife  
 30.15 Service, or (iii) land administered by the Department of Natural Resources on which in  
 30.16 lieu taxes are paid under sections 477A.11 to 477A.14;

30.17 (2) its owner also owns a noncontiguous parcel of agricultural land that is at least  
 30.18 20 acres;

30.19 (3) the noncontiguous land is located not farther than four townships or cities, or a  
 30.20 combination of townships or cities from the homestead; and

30.21 (4) the agricultural use value of the noncontiguous land and farm buildings is equal  
 30.22 to at least 50 percent of the market value of the house, garage, and one acre of land.

30.23 Homesteads initially classified as class 2a under the provisions of this paragraph shall  
 30.24 remain classified as class 2a, irrespective of subsequent changes in the use of adjoining  
 30.25 properties, as long as the homestead remains under the same ownership, the owner owns a  
 30.26 noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use  
 30.27 value qualifies under clause (4). Homestead classification under this paragraph is limited  
 30.28 to property that qualified under this paragraph for the 1998 assessment.

30.29 (b)(i) Agricultural property shall be classified as the owner's homestead, to the same  
 30.30 extent as other agricultural homestead property, if all of the following criteria are met:

30.31 (1) the agricultural property consists of at least 40 acres including undivided  
 30.32 government lots and correctional 40's;

30.33 (2) the owner, the owner's spouse, or a grandchild, child, sibling, or parent of the  
 30.34 owner or of the owner's spouse, is actively farming the agricultural property, either on the  
 30.35 person's own behalf as an individual or on behalf of a partnership operating a family farm,

31.1 family farm corporation, joint family farm venture, or limited liability company of which  
31.2 the person is a partner, shareholder, or member;

31.3 (3) both the owner of the agricultural property and the person who is actively  
31.4 farming the agricultural property under clause (2), are Minnesota residents;

31.5 (4) neither the owner nor the spouse of the owner claims another agricultural  
31.6 homestead in Minnesota; and

31.7 (5) neither the owner nor the person actively farming the agricultural property lives  
31.8 farther than four townships or cities, or a combination of four townships or cities, from the  
31.9 agricultural property, except that if the owner or the owner's spouse is required to live in  
31.10 employer-provided housing, the owner or owner's spouse, whichever is actively farming  
31.11 the agricultural property, may live more than four townships or cities, or combination of  
31.12 four townships or cities from the agricultural property.

31.13 The relationship under this paragraph may be either by blood or marriage.

31.14 (ii) Agricultural property held by a trustee under a trust is eligible for agricultural  
31.15 homestead classification under this paragraph if the qualifications in clause (i) are met,  
31.16 except that "owner" means the grantor of the trust.

31.17 (iii) Property containing the residence of an owner who owns qualified property  
31.18 under clause (i) shall be classified as part of the owner's agricultural homestead, if that  
31.19 property is also used for noncommercial storage or drying of agricultural crops.

31.20 (iv) As used in this paragraph, "agricultural property" means class 2a property and  
31.21 any class 2b property that is contiguous to and under the same ownership as the class 2a  
31.22 property.

31.23 (c) Agricultural property shall be classified as the owner's homestead, to the same  
31.24 extent as other agricultural homestead property, if all of the following criteria are met:

31.25 (1) the agricultural property consists of at least 40 acres, including undivided  
31.26 government lots and correctional 40's;

31.27 (2) the owner or the owner's spouse actively farmed the agricultural property for  
31.28 at least ten years, either on the owner's own behalf as an individual or on behalf of a  
31.29 partnership operating a family farm, family farm corporation, joint family farm venture, or  
31.30 limited liability company of which the owner is a partner, shareholder, or member;

31.31 (3) the owner of the agricultural property is a Minnesota resident;

31.32 (4) neither the owner nor the spouse of the owner claims another agricultural  
31.33 homestead in Minnesota; and

31.34 (5) the owner lives no farther than four townships or cities, or a combination of four  
31.35 townships or cities, from the agricultural property, except that if the owner or the owner's  
31.36 spouse is required to live in employer-provided housing, the owner or owner's spouse may

32.1 live more than four townships or cities, or combination of four townships or cities, from  
 32.2 the agricultural property.

32.3 ~~(e)~~ (d) Noncontiguous land shall be included as part of a homestead under section  
 32.4 273.13, subdivision 23, paragraph (a), only if the homestead is classified as class 2a  
 32.5 and the detached land is located in the same township or city, or not farther than four  
 32.6 townships or cities or combination thereof from the homestead. Any taxpayer of these  
 32.7 noncontiguous lands must notify the county assessor that the noncontiguous land is part of  
 32.8 the taxpayer's homestead, and, if the homestead is located in another county, the taxpayer  
 32.9 must also notify the assessor of the other county.

32.10 ~~(d)~~ (e) Agricultural land used for purposes of a homestead and actively farmed by a  
 32.11 person holding a vested remainder interest in it must be classified as a homestead under  
 32.12 section 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a,  
 32.13 any other dwellings on the land used for purposes of a homestead by persons holding  
 32.14 vested remainder interests who are actively engaged in farming the property, and up to  
 32.15 one acre of the land surrounding each homestead and reasonably necessary for the use of  
 32.16 the dwelling as a home, must also be assessed class 2a.

32.17 ~~(e)~~ (f) Agricultural land and buildings that were class 2a homestead property under  
 32.18 section 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain  
 32.19 classified as agricultural homesteads for subsequent assessments if:

32.20 (1) the property owner abandoned the homestead dwelling located on the agricultural  
 32.21 homestead as a result of the April 1997 floods;

32.22 (2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman,  
 32.23 or Wilkin;

32.24 (3) the agricultural land and buildings remain under the same ownership for the  
 32.25 current assessment year as existed for the 1997 assessment year and continue to be used  
 32.26 for agricultural purposes;

32.27 (4) the dwelling occupied by the owner is located in Minnesota and is within 30  
 32.28 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

32.29 (5) the owner notifies the county assessor that the relocation was due to the 1997  
 32.30 floods, and the owner furnishes the assessor any information deemed necessary by the  
 32.31 assessor in verifying the change in dwelling. Further notifications to the assessor are not  
 32.32 required if the property continues to meet all the requirements in this paragraph and any  
 32.33 dwellings on the agricultural land remain uninhabited.

32.34 ~~(f)~~ (g) Agricultural land and buildings that were class 2a homestead property under  
 32.35 section 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain  
 32.36 classified agricultural homesteads for subsequent assessments if:

33.1 (1) the property owner abandoned the homestead dwelling located on the agricultural  
33.2 homestead as a result of damage caused by a March 29, 1998, tornado;

33.3 (2) the property is located in the county of Blue Earth, Brown, Cottonwood,  
33.4 LeSueur, Nicollet, Nobles, or Rice;

33.5 (3) the agricultural land and buildings remain under the same ownership for the  
33.6 current assessment year as existed for the 1998 assessment year;

33.7 (4) the dwelling occupied by the owner is located in this state and is within 50 miles  
33.8 of one of the parcels of agricultural land that is owned by the taxpayer; and

33.9 (5) the owner notifies the county assessor that the relocation was due to a March 29,  
33.10 1998, tornado, and the owner furnishes the assessor any information deemed necessary by  
33.11 the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the  
33.12 owner must notify the assessor by December 1, 1998. Further notifications to the assessor  
33.13 are not required if the property continues to meet all the requirements in this paragraph  
33.14 and any dwellings on the agricultural land remain uninhabited.

33.15 ~~(g)~~ (h) Agricultural property of a family farm corporation, joint family farm venture,  
33.16 family farm limited liability company, or partnership operating a family farm as described  
33.17 under subdivision 8 shall be classified homestead, to the same extent as other agricultural  
33.18 homestead property, if all of the following criteria are met:

33.19 (1) the property consists of at least 40 acres including undivided government lots  
33.20 and correctional 40's;

33.21 (2) a shareholder, member, or partner of that entity is actively farming the  
33.22 agricultural property;

33.23 (3) that shareholder, member, or partner who is actively farming the agricultural  
33.24 property is a Minnesota resident;

33.25 (4) neither that shareholder, member, or partner, nor the spouse of that shareholder,  
33.26 member, or partner claims another agricultural homestead in Minnesota; and

33.27 (5) that shareholder, member, or partner does not live farther than four townships or  
33.28 cities, or a combination of four townships or cities, from the agricultural property.

33.29 Homestead treatment applies under this paragraph for property leased to a family  
33.30 farm corporation, joint farm venture, limited liability company, or partnership operating a  
33.31 family farm if legal title to the property is in the name of an individual who is a member,  
33.32 shareholder, or partner in the entity.

33.33 ~~(h)~~ (i) To be eligible for the special agricultural homestead under this subdivision,  
33.34 an initial full application must be submitted to the county assessor where the property is  
33.35 located. Owners and the persons who are actively farming the property shall be required

34.1 to complete only a one-page abbreviated version of the application in each subsequent  
34.2 year provided that none of the following items have changed since the initial application:

34.3 (1) the day-to-day operation, administration, and financial risks remain the same;

34.4 (2) the owners and the persons actively farming the property continue to live within  
34.5 the four townships or city criteria and are Minnesota residents;

34.6 (3) the same operator of the agricultural property is listed with the Farm Service  
34.7 Agency;

34.8 (4) a Schedule F or equivalent income tax form was filed for the most recent year;

34.9 (5) the property's acreage is unchanged; and

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

34.12 The owners and any persons who are actively farming the property must include  
34.13 the appropriate Social Security numbers, and sign and date the application. If any of the  
34.14 specified information has changed since the full application was filed, the owner must  
34.15 notify the assessor, and must complete a new application to determine if the property  
34.16 continues to qualify for the special agricultural homestead. The commissioner of revenue  
34.17 shall prepare a standard reapplication form for use by the assessors.

34.18 ~~(i)~~ (j) Agricultural land and buildings that were class 2a homestead property under  
34.19 section 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain  
34.20 classified agricultural homesteads for subsequent assessments if:

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

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

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

34.27 (4) the dwelling occupied by the owner is located in this state and is within 50 miles  
34.28 of one of the parcels of agricultural land that is owned by the taxpayer; and

34.29 (5) the owner notifies the county assessor that the relocation was due to the August  
34.30 2007 floods, and the owner furnishes the assessor any information deemed necessary by  
34.31 the assessor in verifying the change in homestead dwelling. For taxes payable in 2009, the  
34.32 owner must notify the assessor by December 1, 2008. Further notifications to the assessor  
34.33 are not required if the property continues to meet all the requirements in this paragraph  
34.34 and any dwellings on the agricultural land remain uninhabited.

35.1           (†) (k) Agricultural land and buildings that were class 2a homestead property under  
 35.2 section 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain  
 35.3 classified as agricultural homesteads for subsequent assessments if:

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

35.6           (2) the property is located in the county of Marshall;

35.7           (3) the agricultural land and buildings remain under the same ownership for the  
 35.8 current assessment year as existed for the 2008 assessment year and continue to be used  
 35.9 for agricultural purposes;

35.10          (4) the dwelling occupied by the owner is located in Minnesota and is within 50  
 35.11 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

35.12          (5) the owner notifies the county assessor that the relocation was due to the 2009  
 35.13 floods, and the owner furnishes the assessor any information deemed necessary by the  
 35.14 assessor in verifying the change in dwelling. Further notifications to the assessor are not  
 35.15 required if the property continues to meet all the requirements in this paragraph and any  
 35.16 dwellings on the agricultural land remain uninhabited.

35.17           **EFFECTIVE DATE.** This section is effective beginning with assessment year 2015.

35.18          Sec. 4. Minnesota Statutes 2014, section 273.13, subdivision 23, is amended to read:

35.19           Subd. 23. **Class 2.** (a) An agricultural homestead consists of class 2a agricultural  
 35.20 land that is homesteaded, along with any class 2b rural vacant land that is contiguous to  
 35.21 the class 2a land under the same ownership. The market value of the house and garage  
 35.22 and immediately surrounding one acre of land has the same classification rates as class  
 35.23 1a or 1b property under subdivision 22. The value of the remaining land including  
 35.24 improvements up to the first tier valuation limit of agricultural homestead property has a  
 35.25 classification rate of 0.5 percent of market value. The remaining property over the first tier  
 35.26 has a classification rate of one percent of market value. For purposes of this subdivision,  
 35.27 the "first tier valuation limit of agricultural homestead property" and "first tier" means  
 35.28 the limit certified under section 273.11, subdivision 23.

35.29           (b) Class 2a agricultural land consists of parcels of property, or portions thereof, that  
 35.30 are agricultural land and buildings. Class 2a property has a classification rate of one percent  
 35.31 of market value, unless it is part of an agricultural homestead under paragraph (a). Class  
 35.32 2a property must also include any property that would otherwise be classified as 2b, but is  
 35.33 interspersed with class 2a property, including but not limited to sloughs, wooded wind  
 35.34 shelters, acreage abutting ditches, ravines, rock piles, land subject to a setback requirement,

36.1 and other similar land that is impractical for the assessor to value separately from the rest of  
36.2 the property or that is unlikely to be able to be sold separately from the rest of the property.

36.3 An assessor may classify the part of a parcel described in this subdivision that is used  
36.4 for agricultural purposes as class 2a and the remainder in the class appropriate to its use.

36.5 (c) Class 2b rural vacant land consists of parcels of property, or portions thereof,  
36.6 that are unplatted real estate, rural in character and not used for agricultural purposes,  
36.7 including land used for growing trees for timber, lumber, and wood and wood products,  
36.8 that is not improved with a structure. The presence of a minor, ancillary nonresidential  
36.9 structure as defined by the commissioner of revenue does not disqualify the property from  
36.10 classification under this paragraph. Any parcel of 20 acres or more improved with a  
36.11 structure that is not a minor, ancillary nonresidential structure must be split-classified, and  
36.12 ten acres must be assigned to the split parcel containing the structure. Class 2b property  
36.13 has a classification rate of one percent of market value unless it is part of an agricultural  
36.14 homestead under paragraph (a), or qualifies as class 2c under paragraph (d).

36.15 (d) Class 2c managed forest land consists of no less than 20 and no more than  
36.16 1,920 acres statewide per taxpayer that is being managed under a forest management  
36.17 plan that meets the requirements of chapter 290C, but is not enrolled in the sustainable  
36.18 forest resource management incentive program. It has a classification rate of .65 percent,  
36.19 provided that the owner of the property must apply to the assessor in order for the  
36.20 property to initially qualify for the reduced rate and provide the information required  
36.21 by the assessor to verify that the property qualifies for the reduced rate. If the assessor  
36.22 receives the application and information before May 1 in an assessment year, the property  
36.23 qualifies beginning with that assessment year. If the assessor receives the application  
36.24 and information after April 30 in an assessment year, the property may not qualify until  
36.25 the next assessment year. The commissioner of natural resources must concur that the  
36.26 land is qualified. The commissioner of natural resources shall annually provide county  
36.27 assessors verification information on a timely basis. The presence of a minor, ancillary  
36.28 nonresidential structure as defined by the commissioner of revenue does not disqualify the  
36.29 property from classification under this paragraph.

36.30 (e) Agricultural land as used in this section means:

36.31 (1) contiguous acreage of ten acres or more, used during the preceding year for  
36.32 agricultural purposes; or

36.33 (2) contiguous acreage used during the preceding year for an intensive livestock or  
36.34 poultry confinement operation, provided that land used only for pasturing or grazing  
36.35 does not qualify under this clause.

37.1 "Agricultural purposes" as used in this section means the raising, cultivation, drying,  
37.2 or storage of agricultural products for sale, or the storage of machinery or equipment  
37.3 used in support of agricultural production by the same farm entity. For a property to be  
37.4 classified as agricultural based only on the drying or storage of agricultural products,  
37.5 the products being dried or stored must have been produced by the same farm entity as  
37.6 the entity operating the drying or storage facility. "Agricultural purposes" also includes  
37.7 enrollment in the Reinvest in Minnesota program under sections 103F.501 to 103F.535  
37.8 or the federal Conservation Reserve Program as contained in Public Law 99-198 or a  
37.9 similar state or federal conservation program if the property was classified as agricultural  
37.10 (i) under this subdivision for taxes payable in 2003 because of its enrollment in a  
37.11 qualifying program and the land remains enrolled or (ii) in the year prior to its enrollment.  
37.12 Agricultural classification shall not be based upon the market value of any residential  
37.13 structures on the parcel or contiguous parcels under the same ownership.

37.14 "Contiguous acreage," for purposes of this paragraph, means all of, or a contiguous  
37.15 portion of, a tax parcel as described in section 272.193, or all of, or a contiguous portion  
37.16 of, a set of contiguous tax parcels under that section that are owned by the same person.

37.17 (f) Agricultural land under this section also includes:

37.18 (1) contiguous acreage that is less than ten acres in size and exclusively used in the  
37.19 preceding year for raising or cultivating agricultural products; or

37.20 (2) contiguous acreage that contains a residence and is less than 11 acres in size, if  
37.21 the contiguous acreage exclusive of the house, garage, and surrounding one acre of land  
37.22 was used in the preceding year for one or more of the following three uses:

37.23 (i) for an intensive grain drying or storage operation, or for intensive machinery or  
37.24 equipment storage activities used to support agricultural activities on other parcels of  
37.25 property operated by the same farming entity;

37.26 (ii) as a nursery, provided that only those acres used intensively to produce nursery  
37.27 stock are considered agricultural land; or

37.28 (iii) for intensive market farming; for purposes of this paragraph, "market farming"  
37.29 means the cultivation of one or more fruits or vegetables or production of animal or other  
37.30 agricultural products for sale to local markets by the farmer or an organization with which  
37.31 the farmer is affiliated.

37.32 "Contiguous acreage," for purposes of this paragraph, means all of a tax parcel as  
37.33 described in section 272.193, or all of a set of contiguous tax parcels under that section  
37.34 that are owned by the same person.

37.35 (g) Land shall be classified as agricultural even if all or a portion of the agricultural  
37.36 use of that property is the leasing to, or use by another person for agricultural purposes.

38.1 Classification under this subdivision is not determinative for qualifying under  
38.2 section 273.111.

38.3 (h) The property classification under this section supersedes, for property tax  
38.4 purposes only, any locally administered agricultural policies or land use restrictions that  
38.5 define minimum or maximum farm acreage.

38.6 (i) The term "agricultural products" as used in this subdivision includes production  
38.7 for sale of:

38.8 (1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing  
38.9 animals, horticultural and nursery stock, fruit of all kinds, vegetables, forage, grains,  
38.10 bees, and apiary products by the owner;

38.11 (2) fish bred for sale and consumption if the fish breeding occurs on land zoned  
38.12 for agricultural use;

38.13 (3) the commercial boarding of horses, which may include related horse training and  
38.14 riding instruction, if the boarding is done on property that is also used for raising pasture  
38.15 to graze horses or raising or cultivating other agricultural products as defined in clause (1);

38.16 (4) property which is owned and operated by nonprofit organizations used for  
38.17 equestrian activities, excluding racing;

38.18 (5) game birds and waterfowl bred and raised (i) on a game farm licensed under  
38.19 section 97A.105, provided that the annual licensing report to the Department of Natural  
38.20 Resources, which must be submitted annually by March 30 to the assessor, indicates  
38.21 that at least 500 birds were raised or used for breeding stock on the property during the  
38.22 preceding year and that the owner provides a copy of the owner's most recent schedule F;  
38.23 or (ii) for use on a shooting preserve licensed under section 97A.115;

38.24 (6) insects primarily bred to be used as food for animals;

38.25 (7) trees, grown for sale as a crop, including short rotation woody crops, and not  
38.26 sold for timber, lumber, wood, or wood products; ~~and~~

38.27 (8) maple syrup taken from trees grown by a person licensed by the Minnesota  
38.28 Department of Agriculture under chapter 28A as a food processor; and

38.29 (9) wine produced by a farm winery licensed under section 340A.315.

38.30 (j) If a parcel used for agricultural purposes is also used for commercial or industrial  
38.31 purposes, including but not limited to:

38.32 (1) wholesale and retail sales;

38.33 (2) processing of raw agricultural products or other goods;

38.34 (3) warehousing or storage of processed goods; and

38.35 (4) office facilities for the support of the activities enumerated in clauses (1), (2),  
38.36 and (3),

39.1 the assessor shall classify the part of the parcel used for agricultural purposes as class  
39.2 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its  
39.3 use. The grading, sorting, and packaging of raw agricultural products for first sale is  
39.4 considered an agricultural purpose. A greenhouse or other building where horticultural  
39.5 or nursery products are grown that is also used for the conduct of retail sales must be  
39.6 classified as agricultural if it is primarily used for the growing of horticultural or nursery  
39.7 products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of  
39.8 those products. Use of a greenhouse or building only for the display of already grown  
39.9 horticultural or nursery products does not qualify as an agricultural purpose.

39.10 (k) The assessor shall determine and list separately on the records the market value  
39.11 of the homestead dwelling and the one acre of land on which that dwelling is located. If  
39.12 any farm buildings or structures are located on this homesteaded acre of land, their market  
39.13 value shall not be included in this separate determination.

39.14 (l) Class 2d airport landing area consists of a landing area or public access area of a  
39.15 privately owned public use airport. It has a classification rate of one percent of market  
39.16 value. To qualify for classification under this paragraph, a privately owned public use  
39.17 airport must be licensed as a public airport under section 360.018. For purposes of  
39.18 this paragraph, "landing area" means that part of a privately owned public use airport  
39.19 properly cleared, regularly maintained, and made available to the public for use by aircraft  
39.20 and includes runways, taxiways, aprons, and sites upon which are situated landing or  
39.21 navigational aids. A landing area also includes land underlying both the primary surface  
39.22 and the approach surfaces that comply with all of the following:

39.23 (i) the land is properly cleared and regularly maintained for the primary purposes of  
39.24 the landing, taking off, and taxiing of aircraft; but that portion of the land that contains  
39.25 facilities for servicing, repair, or maintenance of aircraft is not included as a landing area;

39.26 (ii) the land is part of the airport property; and

39.27 (iii) the land is not used for commercial or residential purposes.

39.28 The land contained in a landing area under this paragraph must be described and certified  
39.29 by the commissioner of transportation. The certification is effective until it is modified,  
39.30 or until the airport or landing area no longer meets the requirements of this paragraph.

39.31 For purposes of this paragraph, "public access area" means property used as an aircraft  
39.32 parking ramp, apron, or storage hangar, or an arrival and departure building in connection  
39.33 with the airport.

39.34 (m) Class 2e consists of land with a commercial aggregate deposit that is not actively  
39.35 being mined and is not otherwise classified as class 2a or 2b, provided that the land is not  
39.36 located in a county that has elected to opt-out of the aggregate preservation program as

40.1 provided in section 273.1115, subdivision 6. It has a classification rate of one percent of  
40.2 market value. To qualify for classification under this paragraph, the property must be at  
40.3 least ten contiguous acres in size and the owner of the property must record with the  
40.4 county recorder of the county in which the property is located an affidavit containing:

40.5 (1) a legal description of the property;

40.6 (2) a disclosure that the property contains a commercial aggregate deposit that is not  
40.7 actively being mined but is present on the entire parcel enrolled;

40.8 (3) documentation that the conditional use under the county or local zoning  
40.9 ordinance of this property is for mining; and

40.10 (4) documentation that a permit has been issued by the local unit of government  
40.11 or the mining activity is allowed under local ordinance. The disclosure must include a  
40.12 statement from a registered professional geologist, engineer, or soil scientist delineating  
40.13 the deposit and certifying that it is a commercial aggregate deposit.

40.14 For purposes of this section and section 273.1115, "commercial aggregate deposit"  
40.15 means a deposit that will yield crushed stone or sand and gravel that is suitable for use  
40.16 as a construction aggregate; and "actively mined" means the removal of top soil and  
40.17 overburden in preparation for excavation or excavation of a commercial deposit.

40.18 (n) When any portion of the property under this subdivision or subdivision 22 begins  
40.19 to be actively mined, the owner must file a supplemental affidavit within 60 days from  
40.20 the day any aggregate is removed stating the number of acres of the property that is  
40.21 actively being mined. The acres actively being mined must be (1) valued and classified  
40.22 under subdivision 24 in the next subsequent assessment year, and (2) removed from the  
40.23 aggregate resource preservation property tax program under section 273.1115, if the  
40.24 land was enrolled in that program. Copies of the original affidavit and all supplemental  
40.25 affidavits must be filed with the county assessor, the local zoning administrator, and the  
40.26 Department of Natural Resources, Division of Land and Minerals. A supplemental  
40.27 affidavit must be filed each time a subsequent portion of the property is actively mined,  
40.28 provided that the minimum acreage change is five acres, even if the actual mining activity  
40.29 constitutes less than five acres.

40.30 (o) The definitions prescribed by the commissioner under paragraphs (c) and (d) are  
40.31 not rules and are exempt from the rulemaking provisions of chapter 14, and the provisions  
40.32 in section 14.386 concerning exempt rules do not apply.

40.33 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2016.

40.34 Sec. 5. Minnesota Statutes 2014, section 273.13, subdivision 25, is amended to read:

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

41.8 (b) Class 4b includes:

41.9 (1) residential real estate containing less than four units that does not qualify as class  
41.10 4bb, other than seasonal residential recreational property;

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

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

41.14 (4) unimproved property that is classified residential as determined under subdivision  
41.15 33.

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

41.17 (c) Class 4bb includes nonhomestead residential real estate containing one unit,  
41.18 other than seasonal residential recreational property, and a single family dwelling, garage,  
41.19 and surrounding one acre of property on a nonhomestead farm classified under subdivision  
41.20 23, paragraph (b).

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

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

41.26 (d) Class 4c property includes:

41.27 (1) except as provided in subdivision 22, paragraph (c), real and personal property  
41.28 devoted to commercial temporary and seasonal residential occupancy for recreation  
41.29 purposes, for not more than 250 days in the year preceding the year of assessment. For  
41.30 purposes of this clause, property is devoted to a commercial purpose on a specific day  
41.31 if any portion of the property is used for residential occupancy, and a fee is charged for  
41.32 residential occupancy. Class 4c property under this clause must contain three or more  
41.33 rental units. A "rental unit" is defined as a cabin, condominium, townhouse, sleeping room,  
41.34 or individual camping site equipped with water and electrical hookups for recreational  
41.35 vehicles. A camping pad offered for rent by a property that otherwise qualifies for class  
41.36 4c under this clause is also class 4c under this clause regardless of the term of the rental

42.1 agreement, as long as the use of the camping pad does not exceed 250 days. In order for a  
42.2 property to be classified under this clause, either (i) the business located on the property  
42.3 must provide recreational activities, at least 40 percent of the annual gross lodging receipts  
42.4 related to the property must be from business conducted during 90 consecutive days,  
42.5 and either (A) at least 60 percent of all paid bookings by lodging guests during the year  
42.6 must be for periods of at least two consecutive nights; or (B) at least 20 percent of the  
42.7 annual gross receipts must be from charges for providing recreational activities, or (ii) the  
42.8 business must contain 20 or fewer rental units, and must be located in a township or a city  
42.9 with a population of 2,500 or less located outside the metropolitan area, as defined under  
42.10 section 473.121, subdivision 2, that contains a portion of a state trail administered by the  
42.11 Department of Natural Resources. For purposes of item (i)(A), a paid booking of five or  
42.12 more nights shall be counted as two bookings. Class 4c property also includes commercial  
42.13 use real property used exclusively for recreational purposes in conjunction with other class  
42.14 4c property classified under this clause and devoted to temporary and seasonal residential  
42.15 occupancy for recreational purposes, up to a total of two acres, provided the property is  
42.16 not devoted to commercial recreational use for more than 250 days in the year preceding  
42.17 the year of assessment and is located within two miles of the class 4c property with which  
42.18 it is used. In order for a property to qualify for classification under this clause, the owner  
42.19 must submit a declaration to the assessor designating the cabins or units occupied for 250  
42.20 days or less in the year preceding the year of assessment by January 15 of the assessment  
42.21 year. Those cabins or units and a proportionate share of the land on which they are located  
42.22 must be designated class 4c under this clause as otherwise provided. The remainder of the  
42.23 cabins or units and a proportionate share of the land on which they are located will be  
42.24 designated as class 3a. The owner of property desiring designation as class 4c property  
42.25 under this clause must provide guest registers or other records demonstrating that the units  
42.26 for which class 4c designation is sought were not occupied for more than 250 days in the  
42.27 year preceding the assessment if so requested. The portion of a property operated as a  
42.28 (1) restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5) other  
42.29 nonresidential facility operated on a commercial basis not directly related to temporary and  
42.30 seasonal residential occupancy for recreation purposes does not qualify for class 4c. For  
42.31 the purposes of this paragraph, "recreational activities" means renting ice fishing houses,  
42.32 boats and motors, snowmobiles, downhill or cross-country ski equipment; providing  
42.33 marina services, launch services, or guide services; or selling bait and fishing tackle;  
42.34 (2) qualified property used as a golf course if:  
42.35 (i) it is open to the public on a daily fee basis. It may charge membership fees or  
42.36 dues, but a membership fee may not be required in order to use the property for golfing,

43.1 and its green fees for golfing must be comparable to green fees typically charged by  
43.2 municipal courses; and

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

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

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

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

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

43.15 For purposes of this clause:

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

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

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

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

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

43.35 The organization shall maintain records of its charitable contributions and donations  
43.36 and of public meetings and events held on the property and make them available upon

44.1 request any time to the assessor to ensure eligibility. An organization meeting the  
44.2 requirement under item (ii) must file an application by May 1 with the assessor for  
44.3 eligibility for the current year's assessment. The commissioner shall prescribe a uniform  
44.4 application form and instructions;

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

44.9 (5)(i) manufactured home parks as defined in section 327.14, subdivision 3,  
44.10 excluding manufactured home parks described in section 273.124, subdivision 3a, and (ii)  
44.11 manufactured home parks as defined in section 327.14, subdivision 3, that are described in  
44.12 section 273.124, subdivision 3a;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

45.32 Class 4c property has a classification rate of 1.5 percent of market value, except that  
45.33 (i) each parcel of noncommercial seasonal residential recreational property under clause  
45.34 (12) has the same classification rates as class 4bb property, (ii) manufactured home parks  
45.35 assessed under clause (5), item (i), have the same classification rate as class 4b property,  
45.36 and the market value of manufactured home parks assessed under clause (5), item (ii),

46.1 has a classification rate of 0.75 percent if more than 50 percent of the lots in the park are  
46.2 occupied by shareholders in the cooperative corporation or association and a classification  
46.3 rate of one percent if 50 percent or less of the lots are so occupied, (iii) commercial-use  
46.4 seasonal residential recreational property and marina recreational land as described  
46.5 in clause (11), has a classification rate of one percent for the first \$500,000 of market  
46.6 value, and 1.25 percent for the remaining market value, (iv) the market value of property  
46.7 described in clause (4) has a classification rate of one percent, (v) the market value of  
46.8 property described in clauses (2), (6), and (10) has a classification rate of 1.25 percent,  
46.9 and (vi) that portion of the market value of property in clause (9) qualifying for class 4c  
46.10 property has a classification rate of 1.25 percent. For taxes payable in 2016 through 2025,  
46.11 property qualifying for classification under clause (3) that is owned or operated by a  
46.12 congressionally chartered veterans organization has a classification rate of one percent.

46.13 (e) Class 4d property is qualifying low-income rental housing certified to the assessor  
46.14 by the Housing Finance Agency under section 273.128, subdivision 3. If only a portion  
46.15 of the units in the building qualify as low-income rental housing units as certified under  
46.16 section 273.128, subdivision 3, only the proportion of qualifying units to the total number  
46.17 of units in the building qualify for class 4d. The remaining portion of the building shall be  
46.18 classified by the assessor based upon its use. Class 4d also includes the same proportion of  
46.19 land as the qualifying low-income rental housing units are to the total units in the building.  
46.20 For all properties qualifying as class 4d, the market value determined by the assessor must  
46.21 be based on the normal approach to value using normal unrestricted rents.

46.22 (f) The first tier of market value of class 4d property has a classification rate of 0.75  
46.23 percent. The remaining value of class 4d property has a classification rate of 0.25 percent.  
46.24 For the purposes of this paragraph, the "first tier of market value of class 4d property"  
46.25 means the market value of each housing unit up to the first tier limit. For the purposes of  
46.26 this paragraph, all class 4d property value must be assigned to individual housing units.  
46.27 The first tier limit is \$100,000 for assessment year 2014. For subsequent years, the limit is  
46.28 adjusted each year by the average statewide change in estimated market value of property  
46.29 classified as class 4a and 4d under this section for the previous assessment year, excluding  
46.30 valuation change due to new construction, rounded to the nearest \$1,000, provided,  
46.31 however, that the limit may never be less than \$100,000. Beginning with assessment year  
46.32 2015, the commissioner of revenue must certify the limit for each assessment year by  
46.33 November 1 of the previous year.

46.34 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2016.

46.35 Sec. 6. Minnesota Statutes 2014, section 273.13, subdivision 34, is amended to read:

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

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

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

47.13           (c) If a disabled veteran qualifying for a valuation exclusion under paragraph (b),  
47.14 clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the  
47.15 spouse holds the legal or beneficial title to the homestead and permanently resides there,  
47.16 the exclusion shall carry over to the benefit of the veteran's spouse ~~for the current taxes~~  
47.17 ~~payable year and for eight additional taxes payable years~~ or until such time as the spouse  
47.18 remarries, or sells, transfers, or otherwise disposes of the property, ~~whichever comes first~~.  
47.19 Qualification under this paragraph requires an annual application under paragraph (h).

47.20           (d) If the spouse of a member of any branch or unit of the United States armed  
47.21 forces who dies due to a service-connected cause while serving honorably in active  
47.22 service, as indicated on United States Government Form DD1300 or DD2064, holds  
47.23 the legal or beneficial title to a homestead and permanently resides there, the spouse is  
47.24 entitled to the benefit described in paragraph (b), clause (2), ~~for eight taxes payable years,~~  
47.25 ~~or~~ until such time as the spouse remarries or sells, transfers, or otherwise disposes of the  
47.26 property, ~~whichever comes first~~.

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

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

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

48.1 (h) To qualify for a valuation exclusion under this subdivision a property owner  
 48.2 must apply to the assessor by July 1 of each assessment year, except that an annual  
 48.3 reapplication is not required once a property has been accepted for a valuation exclusion  
 48.4 under paragraph (a) and qualifies for the benefit described in paragraph (b), clause (2), and  
 48.5 the property continues to qualify until there is a change in ownership. For an application  
 48.6 received after July 1 of any calendar year, the exclusion shall become effective for the  
 48.7 following assessment year.

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

48.10 (j) For purposes of this subdivision:

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

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

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

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

48.19 (k) The purpose of this provision of law providing a level of homestead property tax  
 48.20 relief for gravely disabled veterans, their primary family caregivers, and their surviving  
 48.21 spouses is to help ease the burdens of war for those among our state's citizens who bear  
 48.22 those burdens most heavily.

48.23 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2016.

48.24 Sec. 7. Minnesota Statutes 2014, section 274.014, subdivision 2, is amended to read:

48.25 Subd. 2. **Appeals and equalization course.** ~~Beginning in 2006, and each year~~  
 48.26 ~~thereafter,~~ (a) There must be at least one member at each meeting of a local board of  
 48.27 appeal and equalization who has attended an appeals and equalization course developed or  
 48.28 approved by the commissioner within the last four years, as certified by the commissioner.  
 48.29 The course may be offered in conjunction with a meeting of the Minnesota League of Cities  
 48.30 or the Minnesota Association of Townships. The course content must include, but need not  
 48.31 be limited to, a review of the handbook developed by the commissioner under subdivision 1.

48.32 (b) The requirement under paragraph (a) does not apply in any year in which the  
 48.33 commissioner does not offer in-person training, either:

48.34 (1) in conjunction with the Association of Minnesota Townships, reaching at least as  
 48.35 many local board members for which training was offered in 2014; or

49.1 (2) with at least as many registration openings for local board members for which  
 49.2 training was offered in 2014.

49.3 (c) The requirement for in-person training under paragraph (b) may be suspended  
 49.4 when the Office of Broadband Development certifies to the commissioner that broadband  
 49.5 service as defined in section 116J.39 exists in every jurisdiction subject to compliance  
 49.6 with this section.

49.7 **EFFECTIVE DATE.** This section is effective June 1, 2015.

49.8 Sec. 8. **[274.132] PROPERTY OVERVALUED.**

49.9 Subdivision 1. **Tax credit.** Notwithstanding any other provision to the contrary,  
 49.10 when the value of a property is reduced by a local, special, or county board of appeal and  
 49.11 equalization, or an abatement to correct an error in valuation, a taxpayer shall receive a  
 49.12 tax credit in the manner prescribed under subdivision 2.

49.13 Subd. 2. **Reduced value tax balance.** (a) When the value of a property is reduced as  
 49.14 referenced under subdivision 1, the assessor shall determine the amount of taxes payable for  
 49.15 the current year on that property and subtract from that amount the amount of taxes payable  
 49.16 for the current year under the property's reduced value to obtain the property's reduced  
 49.17 value tax balance, if any. The assessor shall credit the reduced value tax balance against a  
 49.18 taxpayer's succeeding year's property taxes due according to the following schedule:

49.19 (1) if the reduced value tax balance is less than 25 percent of the succeeding year's  
 49.20 total property taxes due, it shall be credited to the taxpayer in the succeeding year; or

49.21 (2) if the reduced value tax balance is 25 percent or more of the succeeding year's  
 49.22 total property taxes due, it shall be credited to the taxpayer at a rate of 25 percent of the  
 49.23 property taxes due per year until paid in full.

49.24 Subd. 3. **Settlement.** The reduced value tax balance credit calculated under  
 49.25 subdivision 2 shall reduce the tax payable to each jurisdiction in proportion to the total  
 49.26 taxes payable on the parcel.

49.27 Subd. 4. **Property tax credit runs with the land.** The reduced value tax balance  
 49.28 credit determined under subdivision 2 must be applied against taxes due on the property  
 49.29 without regard to a change in ownership of the property or a change in the person liable  
 49.30 for paying taxes on the property.

49.31 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2016.

49.32 Sec. 9. Minnesota Statutes 2014, section 275.025, is amended to read:

49.33 **275.025 STATE GENERAL TAX.**

50.1 Subdivision 1. **Levy amount.** The state general levy is levied against  
 50.2 commercial-industrial property and seasonal residential recreational property, as defined  
 50.3 in this section. The state general levy ~~base amount~~ for commercial-industrial property is  
 50.4 ~~\$592,000,000~~ \$599,043,000 for taxes payable in ~~2002~~ 2016. The state general levy for  
 50.5 seasonal recreational property is \$15,818,000 for taxes payable in 2016. For taxes payable  
 50.6 in subsequent years, the levy ~~base amount is increased~~ amounts are reduced each year  
 50.7 by ~~multiplying the levy base amount for the prior year by the sum of one plus the rate of~~  
 50.8 ~~increase, if any, in the implicit price deflator for government consumption expenditures~~  
 50.9 ~~and gross investment for state and local governments prepared by the Bureau of Economic~~  
 50.10 ~~Analysts of the United States Department of Commerce for the 12-month period ending~~  
 50.11 ~~March 31 of the year prior to the year the taxes are payable~~ 14.3 percent of the payable  
 50.12 2016 amounts. The levy amounts are \$0 for taxes payable in 2023 and thereafter. The tax  
 50.13 under this section is not treated as a local tax rate under section 469.177 and is not the  
 50.14 levy of a governmental unit under chapters 276A and 473F.

50.15 The commissioner shall increase or decrease the preliminary or final ~~rate~~ rates for a  
 50.16 year as necessary to account for errors and tax base changes that affected a preliminary or  
 50.17 final rate for either of the two preceding years. Adjustments are allowed to the extent that  
 50.18 the necessary information is available to the commissioner at the time the rates for a year  
 50.19 must be certified, and for the following reasons:

- 50.20 (1) an erroneous report of taxable value by a local official;  
 50.21 (2) an erroneous calculation by the commissioner; and  
 50.22 (3) an increase or decrease in taxable value for commercial-industrial or seasonal  
 50.23 residential recreational property reported on the abstracts of tax lists submitted under  
 50.24 section 275.29 that was not reported on the abstracts of assessment submitted under  
 50.25 section 270C.89 for the same year.

50.26 The commissioner may, but need not, make adjustments if the total difference in the tax  
 50.27 levied for the year would be less than \$100,000.

50.28 Subd. 2. **Commercial-industrial tax capacity.** For the purposes of this section,  
 50.29 "commercial-industrial tax capacity" means the tax capacity of all taxable property  
 50.30 classified as class 3 or class 5(1) under section 273.13, ~~except for~~ excluding: (1) the  
 50.31 first \$500,000 of market value of each parcel of commercial-industrial net tax capacity  
 50.32 as defined under section 273.13, subdivision 24, clause (1), (2) electric generation  
 50.33 attached machinery under class 3, and (3) property described in section 473.625. County  
 50.34 commercial-industrial tax capacity amounts are not adjusted for the captured net tax  
 50.35 capacity of a tax increment financing district under section 469.177, subdivision 2, the  
 50.36 net tax capacity of transmission lines deducted from a local government's total net tax

51.1 capacity under section 273.425, or fiscal disparities contribution and distribution net tax  
 51.2 capacities under chapter 276A or 473F. For purposes of this subdivision, the procedures  
 51.3 for determining eligibility for tier 1 under section 273.13, subdivision 24, clause (1),  
 51.4 shall apply in determining the portion of a property eligible to be considered within the  
 51.5 first \$500,000 of market value.

51.6 Subd. 3. **Seasonal residential recreational tax capacity.** For the purposes of this  
 51.7 section, "seasonal residential recreational tax capacity" means the tax capacity of tier III of  
 51.8 class 1c under section 273.13, subdivision 22, and all class 4c(1), 4c(3)(ii), and 4c(12)  
 51.9 property under section 273.13, subdivision 25, ~~except that~~ excluding the first \$76,000  
 51.10 \$200,000 of market value of each noncommercial class 4c(12) property has a tax capacity  
 51.11 for this purpose equal to 40 percent of its tax capacity under section 273.13.

51.12 Subd. 4. **Apportionment and levy of state general tax.** ~~Ninety-five percent of The~~  
 51.13 ~~state general tax must be levied by applying a uniform rate to all commercial-industrial tax~~  
 51.14 ~~capacity and five percent of the state general tax must be levied by applying a uniform~~  
 51.15 ~~rate to all seasonal residential recreational tax capacity. On or before October 1 each year,~~  
 51.16 ~~the commissioner of revenue shall certify the preliminary state general levy rates to each~~  
 51.17 ~~county auditor that must be used to prepare the notices of proposed property taxes for taxes~~  
 51.18 ~~payable in the following year. By January 1 of each year, the commissioner shall certify the~~  
 51.19 ~~final state general levy rate rates to each county auditor that shall be used in spreading taxes.~~

51.20 Subd. 5. **Underserved municipalities distribution.** (a) Any municipality that:

51.21 (1) lies wholly or partially within the metropolitan area as defined under section  
 51.22 473.121, subdivision 2, but outside the transit taxing district as defined under section  
 51.23 473.446, subdivision 2; and

51.24 (2) has a net fiscal disparities contribution equal to or greater than eight percent of  
 51.25 its total taxable net tax capacity,

51.26 is eligible for a distribution from the proceeds of the state general levy imposed on  
 51.27 taxpayers within the municipality.

51.28 (b) The distribution is equal to (1) the municipality's net tax capacity tax rate, times  
 51.29 (2) the municipality's net fiscal disparities contribution in excess of eight percent of its  
 51.30 total taxable net tax capacity; provided, however, that the distribution may not exceed the  
 51.31 tax under this section imposed on taxpayers within the municipality.

51.32 (c) The distribution under this subdivision must be paid to the qualifying  
 51.33 municipality at the same time taxes are settled under sections 276.09 to 276.111.

51.34 (d) For purposes of this subdivision, the following terms have the meanings given.

52.1 (1) "Municipality" means a home rule or statutory city, or a town, except that in the  
 52.2 case of a city that lies only partially within the metropolitan area, municipality means the  
 52.3 portion of the city lying within the metropolitan area.

52.4 (2) "Net fiscal disparities contribution" means a municipality's fiscal disparities  
 52.5 contribution tax capacity minus its distribution net tax capacity.

52.6 (3) "Total taxable net tax capacity" means the total net tax capacity of all properties  
 52.7 in the municipality under section 273.13 minus (i) the net fiscal disparities contribution,  
 52.8 and (ii) the municipality's tax increment captured net tax capacity.

52.9 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2016.

52.10 Sec. 10. Minnesota Statutes 2014, section 275.065, subdivision 1, is amended to read:

52.11 Subdivision 1. **Proposed levy.** (a) Notwithstanding any law or charter to the  
 52.12 contrary, on or before September 30, each county ~~and each~~<sub>2</sub> home rule charter or statutory  
 52.13 city, and special taxing district, excluding the Metropolitan Council and the Metropolitan  
 52.14 Mosquito Control District, shall certify to the county auditor the proposed property tax  
 52.15 levy for taxes payable in the following year. The proposed levy certification date for  
 52.16 the Metropolitan Council shall be as prescribed in sections 473.249 and 473.446. The  
 52.17 proposed levy certification date for the Metropolitan Mosquito Control District shall be  
 52.18 as prescribed in section 473.711.

52.19 (b) Notwithstanding any law or charter to the contrary, on or before September 15,  
 52.20 each town ~~and each special taxing district~~, the Metropolitan Council, and the Metropolitan  
 52.21 Mosquito Control District shall adopt and certify to the county auditor a proposed property  
 52.22 tax levy for taxes payable in the following year. For towns, the final certified levy shall  
 52.23 also be considered the proposed levy.

52.24 (c) On or before September 30, each school district that has not mutually agreed  
 52.25 with its home county to extend this date shall certify to the county auditor the proposed  
 52.26 property tax levy for taxes payable in the following year. Each school district that has  
 52.27 agreed with its home county to delay the certification of its proposed property tax levy  
 52.28 must certify its proposed property tax levy for the following year no later than October  
 52.29 7. The school district shall certify the proposed levy as:

52.30 (1) a specific dollar amount by school district fund, broken down between  
 52.31 voter-approved and non-voter-approved levies and between referendum market value  
 52.32 and tax capacity levies; or

52.33 (2) the maximum levy limitation certified by the commissioner of education  
 52.34 according to section 126C.48, subdivision 1.

53.1 (d) If the board of estimate and taxation or any similar board that establishes  
 53.2 maximum tax levies for taxing jurisdictions within a first class city certifies the maximum  
 53.3 property tax levies for funds under its jurisdiction by charter to the county auditor by the  
 53.4 date specified in paragraph (a), the city shall be deemed to have certified its levies for  
 53.5 those taxing jurisdictions.

53.6 (e) For purposes of this section, "special taxing district" means a special taxing  
 53.7 district as defined in section 275.066. Intermediate school districts that levy a tax  
 53.8 under chapter 124 or 136D, joint powers boards established under sections 123A.44 to  
 53.9 123A.446, and Common School Districts No. 323, Franconia, and No. 815, Prinsburg, are  
 53.10 also special taxing districts for purposes of this section.

53.11 (f) At the meeting at which a taxing authority, other than a town, adopts its proposed  
 53.12 tax levy under this subdivision, the taxing authority shall announce the time and place  
 53.13 of its subsequent regularly scheduled meetings at which the budget and levy will be  
 53.14 discussed and at which the public will be allowed to speak. The time and place of those  
 53.15 meetings must be included in the proceedings or summary of proceedings published in the  
 53.16 official newspaper of the taxing authority under section 123B.09, 375.12, or 412.191.

53.17 **EFFECTIVE DATE.** This section is effective beginning with proposed levy  
 53.18 certifications for taxes payable in 2016.

53.19 Sec. 11. Minnesota Statutes 2014, section 279.01, subdivision 1, is amended to read:

53.20 Subdivision 1. **Due dates; penalties.** ~~Except as provided in subdivisions 3 to 5,~~  
 53.21 ~~on May 16 or 21 days after the postmark date on the envelope containing the property~~  
 53.22 ~~tax statement, whichever is later, a penalty accrues and thereafter is charged upon all~~  
 53.23 ~~unpaid taxes on real estate on the current lists in the hands of the county treasurer. The~~  
 53.24 (a) When the taxes against any tract or lot exceed \$100, one-half of the amount of tax  
 53.25 due must be paid prior to May 16, and the remaining one-half must be paid prior to the  
 53.26 following October 16. If either tax amount is unpaid as of its due date, a penalty is  
 53.27 imposed at a rate of two percent on homestead property until May 31 and four percent  
 53.28 on nonhomestead property. If complete payment has not been made by the first day of  
 53.29 the month following either due date, an additional penalty of two percent on June 1. The  
 53.30 penalty on nonhomestead property is at a rate of four percent until May 31 homestead  
 53.31 property and eight four percent on June 1. This penalty does not accrue until June 1 of  
 53.32 each year, or 21 days after the postmark date on the envelope containing the property  
 53.33 tax statements, whichever is later, on commercial use real property used for seasonal  
 53.34 residential recreational purposes and classified as class 1c or 4c, and on other commercial  
 53.35 use real property classified as class 3a, provided that over 60 percent of the gross income

54.1 ~~earned by the enterprise on the class 3a property is earned during the months of May,~~  
54.2 ~~June, July, and August. In order for the first half of the tax due on class 3a property to be~~  
54.3 ~~paid after May 15 and before June 1, or 21 days after the postmark date on the envelope~~  
54.4 ~~containing the property tax statement, whichever is later, without penalty, the owner of~~  
54.5 ~~the property must attach an affidavit to the payment attesting to compliance with the~~  
54.6 ~~income provision of this subdivision nonhomestead property is imposed. Thereafter,~~  
54.7 ~~for both homestead and nonhomestead property, on the first day of each subsequent~~  
54.8 ~~month beginning July 1, up to and including October 1 following through December, an~~  
54.9 ~~additional penalty of one percent for each month accrues and is charged on all such unpaid~~  
54.10 ~~taxes provided that if the due date was extended beyond May 15 as the result of any delay~~  
54.11 ~~in mailing property tax statements no additional penalty shall accrue if the tax is paid by~~  
54.12 ~~the extended due date. If the tax is not paid by the extended due date, then all penalties~~  
54.13 ~~that would have accrued if the due date had been May 15 shall be charged. When the taxes~~  
54.14 ~~against any tract or lot exceed \$100, one-half thereof may be paid prior to May 16 or~~  
54.15 ~~21 days after the postmark date on the envelope containing the property tax statement,~~  
54.16 ~~whichever is later; and, if so paid, no penalty attaches; the remaining one-half may be~~  
54.17 ~~paid at any time prior to October 16 following, without penalty; but, if not so paid, then~~  
54.18 ~~a penalty of two percent accrues thereon for homestead property and a penalty of four~~  
54.19 ~~percent on nonhomestead property. Thereafter, for homestead property, on the first day of~~  
54.20 ~~November an additional penalty of four percent accrues and on the first day of December~~  
54.21 ~~following, an additional penalty of two percent accrues and is charged on all such unpaid~~  
54.22 ~~taxes. Thereafter, for nonhomestead property, on the first day of November and December~~  
54.23 ~~following, an additional penalty of four percent for each month accrues and is charged on~~  
54.24 ~~all such unpaid taxes. If one-half of such taxes are not paid prior to May 16 or 21 days~~  
54.25 ~~after the postmark date on the envelope containing the property tax statement, whichever~~  
54.26 ~~is later, the same may be paid at any time prior to October 16, with accrued penalties to the~~  
54.27 ~~date of payment added, and thereupon no penalty attaches to the remaining one-half until~~  
54.28 ~~October 16 following the penalty must not exceed eight percent in the case of homestead~~  
54.29 ~~property, or 12 percent in the case of nonhomestead property.~~

54.30 (b) If the property tax statement was not postmarked prior to April 25, the first  
54.31 half payment due date in paragraph (a) shall be 21 days from the postmark date of the  
54.32 property tax statement, and all penalties referenced in paragraph (a) shall be determined  
54.33 with regard to the later due date.

54.34 (c) In the case of a tract or lot with taxes of \$100 or less, the due date and penalties  
54.35 as specified in paragraph (a) or (b) for the first half payment shall apply to the entire  
54.36 amount of the tax due.

55.1 (d) For commercial use real property used for seasonal residential recreational  
 55.2 purposes and classified as class 1c or 4c, and on other commercial use real property  
 55.3 classified as class 3a, provided that over 60 percent of the gross income earned by the  
 55.4 enterprise on the class 3a property is earned during the months of May, June, July, and  
 55.5 August, the first half payment is due prior to June 1. For a class 3a property to qualify  
 55.6 for the later due date, the owner of the property must attach an affidavit to the payment  
 55.7 attesting to compliance with the income requirements of this paragraph.

55.8 (e) This section applies to payment of personal property taxes assessed against  
 55.9 improvements to leased property, except as provided by section 277.01, subdivision 3.

55.10 (f) A county may provide by resolution that in the case of a property owner that has  
 55.11 multiple tracts or parcels with aggregate taxes exceeding \$100, payments may be made in  
 55.12 installments as provided in this subdivision.

55.13 (g) The county treasurer may accept payments of more or less than the exact amount  
 55.14 of a tax installment due. Payments must be applied first to the oldest installment that is due  
 55.15 but which has not been fully paid. If the accepted payment is less than the amount due,  
 55.16 payments must be applied first to the penalty accrued for the year or the installment being  
 55.17 paid. Acceptance of partial payment of tax does not constitute a waiver of the minimum  
 55.18 payment required as a condition for filing an appeal under section 278.03 or any other law,  
 55.19 nor does it affect the order of payment of delinquent taxes under section 280.39.

55.20 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2016.

55.21 Sec. 12. Minnesota Statutes 2014, section 279.01, subdivision 3, is amended to read:

55.22 Subd. 3. **Agricultural property.** ~~(a) In the case of class 1b agricultural homestead,~~  
 55.23 ~~class 2a agricultural homestead property, and class 2a agricultural nonhomestead property,~~  
 55.24 ~~no penalties shall attach to the second one-half property tax payment as provided in this~~  
 55.25 ~~section if paid by November 15. Thereafter for class 1b agricultural homestead and class~~  
 55.26 ~~2a homestead property, on November 16 following, a penalty of six percent shall accrue~~  
 55.27 ~~and be charged on all such unpaid taxes and on December 1 following, an additional two~~  
 55.28 ~~percent shall be charged on all such unpaid taxes. Thereafter for class 2a agricultural~~  
 55.29 ~~nonhomestead property, on November 16 following, a penalty of eight percent shall accrue~~  
 55.30 ~~and be charged on all such unpaid taxes and on December 1 following, an additional four~~  
 55.31 ~~percent shall be charged on all such unpaid taxes, penalties shall attach as provided in~~  
 55.32 subdivision 1.

55.33 If the owner of class 1b agricultural homestead or class 2a agricultural property  
 55.34 receives a consolidated property tax statement that shows only an aggregate of the taxes  
 55.35 and special assessments due on that property and on other property not classified as class

56.1 1b agricultural homestead or class 2a agricultural property, the aggregate tax and special  
 56.2 assessments shown due on the property by the consolidated statement will be due on  
 56.3 November 15.

56.4 ~~(b) Notwithstanding paragraph (a), for taxes payable in 2010 and 2011, for any class~~  
 56.5 ~~2b property that was subject to a second-half due date of November 15 for taxes payable~~  
 56.6 ~~in 2009, the county shall not impose, or if imposed, shall abate penalty amounts in excess~~  
 56.7 ~~of those that would apply as if the second-half due date were November 15.~~

56.8 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2016.

56.9 Sec. 13. Minnesota Statutes 2014, section 290C.10, is amended to read:

56.10 **290C.10 WITHDRAWAL PROCEDURES.**

56.11 (a) An approved claimant under the sustainable forest incentive program for a  
 56.12 minimum of four years may notify the commissioner of the intent to terminate enrollment.  
 56.13 Within 90 days of receipt of notice to terminate enrollment, the commissioner shall  
 56.14 inform the claimant in writing, acknowledging receipt of this notice and indicating the  
 56.15 effective date of termination from the sustainable forest incentive program. Termination  
 56.16 of enrollment in the sustainable forest incentive program occurs on January 1 of the fifth  
 56.17 calendar year that begins after receipt by the commissioner of the termination notice.  
 56.18 After the commissioner issues an effective date of termination, a claimant wishing to  
 56.19 continue the land's enrollment in the sustainable forest incentive program beyond the  
 56.20 termination date must apply for enrollment as prescribed in section 290C.04. A claimant  
 56.21 who withdraws a parcel of land from this program may not reenroll the parcel for a period  
 56.22 of three years. Within 90 days after the termination date, the commissioner shall execute  
 56.23 and acknowledge a document releasing the land from the covenant required under this  
 56.24 chapter. The document must be mailed to the claimant and is entitled to be recorded. The  
 56.25 commissioner may allow early withdrawal from the Sustainable Forest Incentive Act  
 56.26 without penalty when the state of Minnesota, any local government unit, or any other entity  
 56.27 which has the power of eminent domain acquires title or possession to the land for a public  
 56.28 purpose notwithstanding the provisions of this section. In the case of ~~such~~ an eligible  
 56.29 acquisition, the commissioner shall execute and acknowledge a document releasing the  
 56.30 land acquired by the state, local government unit, or other entity from the covenant.

56.31 (b) Notwithstanding paragraph (a), the commissioner shall allow early withdrawal  
 56.32 from the Sustainable Forest Incentive Act without penalty when the state acquires a  
 56.33 permanent conservation easement on the enrolled property and the conservation easement  
 56.34 is at least as restrictive as the covenant required under section 290C.04. In the case of

57.1 an eligible easement acquisition, the commissioner shall execute and acknowledge a  
 57.2 document releasing the land subject to the easement from the covenant. All other enrolled  
 57.3 land must remain in the program.

57.4 (c) Notwithstanding paragraph (a), the commissioner shall allow early withdrawal  
 57.5 from the Sustainable Forest Incentive Act without penalty for land that is subject to fee  
 57.6 or easement acquisition or lease to the state of Minnesota or a political subdivision  
 57.7 of the state for the public purpose of a paved trail. In the case of an eligible fee or  
 57.8 easement acquisition or lease under this paragraph, the commissioner shall execute and  
 57.9 acknowledge a document releasing the land subject to fee or easement acquisition or lease  
 57.10 by the state or political subdivision of the state.

57.11 **EFFECTIVE DATE.** This section is effective July 1, 2015.

57.12 Sec. 14. Minnesota Statutes 2014, section 473.446, subdivision 1, is amended to read:

57.13 Subdivision 1. **Metropolitan area transit tax.** (a) For the purposes of sections  
 57.14 473.405 to 473.449 and the metropolitan transit system, except as otherwise provided in  
 57.15 this subdivision, the council shall levy each year upon all taxable property within the  
 57.16 metropolitan area, defined in section 473.121, subdivision 2, a transit tax consisting of:

57.17 (1) an amount necessary to provide full and timely payment of certificates of  
 57.18 indebtedness, bonds, including refunding bonds or other obligations issued or to be issued  
 57.19 under section 473.39 by the council for purposes of acquisition and betterment of property  
 57.20 and other improvements of a capital nature and to which the council has specifically  
 57.21 pledged tax levies under this clause; and

57.22 (2) an additional amount necessary to provide full and timely payment of certificates  
 57.23 of indebtedness issued by the council, after consultation with the commissioner of  
 57.24 management and budget, if revenues to the metropolitan area transit fund in the fiscal year  
 57.25 in which the indebtedness is issued increase over those revenues in the previous fiscal  
 57.26 year by a percentage less than the percentage increase for the same period in the revised  
 57.27 Consumer Price Index for all urban consumers for the St. Paul-Minneapolis metropolitan  
 57.28 area prepared by the United States Department of Labor.

57.29 (b) Indebtedness to which property taxes have been pledged under paragraph (a),  
 57.30 clause (2), that is incurred in any fiscal year may not exceed the amount necessary to make  
 57.31 up the difference between (1) the amount that the council received or expects to receive  
 57.32 in that fiscal year from the metropolitan area transit fund and (2) the amount the council  
 57.33 received from that fund in the previous fiscal year multiplied by the percentage increase  
 57.34 for the same period in the revised Consumer Price Index for all urban consumers for the St.  
 57.35 Paul-Minneapolis metropolitan area prepared by the United States Department of Labor.

58.1 (c) No levy is allowed for expenses related to the operation of transit or paratransit  
 58.2 services. This paragraph must not be construed as limiting the council's ability to levy  
 58.3 for debt obligations under paragraph (a).

58.4 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2016.

58.5 Sec. 15. Minnesota Statutes 2014, section 473H.09, is amended to read:

58.6 **473H.09 EARLY TERMINATION.**

58.7 Subdivision 1. **Public emergency.** Termination of an agricultural preserve earlier  
 58.8 than a date derived through application of section 473H.08 may be permitted only in the  
 58.9 event of a public emergency upon petition from the owner or authority to the governor.  
 58.10 The determination of a public emergency shall be by the governor through executive order  
 58.11 pursuant to sections 4.035 and 12.01 to 12.46. The executive order shall identify the  
 58.12 preserve, the reasons requiring the action and the date of termination.

58.13 Subd. 2. **Death of owner.** (a) Within 180 days of the death of an owner, an owner's  
 58.14 spouse, or other qualifying person, the surviving owner may elect to terminate the  
 58.15 agricultural preserve and the covenant allowing the land to be enrolled as an agricultural  
 58.16 preserve by notifying the authority on a form provided by the commissioner of agriculture.  
 58.17 Termination of a covenant under this subdivision must be executed and acknowledged in  
 58.18 the manner required by law to execute and acknowledge a deed.

58.19 (b) For purposes of this subdivision, the following definitions apply:

58.20 (1) "qualifying person" includes a partner, shareholder, trustee for a trust that the  
 58.21 decedent was the settlor or a beneficiary of, or member of an entity permitted to own  
 58.22 agricultural land and engage in farming under section 500.24 that owned the agricultural  
 58.23 preserve; and

58.24 (2) "surviving owner" includes the executor of the estate of the decedent, the trustee  
 58.25 for a trust that the decedent was the settlor or a beneficiary of, or an entity permitted to  
 58.26 own farm land under section 500.24 of which the decedent was a partner, shareholder, or  
 58.27 member.

58.28 (c) When an agricultural preserve is terminated under this subdivision, the property  
 58.29 is subject to additional taxes in an amount equal to 50 percent of the taxes actually  
 58.30 levied against the property for the current taxes payable year. The additional taxes are  
 58.31 extended against the property on the tax list for taxes payable in the current year. The  
 58.32 additional taxes must be distributed among the jurisdictions levying taxes on the property  
 58.33 in proportion to the current year's taxes.

58.34 **EFFECTIVE DATE.** This section is effective July 1, 2015.

59.1 Sec. 16. Minnesota Statutes 2014, section 473H.17, subdivision 1a, is amended to read:

59.2 Subd. 1a. **Allowed commercial and industrial operations.** (a) Commercial and  
59.3 industrial operations are not allowed on land within an agricultural preserve except:

59.4 (1) small on-farm commercial or industrial operations normally associated with and  
59.5 important to farming in the agricultural preserve area;

59.6 (2) storage use of existing farm buildings that does not disrupt the integrity of the  
59.7 agricultural preserve; ~~and~~

59.8 (3) small commercial use of existing farm buildings for trades not disruptive to the  
59.9 integrity of the agricultural preserve such as a carpentry shop, small scale mechanics shop,  
59.10 and similar activities that a farm operator might conduct; and

59.11 (4) wireless communication installments and related equipment and structure  
59.12 capable of providing technology potentially beneficial to farming activities.

59.13 (b) "Existing" in paragraph (a), clauses (2) and (3), means existing on August 1, 1987.

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

59.15 Sec. 17. Laws 1996, chapter 471, article 3, section 51, is amended to read:

59.16 Sec. 51. **RECREATION LEVY FOR SAWYER BY CARLTON COUNTY.**

59.17 ~~Subdivision 1. **Levy authorized.** Notwithstanding other law to the contrary, the~~  
59.18 ~~Carlton county board of commissioners may levy in and for the unorganized township of~~  
59.19 ~~Sawyer an amount up to \$1,500 \$2,000 annually for recreational purposes, beginning with~~  
59.20 ~~taxes payable in 1997 and ending with taxes payable in 2006.~~

59.21 ~~Subd. 2. **Effective date.** This section is effective June 1, 1996, without local~~  
59.22 ~~approval.~~

59.23 **EFFECTIVE DATE.** This section is effective the day after the Carlton County  
59.24 Board of Commissioners and its chief clerical officer comply with section 645.021,  
59.25 subdivisions 2 and 3, and applies to taxes payable in 2015.

### 59.26 ARTICLE 3

#### 59.27 AIDS AND CREDITS

59.28 Section 1. Minnesota Statutes 2014, section 16A.726, is amended to read:

59.29 **16A.726 SPORTS FACILITIES TRANSFERS; APPROPRIATIONS.**

59.30 (a) If state appropriation bonds have not been issued under section 16A.965, amounts  
59.31 not to exceed the increased revenues estimated by the commissioner of management and  
59.32 budget under section 297E.021, subdivision 2, are appropriated from the general fund to

60.1 the commissioner of management and budget to make transfers to the Minnesota Sports  
60.2 Facilities Authority for stadium costs as defined under section 473J.03, subdivision 9.

60.3 (b) The commissioner shall make transfers to the Minnesota Sports Facilities  
60.4 Authority required to make the state payments under section 473J.13, subdivisions 2 and  
60.5 4, and for the amount of Minneapolis taxes withheld under section 297A.994, subdivision  
60.6 4, ~~paragraph (a), clause~~ clauses (5) and (6). Amounts sufficient to make the transfers are  
60.7 appropriated to the commissioner from the general fund.

60.8 (c) \$2,700,000 is annually appropriated from the general fund from fiscal year 2014  
60.9 through fiscal year 2033 to the commissioner of management and budget for a grant to the  
60.10 city of St. Paul for the operating or capital costs of new or existing sports facilities.

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

60.12 Sec. 2. **[273.1387] SCHOOL BUILDING BOND AGRICULTURAL CREDIT.**

60.13 Subdivision 1. **Eligibility.** All class 2a, 2b, and 2c property under section 273.13,  
60.14 subdivision 23, other than property consisting of the house, garage, and immediately  
60.15 surrounding one acre of land of an agricultural homestead, is eligible to receive the credit  
60.16 under this section.

60.17 Subd. 2. **Credit amount.** For each qualifying property, the school building bond  
60.18 agricultural credit is equal to 50 percent of the property's eligible net tax capacity  
60.19 multiplied by the school debt tax rate determined under section 275.08, subdivision 1b.

60.20 Subd. 3. **Credit notification.** The preliminary credit under this section must be  
60.21 noted on the notice of proposed property taxes under section 275.065, subdivision 3. The  
60.22 actual credit amount must be reported on the property tax statement under section 276.04,  
60.23 subdivision 2. The credit may be claimed by the property owner as an income tax credit as  
60.24 provided in section 290.06, subdivision 37.

60.25 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2016.

60.26 Sec. 3. Minnesota Statutes 2014, section 275.065, subdivision 3, is amended to read:

60.27 Subd. 3. **Notice of proposed property taxes.** (a) The county auditor shall prepare  
60.28 and the county treasurer shall deliver after November 10 and on or before November 24  
60.29 each year, by first class mail to each taxpayer at the address listed on the county's current  
60.30 year's assessment roll, a notice of proposed property taxes. Upon written request by  
60.31 the taxpayer, the treasurer may send the notice in electronic form or by electronic mail  
60.32 instead of on paper or by ordinary mail.

60.33 (b) The commissioner of revenue shall prescribe the form of the notice.

61.1 (c) The notice must inform taxpayers that it contains the amount of property taxes  
61.2 each taxing authority proposes to collect for taxes payable the following year. In the case of  
61.3 a town, or in the case of the state general tax, the final tax amount will be its proposed tax.  
61.4 The notice must clearly state for each city that has a population over 500, county, school  
61.5 district, regional library authority established under section 134.201, and metropolitan  
61.6 taxing districts as defined in paragraph (i), the time and place of a meeting for each taxing  
61.7 authority in which the budget and levy will be discussed and public input allowed, prior to  
61.8 the final budget and levy determination. The taxing authorities must provide the county  
61.9 auditor with the information to be included in the notice on or before the time it certifies  
61.10 its proposed levy under subdivision 1. The public must be allowed to speak at that  
61.11 meeting, which must occur after November 24 and must not be held before 6:00 p.m. It  
61.12 must provide a telephone number for the taxing authority that taxpayers may call if they  
61.13 have questions related to the notice and an address where comments will be received by  
61.14 mail, except that no notice required under this section shall be interpreted as requiring the  
61.15 printing of a personal telephone number or address as the contact information for a taxing  
61.16 authority. If a taxing authority does not maintain public offices where telephone calls can  
61.17 be received by the authority, the authority may inform the county of the lack of a public  
61.18 telephone number and the county shall not list a telephone number for that taxing authority.

61.19 (d) The notice must state for each parcel:

61.20 (1) the market value of the property as determined under section 273.11, and used  
61.21 for computing property taxes payable in the following year and for taxes payable in the  
61.22 current year as each appears in the records of the county assessor on November 1 of the  
61.23 current year; and, in the case of residential property, whether the property is classified as  
61.24 homestead or nonhomestead. The notice must clearly inform taxpayers of the years to  
61.25 which the market values apply and that the values are final values;

61.26 (2) the items listed below, shown separately by county, city or town, and state  
61.27 general tax, agricultural homestead credit under section 273.1384, school building bond  
61.28 agricultural credit under section 273.1387, voter approved school levy, other local school  
61.29 levy, and the sum of the special taxing districts, and as a total of all taxing authorities:

61.30 (i) the actual tax for taxes payable in the current year; and

61.31 (ii) the proposed tax amount.

61.32 If the county levy under clause (2) includes an amount for a lake improvement  
61.33 district as defined under sections 103B.501 to 103B.581, the amount attributable for that  
61.34 purpose must be separately stated from the remaining county levy amount.

61.35 In the case of a town or the state general tax, the final tax shall also be its proposed  
61.36 tax unless the town changes its levy at a special town meeting under section 365.52. If a

62.1 school district has certified under section 126C.17, subdivision 9, that a referendum will  
 62.2 be held in the school district at the November general election, the county auditor must  
 62.3 note next to the school district's proposed amount that a referendum is pending and that, if  
 62.4 approved by the voters, the tax amount may be higher than shown on the notice. In the  
 62.5 case of the city of Minneapolis, the levy for Minneapolis Park and Recreation shall be  
 62.6 listed separately from the remaining amount of the city's levy. In the case of the city of  
 62.7 St. Paul, the levy for the St. Paul Library Agency must be listed separately from the  
 62.8 remaining amount of the city's levy. In the case of Ramsey County, any amount levied  
 62.9 under section 134.07 may be listed separately from the remaining amount of the county's  
 62.10 levy. In the case of a parcel where tax increment or the fiscal disparities areawide tax  
 62.11 under chapter 276A or 473F applies, the proposed tax levy on the captured value or the  
 62.12 proposed tax levy on the tax capacity subject to the areawide tax must each be stated  
 62.13 separately and not included in the sum of the special taxing districts; ~~and~~.

62.14 In the case of property allowed a school building bond agricultural credit under  
 62.15 section 273.1387, the notice must indicate that the property owner may claim the credit  
 62.16 under the income tax as provided in section 290.06, subdivision 37; and

62.17 (3) the increase or decrease between the total taxes payable in the current year and  
 62.18 the total proposed taxes, expressed as a percentage.

62.19 For purposes of this section, the amount of the tax on homesteads qualifying under  
 62.20 the senior citizens' property tax deferral program under chapter 290B is the total amount  
 62.21 of property tax before subtraction of the deferred property tax amount.

62.22 (e) The notice must clearly state that the proposed or final taxes do not include  
 62.23 the following:

62.24 (1) special assessments;

62.25 (2) levies approved by the voters after the date the proposed taxes are certified,  
 62.26 including bond referenda and school district levy referenda;

62.27 (3) a levy limit increase approved by the voters by the first Tuesday after the first  
 62.28 Monday in November of the levy year as provided under section 275.73;

62.29 (4) amounts necessary to pay cleanup or other costs due to a natural disaster  
 62.30 occurring after the date the proposed taxes are certified;

62.31 (5) amounts necessary to pay tort judgments against the taxing authority that become  
 62.32 final after the date the proposed taxes are certified; and

62.33 (6) the contamination tax imposed on properties which received market value  
 62.34 reductions for contamination.

63.1 (f) Except as provided in subdivision 7, failure of the county auditor to prepare or  
 63.2 the county treasurer to deliver the notice as required in this section does not invalidate the  
 63.3 proposed or final tax levy or the taxes payable pursuant to the tax levy.

63.4 (g) If the notice the taxpayer receives under this section lists the property as  
 63.5 nonhomestead, and satisfactory documentation is provided to the county assessor by the  
 63.6 applicable deadline, and the property qualifies for the homestead classification in that  
 63.7 assessment year, the assessor shall reclassify the property to homestead for taxes payable  
 63.8 in the following year.

63.9 (h) In the case of class 4 residential property used as a residence for lease or rental  
 63.10 periods of 30 days or more, the taxpayer must either:

63.11 (1) mail or deliver a copy of the notice of proposed property taxes to each tenant,  
 63.12 renter, or lessee; or

63.13 (2) post a copy of the notice in a conspicuous place on the premises of the property.

63.14 The notice must be mailed or posted by the taxpayer by November 27 or within  
 63.15 three days of receipt of the notice, whichever is later. A taxpayer may notify the county  
 63.16 treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to  
 63.17 which the notice must be mailed in order to fulfill the requirements of this paragraph.

63.18 (i) For purposes of this subdivision and subdivision 6, "metropolitan special taxing  
 63.19 districts" means the following taxing districts in the seven-county metropolitan area that  
 63.20 levy a property tax for any of the specified purposes listed below:

63.21 (1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325,  
 63.22 473.446, 473.521, 473.547, or 473.834;

63.23 (2) Metropolitan Airports Commission under section 473.667, 473.671, or 473.672;

63.24 and

63.25 (3) Metropolitan Mosquito Control Commission under section 473.711.

63.26 For purposes of this section, any levies made by the regional rail authorities in the  
 63.27 county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter  
 63.28 398A shall be included with the appropriate county's levy.

63.29 (j) The governing body of a county, city, or school district may, with the consent  
 63.30 of the county board, include supplemental information with the statement of proposed  
 63.31 property taxes about the impact of state aid increases or decreases on property tax  
 63.32 increases or decreases and on the level of services provided in the affected jurisdiction.  
 63.33 This supplemental information may include information for the following year, the current  
 63.34 year, and for as many consecutive preceding years as deemed appropriate by the governing  
 63.35 body of the county, city, or school district. It may include only information regarding:

- 64.1 (1) the impact of inflation as measured by the implicit price deflator for state and  
 64.2 local government purchases;
- 64.3 (2) population growth and decline;
- 64.4 (3) state or federal government action; and
- 64.5 (4) other financial factors that affect the level of property taxation and local services  
 64.6 that the governing body of the county, city, or school district may deem appropriate to  
 64.7 include.

64.8 The information may be presented using tables, written narrative, and graphic  
 64.9 representations and may contain instruction toward further sources of information or  
 64.10 opportunity for comment.

64.11 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2017.

64.12 Sec. 4. Minnesota Statutes 2014, section 275.07, subdivision 2, is amended to read:

64.13 Subd. 2. **School district in more than one county levies; special requirements.** (a)

64.14 In school districts lying in more than one county, the clerk shall certify the tax levied to the  
 64.15 auditor of the county in which the administrative offices of the school district are located.

64.16 (b) The district must identify the portion of the school district levy that is levied for  
 64.17 debt service at the time the levy is certified under this section. For the purposes of this  
 64.18 paragraph, "levied for debt service" means levies authorized under sections 123B.53,  
 64.19 123B.535, and 123B.55, as adjusted by sections 126C.46 and 126C.48, net of any debt  
 64.20 excess levy reductions under section 475.61, subdivision 4.

64.21 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2017.

64.22 Sec. 5. Minnesota Statutes 2014, section 275.08, subdivision 1b, is amended to read:

64.23 Subd. 1b. **Computation of tax rates.** (a) The amounts certified to be levied against  
 64.24 net tax capacity under section 275.07 by an individual local government unit shall be  
 64.25 divided by the total net tax capacity of all taxable properties within the local government  
 64.26 unit's taxing jurisdiction. The resulting ratio, the local government's local tax rate,  
 64.27 multiplied by each property's net tax capacity shall be each property's net tax capacity tax  
 64.28 for that local government unit before reduction by any credits.

64.29 (b) The auditor must also determine the school debt tax rate for each school district  
 64.30 equal to the school debt service levy certified under section 275.07, divided by the total  
 64.31 net tax capacity of all taxable property within the district.

64.32 (c) Any amount certified to the county auditor to be levied against market value shall  
 64.33 be divided by the total referendum market value of all taxable properties within the taxing

65.1 district. The resulting ratio, the taxing district's new referendum tax rate, multiplied by  
 65.2 each property's referendum market value shall be each property's new referendum tax  
 65.3 before reduction by any credits. For the purposes of this subdivision, "referendum market  
 65.4 value" means the market value as defined in section 126C.01, subdivision 3.

65.5 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2017.

65.6 Sec. 6. Minnesota Statutes 2014, section 276.04, subdivision 2, is amended to read:

65.7 Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the printing  
 65.8 of the tax statements. The commissioner of revenue shall prescribe the form of the property  
 65.9 tax statement and its contents. The tax statement must not state or imply that property tax  
 65.10 credits are paid by the state of Minnesota. The statement must contain a tabulated statement  
 65.11 of the dollar amount due to each taxing authority and the amount of the state tax from the  
 65.12 parcel of real property for which a particular tax statement is prepared. The dollar amounts  
 65.13 attributable to the county, the state tax, the voter approved school tax, the other local school  
 65.14 tax, the township or municipality, and the total of the metropolitan special taxing districts  
 65.15 as defined in section 275.065, subdivision 3, paragraph (i), must be separately stated.

65.16 The amounts due all other special taxing districts, if any, may be aggregated except that  
 65.17 any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota,  
 65.18 Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be listed on a separate  
 65.19 line directly under the appropriate county's levy. If the county levy under this paragraph  
 65.20 includes an amount for a lake improvement district as defined under sections 103B.501  
 65.21 to 103B.581, the amount attributable for that purpose must be separately stated from the  
 65.22 remaining county levy amount. In the case of Ramsey County, if the county levy under this  
 65.23 paragraph includes an amount for public library service under section 134.07, the amount  
 65.24 attributable for that purpose may be separated from the remaining county levy amount.

65.25 The amount of the tax on homesteads qualifying under the senior citizens' property tax  
 65.26 deferral program under chapter 290B is the total amount of property tax before subtraction  
 65.27 of the deferred property tax amount. The amount of the tax on contamination value  
 65.28 imposed under sections 270.91 to 270.98, if any, must also be separately stated. The dollar  
 65.29 amounts, including the dollar amount of any special assessments, may be rounded to the  
 65.30 nearest even whole dollar. For purposes of this section whole odd-numbered dollars may  
 65.31 be adjusted to the next higher even-numbered dollar. The amount of market value excluded  
 65.32 under section 273.11, subdivision 16, if any, must also be listed on the tax statement.

65.33 (b) The property tax statements for manufactured homes and sectional structures  
 65.34 taxed as personal property shall contain the same information that is required on the  
 65.35 tax statements for real property.

66.1 (c) Real and personal property tax statements must contain the following information  
 66.2 in the order given in this paragraph. The information must contain the current year tax  
 66.3 information in the right column with the corresponding information for the previous year  
 66.4 in a column on the left:

66.5 (1) the property's estimated market value under section 273.11, subdivision 1;

66.6 (2) the property's homestead market value exclusion under section 273.13,  
 66.7 subdivision 35;

66.8 (3) the property's taxable market value under section 272.03, subdivision 15;

66.9 (4) the property's gross tax, before credits;

66.10 (5) for homestead agricultural properties, the credit under section 273.1384;

66.11 (6) any credits received under sections 273.119; 273.1234 or 273.1235; 273.135;  
 66.12 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of  
 66.13 credit received under section 273.135 must be separately stated and identified as "taconite  
 66.14 tax relief"; ~~and~~

66.15 (7) the net tax payable in the manner required in paragraph (a); and

66.16 (8) the school building bond agricultural credit under section 273.1387, with a  
 66.17 statement indicating that the credit may be claimed as an income tax credit under section  
 66.18 290.06, subdivision 37.

66.19 (d) If the county uses envelopes for mailing property tax statements and if the county  
 66.20 agrees, a taxing district may include a notice with the property tax statement notifying  
 66.21 taxpayers when the taxing district will begin its budget deliberations for the current  
 66.22 year, and encouraging taxpayers to attend the hearings. If the county allows notices to  
 66.23 be included in the envelope containing the property tax statement, and if more than  
 66.24 one taxing district relative to a given property decides to include a notice with the tax  
 66.25 statement, the county treasurer or auditor must coordinate the process and may combine  
 66.26 the information on a single announcement.

66.27 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2017.

66.28 Sec. 7. Minnesota Statutes 2014, section 290.06, is amended by adding a subdivision  
 66.29 to read:

66.30 **Subd. 37. School building bond agricultural credit.** (a) A taxpayer is allowed  
 66.31 a credit against the tax imposed under subdivision 2c and section 290.091 equal to the  
 66.32 amount determined under section 273.1387 and reported to the taxpayer on the property tax  
 66.33 statement as provided in section 276.04, subdivision 2. The credit is allowed in the taxable  
 66.34 year for which the property taxes are payable. For a taxpayer who is allowed a credit under  
 66.35 section 273.1387 for more than one parcel, the credit under this section equals the sum of

67.1 the amounts allowed under section 273.1387 for all parcels. A credit allowed under section  
67.2 273.1387 to a property with multiple owners must be allocated to one or more of the owners  
67.3 of the property, but the total amount claimed may not exceed the amount determined under  
67.4 section 273.1387 and reported on the property tax statement for the property.

67.5 (b) If the amount of credit that the taxpayer is eligible to receive under this  
67.6 subdivision exceeds the taxpayer's liability under this section and section 290.091, the  
67.7 commissioner of revenue shall refund the excess to the taxpayer.

67.8 (c) The amount necessary to pay claims for refunds provided in this subdivision is  
67.9 appropriated to the commissioner of revenue from the general fund.

67.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after  
67.11 December 31, 2015.

67.12 Sec. 8. Minnesota Statutes 2014, section 297A.994, subdivision 4, is amended to read:

67.13 Subd. 4. **General fund allocations.** The commissioner must retain and deposit to  
67.14 the general fund the following amounts, as required by subdivision 3, clause (3):

67.15 (1) for state bond debt service support beginning in calendar year 2021, and for each  
67.16 calendar year thereafter through calendar year 2046, periodic amounts so that not later than  
67.17 December 31, 2046, an aggregate amount equal to a present value of \$150,000,000 has been  
67.18 deposited in the general fund. To determine aggregate present value, the commissioner  
67.19 must consult with the commissioner of management and budget regarding the present value  
67.20 dates, discount rate or rates, and schedules of annual amounts. The present value date or  
67.21 dates must be based on the date or dates bonds are sold under section 16A.965, or the date  
67.22 or dates other state funds, if any, are deposited into the construction fund. The discount rate  
67.23 or rates must be based on the true interest cost of the bonds issued under section 16A.965,  
67.24 or an equivalent 30-year bond index, as determined by the commissioner of management  
67.25 and budget. The schedule of annual amounts must be certified to the commissioner by the  
67.26 commissioner of management and budget and the finance officer of the city;

67.27 (2) for the capital improvement reserve appropriation to the Minnesota Sports  
67.28 Facilities Authority beginning in calendar year 2021, and for each calendar year thereafter  
67.29 through calendar year 2046, an aggregate annual amount equal to the amount paid by the  
67.30 state for this purpose in that calendar year under section 473J.13, subdivision 4;

67.31 (3) for the operating expense appropriation to the Minnesota Sports Facilities  
67.32 Authority beginning in calendar year 2021, and for each calendar year thereafter through  
67.33 calendar year 2046, an aggregate annual amount equal to the amount paid by the state for  
67.34 this purpose in that calendar year under section 473J.13, subdivision 2;

68.1 (4) for recapture of state advances for capital improvements and operating expenses  
68.2 for calendar years 2016 through 2020 beginning in calendar year 2021, and for each  
68.3 calendar year thereafter until all amounts under this clause have been paid, proportionate  
68.4 amounts periodically until an aggregate amount equal to the present value of all amounts  
68.5 paid by the state have been deposited in the general fund. To determine the present  
68.6 value of the amounts paid by the state to the authority and the present value of amounts  
68.7 deposited to the general fund under this clause, the commissioner shall consult with the  
68.8 commissioner of management and budget regarding the present value dates, discount rate  
68.9 or rates, and schedule of annual amounts. The present value dates must be based on  
68.10 the dates state funds are paid to the authority, or the dates the commissioner of revenue  
68.11 deposits taxes for purposes of this clause to the general fund. The discount rates must be  
68.12 based on the reasonably equivalent cost of state funds as determined by the commissioner  
68.13 of management and budget. The schedule of annual amounts must be revised to reflect  
68.14 amounts paid under section 473J.13, subdivision 2, paragraph (b), for 2016 to 2020,  
68.15 and subdivision 4, paragraph (c), for 2016 to 2020, and taxes deposited to the general  
68.16 fund from time to time under this clause, and the schedule and revised schedules must  
68.17 be certified to the commissioner by the commissioner of management and budget and  
68.18 the finance officer of the city, and are transferred as accrued from the general fund for  
68.19 repayment of advances made by the state to the authority; ~~and~~

68.20 (5) to capture increases in taxes imposed under the special law, for the benefit of  
68.21 the Minnesota Sports Facilities Authority, beginning in calendar year 2013 and for each  
68.22 calendar year thereafter through 2046, except as required under clause (6), there shall be  
68.23 deposited to the general fund in proportionate periodic payments in the following year, an  
68.24 amount equal to the following:

68.25 (i) 50 percent of the difference, if any, by which the amount of the net annual taxes  
68.26 for the previous year exceeds the sum of the net actual taxes in calendar year 2011 plus  
68.27 \$1,000,000, inflated at two percent per year since 2011, minus

68.28 (ii) 25 percent of the difference, if any, by which the amount of the net annual taxes  
68.29 for the preceding year exceeds the sum of the net actual taxes in calendar year 2011 plus  
68.30 \$3,000,000, inflated at two percent per year since 2011; and

68.31 (6) to offset the city aid loss in section 19, the amount deposited to the general fund  
68.32 under clause (5) is reduced to zero for payments made between July 1, 2015, through June  
68.33 30, 2017, until a maximum amount of \$6,364,000 in total revenue has been forgone in  
68.34 deposits to the general fund under that clause; with the additional revenue returned to the  
68.35 city to be deposited in its general fund and used as required under section 19.

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

69.1 Sec. 9. Minnesota Statutes 2014, section 477A.013, is amended by adding a  
69.2 subdivision to read:

69.3 Subd. 9a. **Maximum final aid payment to first class cities.** A first class city may  
69.4 not receive a total aid payment in any year under this section that exceeds an amount equal  
69.5 to 112.5 percent of the average per capita amount for all cities, except first class cities,  
69.6 under subdivision 9, multiplied by its population. Any aid calculated for these cities under  
69.7 subdivision 9 in excess of the amount calculated under this subdivision shall be retained  
69.8 in the general fund. For purposes of this subdivision, "first class city" has the meaning  
69.9 given in section 410.01.

69.10 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year  
69.11 2016 and thereafter.

69.12 Sec. 10. Minnesota Statutes 2014, section 477A.013, subdivision 10, is amended to  
69.13 read:

69.14 Subd. 10. **Levy adjustments for aid decreases.** Notwithstanding any local  
69.15 ordinance or charter provision, a city whose certified aid under ~~subdivision~~ subdivisions 9  
69.16 and 9a is less than the amount it received in the previous year under the same subdivision  
69.17 may increase its levy payable in the same year as the certified aid is paid by an amount  
69.18 equal to the aid decrease for that year.

69.19 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year  
69.20 2016 and thereafter.

69.21 Sec. 11. Minnesota Statutes 2014, section 477A.017, subdivision 2, is amended to read:

69.22 Subd. 2. **State auditor's duties.** The state auditor shall prescribe uniform financial  
69.23 accounting and reporting standards in conformity with national standards to be applicable  
69.24 to cities and towns of more than 2,500 population and uniform reporting standards to be  
69.25 applicable to cities and towns of less than 2,500 population.

69.26 **EFFECTIVE DATE.** This section is effective for reporting of financial information  
69.27 for years ending on or after December 31, 2015.

69.28 Sec. 12. Minnesota Statutes 2014, section 477A.017, subdivision 3, is amended to read:

69.29 Subd. 3. **Conformity.** Other law to the contrary notwithstanding, in order to receive  
69.30 distributions under sections 477A.011 to 477A.03, counties ~~and~~ cities, and towns must  
69.31 conform to the standards set in subdivision 2 in making all financial reports required to be  
69.32 made to the state auditor ~~after June 30, 1984.~~

70.1 **EFFECTIVE DATE.** This section is effective for reporting of financial information  
 70.2 for years ending on or after December 31, 2015.

70.3 Sec. 13. Minnesota Statutes 2014, section 477A.03, subdivision 2a, is amended to read:

70.4 Subd. 2a. **Cities.** ~~For aids payable in 2014, the total aid paid under section~~  
 70.5 ~~477A.013, subdivision 9, is \$507,598,012.~~ The total aid paid under section 477A.013,  
 70.6 subdivision 9, is \$516,898,012 for aids payable in 2015. For aids payable in 2016  
 70.7 and thereafter, the total aid paid calculated under section 477A.013, subdivision 9, is  
 70.8 \$519,398,012. For aids payable in 2016 and thereafter, the total aids payable to cities under  
 70.9 section 477A.013 is the amount calculated under section 477A.013, subdivision 9, minus  
 70.10 the amount of aid retained in the general fund under section 477A.013, subdivision 9a.

70.11 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year  
 70.12 2016 and thereafter.

70.13 Sec. 14. Minnesota Statutes 2014, section 477A.03, subdivision 2b, is amended to read:

70.14 Subd. 2b. **Counties.** (a) ~~For aids payable in 2014 and thereafter 2016, the total~~  
 70.15 ~~aid payable under section 477A.0124, subdivision 3, is \$100,795,000~~ \$100,295,000.  
 70.16 ~~Each calendar year, \$500,000 of this appropriation shall be retained by the commissioner~~  
 70.17 ~~of revenue to make reimbursements to the commissioner of management and budget~~  
 70.18 ~~for payments made under section 611.27. The reimbursements shall be to defray the~~  
 70.19 ~~additional costs associated with court-ordered counsel under section 611.27. Any retained~~  
 70.20 ~~amounts not used for reimbursement in a year shall be included in the next distribution~~  
 70.21 ~~of county need aid that is certified to the county auditors for the purpose of property tax~~  
 70.22 ~~reduction for the next taxes payable year.~~

70.23 (b) ~~For aids payable in 2014 and thereafter 2015, the total aid under section~~  
 70.24 ~~477A.0124, subdivision 4, is \$104,909,575~~ \$104,695,575. ~~The commissioner of revenue~~  
 70.25 ~~shall transfer to the commissioner of management and budget \$207,000 annually for the~~  
 70.26 ~~cost of preparation of local impact notes as required by section 3.987, and other local~~  
 70.27 ~~government activities. The commissioner of revenue shall transfer to the commissioner~~  
 70.28 ~~of education \$7,000 annually for the cost of preparation of local impact notes for school~~  
 70.29 ~~districts as required by section 3.987. The commissioner of revenue shall deduct the~~  
 70.30 ~~amounts transferred under this paragraph from the appropriation under this paragraph.~~  
 70.31 ~~The amounts transferred are appropriated to the commissioner of management and budget~~  
 70.32 ~~and the commissioner of education respectively.~~

71.1 **EFFECTIVE DATE.** The amendment to paragraph (a) is effective for aids payable  
 71.2 in 2016 and thereafter. The amendment to paragraph (b) is effective for aids payable in  
 71.3 2015 and thereafter.

71.4 Sec. 15. Minnesota Statutes 2014, section 611.27, subdivision 13, is amended to read:

71.5 Subd. 13. **Public defense services; correctional facility inmates.** All billings  
 71.6 for services rendered and ordered under subdivision 7 shall require the approval of the  
 71.7 chief district public defender before being forwarded on a monthly basis to the state  
 71.8 public defender. In cases where adequate representation cannot be provided by the district  
 71.9 public defender and where counsel has been appointed under a court order, the state  
 71.10 public defender shall forward to the commissioner of management and budget all billings  
 71.11 for services rendered under the court order. ~~The commissioner shall pay for services~~  
 71.12 ~~from county program aid retained by the commissioner of revenue for that purpose under~~  
 71.13 ~~section 477A.03, subdivision 2b, paragraph (a).~~

71.14 The costs of appointed counsel and associated services in cases arising from new  
 71.15 criminal charges brought against indigent inmates who are incarcerated in a Minnesota  
 71.16 state correctional facility are the responsibility of the state Board of Public Defense. In  
 71.17 such cases the state public defender may follow the procedures outlined in this section for  
 71.18 obtaining court-ordered counsel.

71.19 **EFFECTIVE DATE.** This section is effective July 1, 2016.

71.20 Sec. 16. Minnesota Statutes 2014, section 611.27, subdivision 15, is amended to read:

71.21 Subd. 15. **Costs of transcripts.** In appeal cases and postconviction cases where  
 71.22 the appellate public defender's office does not have sufficient funds to pay for transcripts  
 71.23 and other necessary expenses because it has spent or committed all of the transcript  
 71.24 funds in its annual budget, the state public defender may forward to the commissioner  
 71.25 of management and budget all billings for transcripts and other necessary expenses. ~~The~~  
 71.26 ~~commissioner shall pay for these transcripts and other necessary expenses from county~~  
 71.27 ~~program aid retained by the commissioner of revenue for that purpose under section~~  
 71.28 ~~477A.03, subdivision 2b, paragraph (a).~~

71.29 **EFFECTIVE DATE.** This section is effective July 1, 2016.

71.30 Sec. 17. **2016 REDUCTION TO OFFSET ADDITIONAL GENERAL FUND USE**  
 71.31 **OF LOCAL SALES TAX REVENUE.**

72.1 For the city of Minneapolis the aid payable under Minnesota Statutes, section  
 72.2 477A.013, subdivision 9, in 2016 only, is reduced by \$6,364,000. The city may deposit in  
 72.3 its general fund the additional portion of its sales tax, retained under Minnesota Statutes,  
 72.4 section 297A.994, subdivision 4, clause (6), during fiscal year 2016 and fiscal year 2017,  
 72.5 up to \$6,364,000 to fund any governmental purposes in calendar year 2016 that would  
 72.6 otherwise be funded with aid under Minnesota Statutes, section 477A.013, subdivision 9.

72.7 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year  
 72.8 2016 only.

72.9 Sec. 18. **COUNTY PROGRAM AID WORKING GROUP.**

72.10 (a) A county program aid working group is established as provided in this section.  
 72.11 The goals of the working group are to recommend one or more alternative options for  
 72.12 distributing county program aid that promote:

72.13 (1) fairness, with regard to the wide range of populations, demographic profiles,  
 72.14 service needs, tax bases, economic conditions, and physical conditions of counties across  
 72.15 the state; and

72.16 (2) stability, to reduce major year-to-year fluctuations in aid distributions and allow  
 72.17 counties to predict the amount of aid that they will receive from year to year.

72.18 (b) The 11-member working group shall consist of the following members:

72.19 (1) two state representatives, both appointed by the chair of the house of  
 72.20 representatives Committee on Taxes, one from the majority party and one from the largest  
 72.21 minority party;

72.22 (2) two senators appointed by the senate Subcommittee on Committees of the  
 72.23 Committee on Rules and Administration, one from the majority party and one from the  
 72.24 largest minority party;

72.25 (3) two persons appointed by the governor; and

72.26 (4) five persons appointed by the Association of Minnesota Counties, provided that  
 72.27 they are county officials, and that no more than two persons are appointed from counties  
 72.28 in the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.

72.29 (c) The state representative from the majority party shall chair the initial meeting,  
 72.30 and the working group shall elect a chair at that initial meeting. The working group  
 72.31 will meet at the call of the chair. Members of the working group shall serve without  
 72.32 compensation. Legislative staff must provide administrative support to the working group.  
 72.33 Chapter 13D does not apply to meetings of the working group. Meetings of the working  
 72.34 group must be open to the public and the working group must provide notice of a meeting

73.1 to potentially interested persons at least seven days before the meeting. A meeting of the  
 73.2 working group occurs when a quorum is present.

73.3 (d) The working group shall make its advisory recommendations to the chairs of the  
 73.4 house of representatives and senate committees with jurisdiction over taxes, in compliance  
 73.5 with Minnesota Statutes, sections 3.195 and 3.197, on or before February 1, 2016, at  
 73.6 which time the working group shall be finished and this section expires.

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

73.8 Sec. 19. **REPEALER.**

73.9 Minnesota Statutes 2014, sections 477A.085; and 477A.19, are repealed.

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

#### 73.11 **ARTICLE 4**

#### 73.12 **LOCAL SALES AND USE TAXES**

73.13 Section 1. Laws 1980, chapter 511, section 1, subdivision 2, as amended by Laws 1991,  
 73.14 chapter 291, article 8, section 22, Laws 1998, chapter 389, article 8, section 25, Laws  
 73.15 2003, First Special Session chapter 21, article 8, section 11, Laws 2008, chapter 154,  
 73.16 article 5, section 2, and Laws 2014, chapter 308, article 3, section 21, is amended to read:

73.17 Subd. 2. (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other  
 73.18 law, ordinance, or city charter provision to the contrary, the city of Duluth may, by  
 73.19 ordinance, impose an additional sales tax of up to one and three-quarter percent on sales  
 73.20 transactions which are described in Minnesota Statutes 2000, section 297A.01, subdivision  
 73.21 3, clause (c). The imposition of this tax shall not be subject to voter referendum under  
 73.22 either state law or city charter provisions. When the city council determines that the taxes  
 73.23 imposed under this paragraph at a rate of three-quarters of one percent and other sources  
 73.24 of revenue produce revenue sufficient to pay debt service on bonds in the principal amount  
 73.25 of \$40,285,000 plus issuance and discount costs, issued for capital improvements at the  
 73.26 Duluth Entertainment and Convention Center, which include a new arena, the rate of tax  
 73.27 under this subdivision must be reduced by three-quarters of one percent.

73.28 (b) In addition to the tax in paragraph (a) and notwithstanding Minnesota Statutes,  
 73.29 section 477A.016, or any other law, ordinance, or city charter provision to the contrary,  
 73.30 the city of Duluth may, by ordinance, impose an additional sales tax of up to one-half of  
 73.31 one percent on sales transactions which are described in Minnesota Statutes 2000, section  
 73.32 297A.01, subdivision 3, clause (c). This tax expires when the city council determines  
 73.33 that the tax imposed under this paragraph, along with the tax imposed under section

74.1 22, paragraph (b), has produced revenues sufficient to pay the debt service on bonds  
 74.2 in a principal amount of no more than \$18,000,000, plus issuance and discount costs,  
 74.3 to finance capital improvements to public facilities to support tourism and recreational  
 74.4 activities in that portion of the city west of ~~34th~~ 14th Avenue West.

74.5 (c) The city of Duluth may sell and issue up to \$18,000,000 in general obligation  
 74.6 bonds under Minnesota Statutes, chapter 475, plus an additional amount to pay for the  
 74.7 costs of issuance and any premiums. The proceeds may be used to finance capital  
 74.8 improvements to public facilities that support tourism and recreational activities in the  
 74.9 portion of the city west of ~~34th~~ 14th Avenue West, as described in paragraph (b). The  
 74.10 issuance of the bonds is subject to the provisions of Minnesota Statutes, chapter 475,  
 74.11 except no election shall be required unless required by the city charter. The bonds shall  
 74.12 not be included in computing net debt. The revenues from the taxes that the city of Duluth  
 74.13 may impose under paragraph (b) and under section 22, paragraph (b), may be pledged to  
 74.14 pay principal of and interest on such bonds.

74.15 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
 74.16 the city of Duluth and its chief clerical officer comply with Minnesota Statutes, section  
 74.17 645.021, subdivisions 2 and 3.

74.18 Sec. 2. Laws 1980, chapter 511, section 2, as amended by Laws 1998, chapter 389,  
 74.19 article 8, section 26, Laws 2003, First Special Session chapter 21, article 8, section 12, and  
 74.20 Laws 2014, chapter 308, article 3, section 22, is amended to read:

74.21 Sec. 22. **CITY OF DULUTH; TAX ON RECEIPTS BY HOTELS AND**  
 74.22 **MOTELS.**

74.23 (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other law, or  
 74.24 ordinance, or city charter provision to the contrary, the city of Duluth may, by ordinance,  
 74.25 impose an additional tax of one percent upon the gross receipts from the sale of lodging  
 74.26 for periods of less than 30 days in hotels and motels located in the city. The tax shall be  
 74.27 collected in the same manner as the tax set forth in the Duluth city charter, section 54(d),  
 74.28 paragraph one. The imposition of this tax shall not be subject to voter referendum under  
 74.29 either state law or city charter provisions.

74.30 (b) In addition to the tax in paragraph (a) and notwithstanding Minnesota Statutes,  
 74.31 section 477A.016, or any other law, ordinance, or city charter provision to the contrary,  
 74.32 the city of Duluth may, by ordinance, impose an additional sales tax of up to one-half  
 74.33 of one percent on the gross receipts from the sale of lodging for periods of less than  
 74.34 30 days in hotels and motels located in the city. This tax expires when the city council  
 74.35 first determines that the tax imposed under this paragraph, along with the tax imposed

75.1 under section 21, paragraph (b), has produced revenues sufficient to pay the debt  
 75.2 service on bonds in a principal amount of no more than \$18,000,000, plus issuance and  
 75.3 discount costs, to finance capital improvements to public facilities to support tourism and  
 75.4 recreational activities in that portion of the city west of ~~34th~~ 14th Avenue West.

75.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
 75.6 the city of Duluth and its chief clerical officer comply with Minnesota Statutes, section  
 75.7 645.021, subdivisions 2 and 3.

75.8 Sec. 3. Laws 1991, chapter 291, article 8, section 27, subdivision 3, as amended by  
 75.9 Laws 1998, chapter 389, article 8, section 28, Laws 2008, chapter 366, article 7, section 9,  
 75.10 and Laws 2009, chapter 88, article 4, section 14, is amended to read:

75.11 Subd. 3. **Use of revenues.** (a) Revenues received from taxes authorized by  
 75.12 subdivisions 1 and 2 shall be used by the city to pay the cost of collecting the tax and to  
 75.13 pay all or a portion of the expenses of constructing and improving facilities as part of an  
 75.14 urban revitalization project in downtown Mankato known as Riverfront 2000. Authorized  
 75.15 expenses include, but are not limited to, acquiring property and paying relocation expenses  
 75.16 related to the development of Riverfront 2000 and related facilities, and securing or paying  
 75.17 debt service on bonds or other obligations issued to finance the construction of Riverfront  
 75.18 2000 and related facilities. For purposes of this section, "Riverfront 2000 and related  
 75.19 facilities" means a civic-convention center, an arena, a riverfront park, a technology center  
 75.20 and related educational facilities, and all publicly owned real or personal property that  
 75.21 the governing body of the city determines will be necessary to facilitate the use of these  
 75.22 facilities, including but not limited to parking, skyways, pedestrian bridges, lighting, and  
 75.23 landscaping. It also includes the performing arts theatre and the Southern Minnesota  
 75.24 Women's Hockey Exposition Center, for use by Minnesota State University, Mankato.

75.25 (b) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 3, and subject  
 75.26 to voter approval at a general election held before December 31, 2016, the city may by  
 75.27 ordinance also use revenues from taxes authorized under subdivisions 1 and 2, up to  
 75.28 a maximum of \$29,000,000, plus associated bond costs, to pay all or a portion of the  
 75.29 expenses of the following capital projects:

75.30 (1) improvements to regional recreational facilities including existing hockey and  
 75.31 curling rinks, a baseball park, youth athletic fields and facilities, and the municipal  
 75.32 swimming pool including improvements to make the pool compliant with the Americans  
 75.33 with Disabilities Act;

75.34 (2) improvements to flood control and the levee system;

75.35 (3) water quality improvement projects in Blue Earth and Nicollet Counties;

- 76.1 (4) expansion of the regional transit building and related multimodal transit  
 76.2 improvements;  
 76.3 (5) regional public safety and emergency communications improvements and  
 76.4 equipment; and  
 76.5 (6) matching funds for improvements to publicly owned regional facilities including  
 76.6 a historic museum, supportive housing, and a senior center.

76.7 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
 76.8 the city of Mankato and its chief clerical officer comply with Minnesota Statutes, section  
 76.9 645.021, subdivisions 2 and 3.

76.10 Sec. 4. Laws 1991, chapter 291, article 8, section 27, subdivision 4, as amended by  
 76.11 Laws 2005, First Special Session chapter 3, article 5, section 25, and Laws 2008, chapter  
 76.12 366, article 7, section 10, is amended to read:

76.13 Subd. 4. **Expiration of taxing authority and expenditure limitation.** The  
 76.14 authority granted by subdivisions 1 and 2 to the city to impose a sales tax and an excise tax  
 76.15 shall expire ~~on~~ at the earlier of when revenues are sufficient to pay off the bonds, including  
 76.16 interest and all other associated bond costs authorized under subdivision 5, or December 31,  
 76.17 2022, unless the additional uses under subdivision 3, paragraph (b) or (c), are authorized.  
 76.18 If the additional use allowed in subdivision 3, paragraph (b), is authorized, the taxes expire  
 76.19 at the earlier of when revenues are sufficient to pay off the bonds, including interest and  
 76.20 all other associated bond costs authorized under subdivision 5, or December 31, 2032.

76.21 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 76.22 without local approval pursuant to Minnesota Statutes, section 645.023, subdivision 1.

76.23 Sec. 5. Laws 1991, chapter 291, article 8, section 27, subdivision 5, is amended to read:

76.24 Subd. 5. **Bonds.** (a) The city of Mankato may issue general obligation bonds of the  
 76.25 city in an amount not to exceed \$25,000,000 for Riverfront 2000 and related facilities,  
 76.26 without election under Minnesota Statutes, chapter 475, on the question of issuance of the  
 76.27 bonds or a tax to pay them. The debt represented by bonds issued for Riverfront 2000  
 76.28 and related facilities shall not be included in computing any debt limitations applicable  
 76.29 to the city of Mankato, and the levy of taxes required by section 475.61 to pay principal  
 76.30 of and interest on the bonds shall not be subject to any levy limitation or be included in  
 76.31 computing or applying any levy limitation applicable to the city.

76.32 (b) The city of Mankato, subject to voter approval at the election required under  
 76.33 subdivision 3, paragraph (b), may issue general obligation bonds of the city in an amount

77.1 not to exceed \$29,000,000 for the projects listed under subdivision 3, paragraph (b),  
 77.2 without election under Minnesota Statutes, chapter 475, on the question of issuance of the  
 77.3 bonds or a tax to pay them. The debt represented by bonds under this paragraph shall not be  
 77.4 included in computing any debt limitations applicable to the city of Mankato, and the levy  
 77.5 of taxes required by Minnesota Statutes, section 475.61, to pay principal of and interest on  
 77.6 the bonds, and shall not be subject to any levy limitation or be included in computing or  
 77.7 applying any levy limitation applicable to the city. The city may use tax revenue in excess  
 77.8 of one year's principal interest reserve for intended annual bond payments to pay all or a  
 77.9 portion of the cost of capital improvements authorized in subdivision 3,

77.10 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 77.11 without local approval pursuant to Minnesota Statutes, section 645.023, subdivision 1.

77.12 Sec. 6. Laws 1991, chapter 291, article 8, section 27, subdivision 6, is amended to read:

77.13 Subd. 6. **Reverse referendum; authorization of extension.** (a) If the Mankato city  
 77.14 council intends to exercise the authority provided by this section, it shall pass a resolution  
 77.15 stating the fact before July 1, 1991. The resolution must be published for two successive  
 77.16 weeks in the official newspaper of the city or, if there is no official newspaper, in a  
 77.17 newspaper of general circulation in the city, together with a notice fixing a date for a public  
 77.18 hearing on the matter. The hearing must be held at least two weeks but not more than four  
 77.19 weeks after the first publication of the resolution. Following the public hearing, the city  
 77.20 may determine to take no further action or adopt a resolution confirming its intention to  
 77.21 exercise the authority. That resolution must also be published in the official newspaper of  
 77.22 the city or, if there is no official newspaper, in a newspaper of general circulation in the  
 77.23 city. If within 30 days after publication of the resolution a petition signed by voters equal  
 77.24 in number to ten percent of the votes cast in the city in the last general election requesting  
 77.25 a vote on the proposed resolution is filed with the county auditor, the resolution is not  
 77.26 effective until it has been submitted to the voters at a general or special election and a  
 77.27 majority of votes cast on the question of approving the resolution are in the affirmative. The  
 77.28 commissioner of revenue shall prepare a suggested form of question to be presented at the  
 77.29 election. The referendum must be held at a special or general election before December 1,  
 77.30 1991. This subdivision applies notwithstanding any city charter provision to the contrary.

77.31 (b) If the Mankato city council wishes to extend the taxes authorized under  
 77.32 subdivisions 1 and 2 to fund any of the projects listed in subdivision 3, paragraph (b), the  
 77.33 city must pass a resolution extending the taxes before July 1, 2015. The tax may not be  
 77.34 imposed unless approved by the voters.

78.1 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 78.2 without local approval pursuant to Minnesota Statutes, section 645.023, subdivision 1.

78.3 Sec. 7. Laws 1999, chapter 243, article 4, section 18, subdivision 1, as amended by  
 78.4 Laws 2008, chapter 366, article 7, section 12, is amended to read:

78.5 Subdivision 1. **Sales and use tax.** (a) Notwithstanding Minnesota Statutes, section  
 78.6 477A.016, or any other provision of law, ordinance, or city charter, if approved by the city  
 78.7 voters at the first municipal general election held after the date of final enactment of this act  
 78.8 or at a special election held November 2, 1999, the city of Proctor may impose by ordinance  
 78.9 a sales and use tax of up to one-half of one percent for the purposes specified in subdivision  
 78.10 3. The provisions of Minnesota Statutes, section 297A.99, govern the imposition,  
 78.11 administration, collection, and enforcement of the tax authorized under this subdivision.

78.12 (b) Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of  
 78.13 law, ordinance, or city charter, the city of Proctor may impose by ordinance an additional  
 78.14 sales and use tax of up to one-half of one percent pursuant to approval by the voters at the  
 78.15 November 4, 2014, general election. The revenues received from the additional tax must  
 78.16 be used for the purposes specified in subdivision 3, paragraph (b).

78.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
 78.18 the city of Proctor and its chief clerical officer comply with Minnesota Statutes, section  
 78.19 645.021, subdivisions 2 and 3, but only if the local approval requirement under section  
 78.20 10 is also met.

78.21 Sec. 8. Laws 2008, chapter 366, article 7, section 20, is amended to read:

78.22 Sec. 20. **CITY OF NORTH MANKATO; TAXES AUTHORIZED.**

78.23 Subdivision 1. **Sales and use tax authorized.** Notwithstanding Minnesota Statutes,  
 78.24 section 477A.016, or any other provision of law, ordinance, or city charter, pursuant to  
 78.25 the approval of the voters on November 7, 2006, the city of North Mankato may impose  
 78.26 by ordinance a sales and use tax of one-half of one percent for the purposes specified  
 78.27 in subdivision 2. The provisions of Minnesota Statutes, section 297A.99, govern the  
 78.28 imposition, administration, collection, and enforcement of the taxes authorized under  
 78.29 this subdivision.

78.30 Subd. 2. **Use of revenues.** (a) Revenues received from the tax authorized by  
 78.31 subdivision 1 must be used to pay all or part of the capital costs of the following projects:

78.32 (1) the local share of the Trunk Highway 14/County State-Aid Highway 41  
 78.33 interchange project;

78.34 (2) development of regional parks and hiking and biking trails;

- 79.1 (3) expansion of the North Mankato Taylor Library;  
 79.2 (4) riverfront redevelopment; and  
 79.3 (5) lake improvement projects.

79.4 The total amount of revenues from the tax in subdivision 1 that may be used to fund  
 79.5 these projects is \$6,000,000 plus any associated bond costs.

79.6 (b) If the city extends the tax as authorized under subdivision 2a, the total amount that  
 79.7 may be used to fund these projects is increased by \$9,000,000, plus associated bond costs.

79.8 Subd. 2a. **Authorization to extend the tax.** Notwithstanding Minnesota Statutes,  
 79.9 section 297A.99, subdivision 3, the North Mankato city council may, by resolution, extend  
 79.10 the tax authorized under subdivision 1 to cover an additional \$9,000,000 in bonds, plus  
 79.11 associated bond costs, to fund the projects in subdivision 2, paragraph (a), if approved by  
 79.12 the voters at a general election held by December 31, 2016.

79.13 Subd. 3. **Bonds.** (a) The city of North Mankato, pursuant to the approval of the  
 79.14 voters at the November 7, 2006 referendum authorizing the imposition of the taxes in  
 79.15 this section, may issue bonds under Minnesota Statutes, chapter 475, to pay capital and  
 79.16 administrative expenses for the projects described in subdivision 2, paragraph (a), in an  
 79.17 amount that does not exceed \$6,000,000. A separate election to approve the bonds under  
 79.18 Minnesota Statutes, section 475.58, is not required.

79.19 (b) The city of North Mankato, subject to the referendum in subdivision 2a, allowing  
 79.20 for additional revenue to be spent for the projects in subdivision 2, may issue additional  
 79.21 bonds under Minnesota Statutes, chapter 475, to pay capital and administrative expenses  
 79.22 for those projects in an amount that does not exceed \$9,000,000. A separate election to  
 79.23 approve the bonds under Minnesota Statutes, section 475.58, is not required.

79.24 ~~(b)~~ (c) The debt represented by the bonds is not included in computing any debt  
 79.25 limitation applicable to the city, and any levy of taxes under Minnesota Statutes, section  
 79.26 475.61, to pay principal and interest on the bonds is not subject to any levy limitation.

79.27 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires when  
 79.28 the city council determines that the amount of revenues received from the taxes to pay for  
 79.29 the projects under subdivision 2, paragraph (a), first equals or exceeds \$6,000,000 plus the  
 79.30 additional amount needed to pay the costs related to issuance of bonds under subdivision  
 79.31 3, including interest on the bonds, unless the tax is extended as allowed in this section. If  
 79.32 the tax is extended as allowed under the referendum under subdivision 2a, the tax expires  
 79.33 at the earlier of December 31, 2038, or when revenues from the taxes first equal or exceed  
 79.34 \$15,000,000 plus the additional amount needed to pay costs related to issuance of bonds  
 79.35 under subdivision 3, including interest. Any funds remaining after completion of the  
 79.36 projects and retirement or redemption of the bonds shall be placed in a capital facilities

80.1 and equipment replacement fund of the city. The tax imposed under subdivision 1 may  
80.2 expire at an earlier time if the city so determines by ordinance.

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

80.6 **Sec. 9. CITY OF MARSHALL; VALIDATION OF PRIOR ACT.**

80.7 (a) Notwithstanding the time limits in Minnesota Statutes, section 645.021, the city  
80.8 of Marshall may approve Laws 2011, First Special Session chapter 7, article 4, section 14,  
80.9 and file its approval with the secretary of state by June 15, 2013. If approved as authorized  
80.10 under this paragraph, actions undertaken by the city pursuant to the approval of the voters  
80.11 on November 6, 2012, and otherwise in accordance with Laws 2011, First Special Session  
80.12 chapter 7, article 4, section 14, are validated.

80.13 (b) Notwithstanding the time limit on the imposition of tax under Laws 2011, First  
80.14 Special Session chapter 7, article 4, section 14, and subject to local approval under  
80.15 paragraph (a), the city of Marshall may impose the tax on or before July 1, 2013.

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

80.17 **Sec. 10. CITY OF PROCTOR; EFFECTIVE DATE; VALIDATION OF PRIOR**  
80.18 **ACT.**

80.19 (a) Notwithstanding the time limits in Minnesota Statutes, section 645.021, the city  
80.20 of Proctor may approve Laws 2008, chapter 366, article 7, section 13, and Laws 2010,  
80.21 chapter 389, article 5, sections 1 and 2, and file its approval with the secretary of state by  
80.22 January 1, 2015. If approved under this paragraph, actions undertaken by the city pursuant  
80.23 to the approval of the voters on November 2, 2010, and otherwise in accordance with  
80.24 those laws are validated.

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

80.26 **Sec. 11. CITY OF WALKER; LOCAL TAXES AUTHORIZED.**

80.27 **Subdivision 1. Sales and use tax authorized.** Notwithstanding Minnesota Statutes,  
80.28 section 477A.016, or any ordinance, city charter, or other provision of law, pursuant to the  
80.29 approval of the voters on November 6, 2012, the city of Walker may impose by ordinance  
80.30 a sales and use tax of 1-1/2 percent for the purposes specified in subdivision 2. The

81.1 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,  
 81.2 collection, and enforcement of the taxes authorized under this subdivision.

81.3 Subd. 2. **Use of revenues.** Revenues received from the tax authorized by  
 81.4 subdivision 1 must be used to pay all or part of the capital and administrative costs of  
 81.5 underground water and sewer improvements in the city of Walker as outlined in the 2012  
 81.6 capital improvement plan of the engineer of the city of Walker.

81.7 Subd. 3. **Bonding authority.** The city of Walker, pursuant to the approval of the  
 81.8 voters at the November 6, 2012, referendum authorizing the imposition of the taxes in  
 81.9 this section, may issue bonds under Minnesota Statutes, chapter 475, to pay capital and  
 81.10 administrative expenses for the projects described in subdivision 2, in an amount that  
 81.11 does not exceed \$20,000,000. A separate election to approve the bonds under Minnesota  
 81.12 Statutes, section 475.58, is not required.

81.13 Subd. 4. **Termination of tax.** The tax authorized under subdivision 1 terminates at  
 81.14 the earlier of:

81.15 (1) 20 years after the date of initial imposition of the tax; or

81.16 (2) when the city council determines that sufficient funds have been raised from  
 81.17 the tax to finance the capital and administrative costs of the improvements described in  
 81.18 subdivision 2, plus the additional amount needed to pay the costs related to issuance of  
 81.19 bonds under subdivision 3, including interest on the bonds.

81.20 Any funds remaining after completion of the projects specified in subdivision 2 and  
 81.21 retirement or redemption of bonds in subdivision 3 shall be placed in the general fund  
 81.22 of the city. The tax imposed under subdivision 1 may expire at an earlier time if the  
 81.23 city so determines by ordinance.

81.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
 81.25 the city of Walker and its chief clerical officer comply with Minnesota Statutes, section  
 81.26 645.021, subdivisions 2 and 3.

## 81.27 **ARTICLE 5**

### 81.28 **ECONOMIC DEVELOPMENT**

81.29 **Section 1. [16A.1246] NO SPENDING FOR CERTAIN RAIL PROJECTS.**

81.30 (a) Except as provided in paragraph (b), no appropriation or other state money,  
 81.31 whether in the general or another fund, must be expended or used for any costs related  
 81.32 to studying the feasibility of, planning for, designing, engineering, acquiring property  
 81.33 or constructing facilities for or related to, or development or operation of intercity or

82.1 interregional passenger rail facilities or operations between the city of Rochester, or  
 82.2 locations in its metropolitan area, and any location in the metropolitan area, as defined in  
 82.3 section 473.121, subdivision 2.

82.4 (b) The restrictions under this section do not apply to funds obtained from  
 82.5 contributions, grants, or other voluntary payments made by nongovernmental entities  
 82.6 from private sources.

82.7 **EFFECTIVE DATE.** This section is effective the day following final enactment,  
 82.8 except it does not apply to funds appropriated under Laws 2009, chapter 93, article 1,  
 82.9 section 11, subdivision 5.

82.10 **Sec. 2. [16B.2965] PROPERTY LEASED FOR RAIL PROJECTS.**

82.11 If a state official leases, loans, or otherwise makes available state lands, air rights, or  
 82.12 any other state property for use in connection with passenger rail facilities, as described  
 82.13 in section 16A.1246, the lease or other agreement must include or be secured by a  
 82.14 security bond or equivalent guarantee that allows the state to recover any costs it incurs  
 82.15 in connection with the rail project from a responsible third party, or secure source of  
 82.16 capital, if the passenger rail facilities are not constructed, are abandoned, or do not go into  
 82.17 operation. These costs include restoring state property to its original condition.

82.18 (b) For purposes of this section, "state official" includes the commissioner, the  
 82.19 commissioner of transportation, or any other state official with authority to enter into a  
 82.20 lease or other agreement providing for use by a nonstate entity of state property.

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

82.22 **Sec. 3. [117.028] CONDEMNATION FOR CERTAIN RAIL FACILITIES**  
 82.23 **PROHIBITED.**

82.24 Notwithstanding section 222.27, or any other law to the contrary, no condemning  
 82.25 authority may take property for the development or construction of or for facilities related  
 82.26 to intercity or interregional passenger rail facilities or operations between the city of  
 82.27 Rochester, or locations in its metropolitan area, and any location in the metropolitan area,  
 82.28 as defined in section 473.121, subdivision 2.

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

82.30 **Sec. 4. [459.36] NO SPENDING OF PUBLIC MONEY FOR CERTAIN RAIL**  
 82.31 **PROJECTS.**

83.1 (a) Except as provided in paragraph (b), no city, county, or destination medical  
 83.2 center entity may spend or use any money, for any costs related to studying the feasibility  
 83.3 of, planning for, designing, engineering, acquiring property or constructing facilities for or  
 83.4 related to, or development or operation of intercity or interregional passenger rail facilities  
 83.5 or operations between the city of Rochester, or locations in its metropolitan area, and  
 83.6 any location in the metropolitan area, as defined in section 473.121, subdivision 2. The  
 83.7 provisions of this section apply to the statutory and home rule charter cities and counties  
 83.8 located in development regions 10 and 11, as designated under section 462.385, subdivision  
 83.9 1. Destination medical center entity includes the Destination Medical Center Corporation  
 83.10 and agency as those terms are defined in section 469.40, and any successor or related entity.

83.11 (b) The restrictions under this section do not apply to:

83.12 (1) funds the city or county obtains from contributions, grants, or other voluntary  
 83.13 payments made by nongovernmental entities from private sources; and

83.14 (2) expenditures for costs of public infrastructure, including public utilities, parking  
 83.15 facilities, a multi-mode transit hub, or similar projects located within the area of the  
 83.16 development district, as defined under section 469.40, and reflected in the development  
 83.17 plan adopted before the enactment of this section, that are intended to serve, and that are  
 83.18 made following the completed construction and commencement of operation of, privately  
 83.19 financed and operated intercity or interregional passenger rail facilities.

83.20 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 83.21 without local approval under Minnesota Statutes, section 645.023, subdivision 1, clause (c).

83.22 Sec. 5. Minnesota Statutes 2014, section 469.169, is amended by adding a subdivision  
 83.23 to read:

83.24 Subd. 20. **Additional border city allocations.** (a) In addition to the tax reductions  
 83.25 authorized in subdivisions 12 to 19, the commissioner shall allocate \$200,000 for fiscal  
 83.26 year 2017, and shall annually allocate \$1,000,000 thereafter for tax reductions to border  
 83.27 city enterprise zones in cities located on the western border of the state. The commissioner  
 83.28 shall allocate these amounts among cities on a per capita basis. Allocations made under  
 83.29 this subdivision may be used for tax reductions under sections 469.171, 469.1732, and  
 83.30 469.1734, or for other offsets of taxes imposed on or remitted by businesses located in  
 83.31 the enterprise zone, but only if the municipality determines that the granting of the tax  
 83.32 reduction or offset is necessary to retain a business within or attract a business to the zone.

83.33 (b) The allocations under this subdivision do not cancel or expire, but remain  
 83.34 available until used by the city.

84.1 **EFFECTIVE DATE.** This section is effective July 1, 2016.

84.2 Sec. 6. Minnesota Statutes 2014, section 469.174, subdivision 14, is amended to read:

84.3 Subd. 14. **Administrative expenses.** "Administrative expenses" means all  
84.4 expenditures of an authority other than:

84.5 (1) amounts paid for the purchase of land;

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

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

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

84.13 (5) amounts used to pay other financial obligations to the extent those obligations  
84.14 were used to finance costs described in clauses (1) to (3); or

84.15 (6) usual and customary maintenance costs necessary for the preservation of  
84.16 property acquired or constructed with tax increments and owned by the authority or the  
84.17 municipality, including, without limitation, amounts needed for ordinary and extraordinary  
84.18 repairs and maintenance, and capital reserves in an amount not greater than ten percent of  
84.19 the market value of the property.

84.20 For districts for which the requests for certifications were made before August 1,  
84.21 1979, or after June 30, 1982, "administrative expenses" includes amounts paid for services  
84.22 provided by bond counsel, fiscal consultants, and planning or economic development  
84.23 consultants.

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

84.26 Sec. 7. Minnesota Statutes 2014, section 469.176, subdivision 4, is amended to read:

84.27 Subd. 4. **Limitation on use of tax increment; general rule.** All revenues derived  
84.28 from tax increment shall be used in accordance with the tax increment financing plan. The  
84.29 revenues shall be used solely for the following purposes: (1) to pay the principal of and  
84.30 interest on bonds issued to finance a project; (2) by a rural development financing authority  
84.31 for the purposes stated in section 469.142, by a port authority or municipality exercising the  
84.32 powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to  
84.33 sections 469.048 to 469.068, by an economic development authority to finance or otherwise  
84.34 pay the cost of redevelopment pursuant to sections 469.090 to 469.108, by a housing and

85.1 redevelopment authority or economic development authority to finance or otherwise pay  
 85.2 public redevelopment costs pursuant to sections 469.001 to 469.047, by a municipality or  
 85.3 economic development authority to finance or otherwise pay the capital and administration  
 85.4 costs of a development district pursuant to sections 469.124 to 469.133, by a municipality  
 85.5 or authority to finance or otherwise pay the costs of developing and implementing a  
 85.6 development action response plan, by a municipality or redevelopment agency to finance  
 85.7 or otherwise pay premiums for insurance or other security guaranteeing the payment when  
 85.8 due of principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to  
 85.9 469.165, or both, or to accumulate and maintain a reserve securing the payment when due  
 85.10 of the principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to  
 85.11 469.165, or both, which revenues in the reserve shall not exceed, subsequent to the fifth  
 85.12 anniversary of the date of issue of the first bond issue secured by the reserve, an amount  
 85.13 equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased  
 85.14 bonds secured by the reserve; and (3) to pay the costs listed in section 469.174, subdivision  
 85.15 14, but not in excess of the limitation on administrative expenses under subdivision 3.  
 85.16 Tax increment as defined in section 469.174, subdivision 25, clause (2), may be used to  
 85.17 pay usual and customary operation and maintenance costs, including, but not limited to,  
 85.18 amounts needed for capital reserves in an amount not greater than ten percent of the  
 85.19 market value of the property, and ordinary and extraordinary repairs and maintenance of  
 85.20 the property purchased by the authority or the municipality with tax increments.

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

85.23 Sec. 8. Minnesota Statutes 2014, section 469.1763, subdivision 1, is amended to read:

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

85.26 (b) "Activities" means acquisition of property, clearing of land, site preparation, soils  
 85.27 correction, removal of hazardous waste or pollution, installation of utilities, construction  
 85.28 of public or private improvements, and other similar activities, but only to the extent that  
 85.29 tax increment revenues may be spent for such purposes under other law.

85.30 (c) "Third party" means an entity other than (1) the person receiving the benefit  
 85.31 of assistance financed with tax increments, or (2) the municipality or the development  
 85.32 authority or other person substantially under the control of the municipality.

85.33 (d) "Revenues derived from tax increments paid by properties in the district" means  
 85.34 only tax increment as defined in section 469.174, subdivision 25, clause (1), and does

86.1 not include tax increment as defined in section 469.174, subdivision 25, clauses (2);  
86.2 ~~(3), and (4)~~ to (5).

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

86.4 Sec. 9. Minnesota Statutes 2014, section 469.1763, subdivision 2, is amended to read:

86.5 Subd. 2. **Expenditures outside district.** (a) For each tax increment financing  
86.6 district, an amount equal to at least 75 percent of the total revenue derived from tax  
86.7 increments paid by properties in the district must be expended on activities in the district  
86.8 or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities  
86.9 in the district or to pay, or secure payment of, debt service on credit enhanced bonds.  
86.10 For districts, other than redevelopment districts for which the request for certification  
86.11 was made after June 30, 1995, the in-district percentage for purposes of the preceding  
86.12 sentence is 80 percent. Not more than 25 percent of the total revenue derived from tax  
86.13 increments paid by properties in the district may be expended, through a development fund  
86.14 or otherwise, on activities outside of the district but within the defined geographic area of  
86.15 the project except to pay, or secure payment of, debt service on credit enhanced bonds.  
86.16 For districts, other than redevelopment districts for which the request for certification was  
86.17 made after June 30, 1995, the pooling percentage for purposes of the preceding sentence is  
86.18 20 percent. ~~The revenue~~ revenues derived from tax increments ~~for~~ paid by properties in  
86.19 the district that are expended on costs under section 469.176, subdivision 4h, paragraph  
86.20 (b), may be deducted first before calculating the percentages that must be expended within  
86.21 and without the district.

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

86.24 (c) All administrative expenses are for activities outside of the district, except that  
86.25 if the only expenses for activities outside of the district under this subdivision are for  
86.26 the purposes described in paragraph (d), administrative expenses will be considered as  
86.27 expenditures for activities in the district.

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

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

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

87.6 (3) be used to:

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

87.8 (ii) acquire, construct, or rehabilitate the housing; or

87.9 (iii) make public improvements directly related to the housing; or

87.10 (4) be used to develop housing:

87.11 (i) if the market value of the housing does not exceed the lesser of:

87.12 (A) 150 percent of the average market value of single-family homes in that  
87.13 municipality; or

87.14 (B) \$200,000 for municipalities located in the metropolitan area, as defined in  
87.15 section 473.121, or \$125,000 for all other municipalities; and

87.16 (ii) if the expenditures are used to pay the cost of site acquisition, relocation,  
87.17 demolition of existing structures, site preparation, and pollution abatement on one or  
87.18 more parcels, if the parcel contains a residence containing one to four family dwelling  
87.19 units that has been vacant for six or more months and is in foreclosure as defined in  
87.20 section 325N.10, subdivision 7, but without regard to whether the residence is the owner's  
87.21 principal residence, and only after the redemption period has expired.

87.22 (e) For a district created within a biotechnology and health sciences industry zone  
87.23 as defined in Minnesota Statutes 2012, section 469.330, subdivision 6, or for an existing  
87.24 district located within such a zone, tax increment derived from such a district may be  
87.25 expended outside of the district but within the zone only for expenditures required for the  
87.26 construction of public infrastructure necessary to support the activities of the zone, land  
87.27 acquisition, and other redevelopment costs as defined in section 469.176, subdivision 4j.  
87.28 These expenditures are considered as expenditures for activities within the district. The  
87.29 authority provided by this paragraph expires for expenditures made after the later of (1)  
87.30 December 31, 2015, or (2) the end of the five-year period beginning on the date the district  
87.31 was certified, provided that date was before January 1, 2016.

87.32 (f) The authority under paragraph (d), clause (4), expires on December 31, 2016.  
87.33 Increments may continue to be expended under this authority after that date, if they are  
87.34 used to pay bonds or binding contracts that would qualify under subdivision 3, paragraph  
87.35 (a), if December 31, 2016, is considered to be the last date of the five-year period after  
87.36 certification under that provision.

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

88.2 Sec. 10. Minnesota Statutes 2014, section 469.1763, subdivision 3, is amended to read:

88.3 Subd. 3. **Five-year rule.** (a) Revenues derived from tax increments paid by  
 88.4 properties in the district are considered to have been expended on an activity within the  
 88.5 district under subdivision 2 only if one of the following occurs:

88.6 (1) before or within five years after certification of the district, the revenues are  
 88.7 actually paid to a third party with respect to the activity;

88.8 (2) bonds, the proceeds of which must be used to finance the activity, are issued and  
 88.9 sold to a third party before or within five years after certification, the revenues are spent  
 88.10 to repay the bonds, and the proceeds of the bonds either are, on the date of issuance,  
 88.11 reasonably expected to be spent before the end of the later of (i) the five-year period, or  
 88.12 (ii) a reasonable temporary period within the meaning of the use of that term under section  
 88.13 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve  
 88.14 or replacement fund;

88.15 (3) binding contracts with a third party are entered into for performance of the  
 88.16 activity before or within five years after certification of the district and the revenues are  
 88.17 spent under the contractual obligation;

88.18 (4) costs with respect to the activity are paid before or within five years after  
 88.19 certification of the district and the revenues are spent to reimburse a party for payment  
 88.20 of the costs, including interest on unreimbursed costs; or

88.21 (5) expenditures are made for housing purposes as permitted by subdivision 2,  
 88.22 paragraphs (b) and (d), or for public infrastructure purposes within a zone as permitted  
 88.23 by subdivision 2, paragraph (e).

88.24 (b) For purposes of this subdivision, bonds include subsequent refunding bonds if  
 88.25 the original refunded bonds meet the requirements of paragraph (a), clause (2).

88.26 (c) For a redevelopment district or a renewal and renovation district certified after  
 88.27 June 30, 2003, and before April 20, 2009, the five-year periods described in paragraph (a)  
 88.28 are extended to ten years after certification of the district. For a redevelopment district  
 88.29 certified after April 20, 2009, and before June 30, 2012, the five-year periods described in  
 88.30 paragraph (a) are extended to eight years after certification of the district. This extension is  
 88.31 provided primarily to accommodate delays in development activities due to unanticipated  
 88.32 economic circumstances.

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

88.34 Sec. 11. Minnesota Statutes 2014, section 469.178, subdivision 7, is amended to read:

89.1 Subd. 7. **Interfund loans.** (a) The authority or municipality may advance or loan  
89.2 money to finance expenditures under section 469.176, subdivision 4, from its general fund  
89.3 or any other fund under which it has legal authority to do so.

89.4 (b) Not later than 60 days after money is transferred, advanced, or spent, whichever  
89.5 is earliest, the loan or advance must be authorized; (1) by resolution of the governing  
89.6 body or of the authority, whichever has jurisdiction over the fund from which the advance  
89.7 or loan is authorized, ~~before money is transferred, advanced, or spent, whichever is~~  
89.8 ~~earliest;~~ or (2) in writing by an appropriate officer of the municipality or the authority to  
89.9 whom the municipality or authority has delegated by resolution power to administer and  
89.10 set the terms and conditions of the interfund loan.

89.11 (c) The resolution may generally grant to the municipality or the authority or an  
89.12 appropriate officer thereof the power to make interfund loans under one or more tax  
89.13 increment financing plans or for one or more districts. The resolution may be adopted  
89.14 or the interfund loan may be otherwise documented before or after the adoption of the  
89.15 tax increment financing plan or the creation of the tax increment financing district from  
89.16 which the advance or loan is to be repaid.

89.17 (d) The terms and conditions for repayment of the loan must be provided in writing  
89.18 ~~and.~~ The written terms and conditions may be in any form, but must include, at a  
89.19 minimum, the principal amount, the interest rate, and maximum term. Written terms may  
89.20 be modified or amended in writing by the municipality or the authority, or an appropriate  
89.21 officer thereof, before the latest termination of the tax increment financing district from  
89.22 which the interfund loan will be paid. The maximum rate of interest permitted to be  
89.23 charged is limited to the greater of the rates specified under section 270C.40 or 549.09  
89.24 as of the date the loan or advance is authorized, unless the written agreement states that  
89.25 the maximum interest rate will fluctuate as the interest rates specified under section  
89.26 270C.40 or 549.09 are from time to time adjusted. Loans or advances may be structured  
89.27 as draw-down or line-of-credit obligations of the lending fund.

89.28 (e) The authority shall report in the annual report submitted pursuant to section  
89.29 469.175, subdivision 6:

89.30 (1) the amount of any interfund loan or advance made in a calendar year; and

89.31 (2) any amendment of an interfund loan or advance made in a calendar year.

89.32 (f) An interfund loan or advance made by a municipality or an authority for any (1)  
89.33 administrative expenses, (2) planning, inspection, architectural, engineering, surveying,  
89.34 soil testing, and similar costs that are incurred before establishing a tax increment  
89.35 financing district, or (3) transfers made in anticipation of a negative cash balance in a fund  
89.36 for a temporary period not exceeding 12 months, is authorized under paragraph (a) and

90.1 is not subject to any additional requirements under paragraphs (b) to (d). The authority  
 90.2 shall report any interfund loan or advance made under this paragraph in the annual report  
 90.3 submitted under section 469.175, subdivision 6.

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

90.6 Sec. 12. Minnesota Statutes 2014, section 469.40, subdivision 11, as amended by Laws  
 90.7 2015, chapter 1, section 6, is amended to read:

90.8 Subd. 11. **Public infrastructure project.** (a) "Public infrastructure project" means  
 90.9 a project financed in part or in whole with public money in order to support the medical  
 90.10 business entity's development plans, as identified in the DMCC development plan. A  
 90.11 public infrastructure project may:

90.12 (1) acquire real property and other assets associated with the real property;

90.13 (2) demolish, repair, or rehabilitate buildings;

90.14 (3) remediate land and buildings as required to prepare the property for acquisition  
 90.15 or development;

90.16 (4) install, construct, or reconstruct elements of public infrastructure required to  
 90.17 support the overall development of the destination medical center development district  
 90.18 including, but not limited to, streets, roadways, utilities systems and related facilities,  
 90.19 utility relocations and replacements, network and communication systems, streetscape  
 90.20 improvements, drainage systems, sewer and water systems, subgrade structures and  
 90.21 associated improvements, landscaping, façade construction and restoration, wayfinding  
 90.22 and signage, and other components of community infrastructure;

90.23 (5) acquire, construct or reconstruct, and equip parking facilities and other facilities  
 90.24 to encourage intermodal transportation and public transit;

90.25 (6) install, construct or reconstruct, furnish, and equip parks, cultural, and  
 90.26 recreational facilities, facilities to promote tourism and hospitality, conferencing and  
 90.27 conventions, and broadcast and related multimedia infrastructure;

90.28 (7) make related site improvements including, without limitation, excavation,  
 90.29 earth retention, soil stabilization and correction, and site improvements to support the  
 90.30 destination medical center development district;

90.31 (8) prepare land for private development and to sell or lease land;

90.32 (9) provide costs of relocation benefits to occupants of acquired properties; and

90.33 (10) construct and equip all or a portion of one or more suitable structures on land  
 90.34 owned by the city for sale or lease to private development; provided, however, that the

91.1 portion of any structure directly financed by the city as a public infrastructure project must  
91.2 not be sold or leased to a medical business entity.

91.3 (b) A public infrastructure project is not a business subsidy under section 116J.993.

91.4 (c) Public infrastructure project includes the planning, preparation, and modification  
91.5 of the development plan under section 469.43, and. The cost of that planning, preparation,  
91.6 and any modification is a capital cost of the public infrastructure project.

91.7 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
91.8 the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section  
91.9 645.021, subdivisions 2 and 3, and applies retroactively to the original effective dates of  
91.10 the laws that are amended.

91.11 Sec. 13. Minnesota Statutes 2014, section 469.43, is amended by adding a subdivision  
91.12 to read:

91.13 **Subd. 6a. Restriction on city funds to support nonprofit economic development**  
91.14 **agency.** The nonprofit economic development agency shall not require the city to pay  
91.15 any amounts to the nonprofit economic development agency that are unrelated to public  
91.16 infrastructure project costs.

91.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
91.18 the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section  
91.19 645.021, subdivisions 2 and 3, and applies retroactively from June 22, 2013.

91.20 Sec. 14. Minnesota Statutes 2014, section 469.45, subdivision 1, is amended to read:

91.21 Subdivision 1. **Rochester, other local taxes authorized.** (a) Notwithstanding  
91.22 section 477A.016 or any other contrary provision of law, ordinance, or city charter, and in  
91.23 addition to any taxes the city may impose on these transactions under another statute or  
91.24 law, the city of Rochester may, by ordinance, impose at a rate or rates, determined by the  
91.25 city, any of the following taxes:

91.26 (1) a tax on the gross receipts from the furnishing for consideration of lodging and  
91.27 related services as defined in section 297A.61, subdivision 3, paragraph (g), clause (2); the  
91.28 city may choose to impose a differential tax based on the number of rooms in the facility;

91.29 (2) a tax on the gross receipts of food and beverages sold primarily for consumption  
91.30 on the premises by restaurants and places of refreshment that occur in the city of  
91.31 Rochester; the city may elect to impose the tax in a defined district of the city; and

91.32 (3) a tax on the admission receipts to entertainment and recreational facilities, as  
91.33 defined by ordinance, in the city of Rochester.

92.1 (b) The provisions of section 297A.99, subdivisions 4 to 13, govern the  
 92.2 administration, collection, and enforcement of any tax imposed by the city under  
 92.3 paragraph (a).

92.4 (c) The proceeds of any taxes imposed under this subdivision, less refunds and  
 92.5 costs of collection, must be used by the city only to meet its share of obligations for  
 92.6 public infrastructure projects contained in the development plan and approved by the  
 92.7 corporation, including any associated financing costs or to pay any other costs qualifying  
 92.8 as a local matching contribution under section 469.47, subdivision 4. Any tax imposed  
 92.9 under paragraph (a) expires at the earlier of December 31, 2049, or when the city council  
 92.10 determines that sufficient funds have been raised from the tax plus all other local funding  
 92.11 sources authorized in Laws 2013, chapter 143, article 10, to meet the city obligation for  
 92.12 financing public infrastructure projects contained in the development plan and approved  
 92.13 by the corporation, including any associated financing costs.

92.14 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
 92.15 the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section  
 92.16 645.021, subdivisions 2 and 3, and applies retroactively to the original effective dates of  
 92.17 the laws that are amended.

92.18 Sec. 15. Minnesota Statutes 2014, section 469.45, subdivision 2, is amended to read:

92.19 Subd. 2. **General sales tax authority.** The city may elect to extend the existing  
 92.20 local sales and use tax under Laws 2013, chapter 143, article 10, section 13, or to impose  
 92.21 an additional rate of up to one quarter of one percent tax on sales and use under Laws  
 92.22 2013, chapter 143, article 10, section 11. The proceeds of any extended or additional taxes  
 92.23 imposed under this subdivision, less refunds and costs of collection, must be used by the  
 92.24 city only to meet its share of obligations for public infrastructure projects contained in the  
 92.25 development plan and approved by the corporation, including all financing costs. Revenues  
 92.26 collected in any year to meet the obligations must be used for payment of obligations or  
 92.27 expenses for public infrastructure projects approved by the corporation or of any other  
 92.28 costs qualifying as a local matching contribution under section 469.47, subdivision 4.

92.29 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
 92.30 the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section  
 92.31 645.021, subdivisions 2 and 3, and applies retroactively to the original effective dates of  
 92.32 the laws that are amended.

93.1 Sec. 16. Minnesota Statutes 2014, section 469.47, subdivision 4, as amended by Laws  
93.2 2015, chapter 1, section 10, is amended to read:

93.3 Subd. 4. **General aid; local matching contribution.** In order to qualify for general  
93.4 state infrastructure aid, the city must enter a written agreement with the commissioner  
93.5 that requires the city to make a qualifying local matching contribution to pay for  
93.6 \$128,000,000 of the cost of public infrastructure projects approved by the corporation,  
93.7 including financing costs, using funds other than state aid received under this section. The  
93.8 ~~\$128,000,000~~ required local matching contribution is reduced by ~~one-half of the~~ any  
93.9 amounts the city pays for operating and administrative costs out of funds other than state aid  
93.10 received under this section for the support, administration, or operations of the corporation  
93.11 and the economic development agency up to a maximum amount agreed to by the board  
93.12 and the city. These amounts include any costs the city incurs in providing services,  
93.13 goods, or other support to the corporation or agency. The agreement must provide for the  
93.14 manner, timing, and amounts of the city contributions, including the city's commitment  
93.15 for each year. Notwithstanding any law to the contrary, the agreement may provide that  
93.16 the city contributions for public infrastructure project principal costs may be made over a  
93.17 20-year period at a rate not greater than \$1 from the city for each \$2.55 from the state.  
93.18 The local match contribution may be provided by the city from any source identified in  
93.19 section 469.45 and any other local tax proceeds or other funds from the city and may  
93.20 include providing funds to prepare the development plan, to assist developers undertaking  
93.21 projects in accordance with the development plan, or by the city directly undertaking  
93.22 public infrastructure projects in accordance with the development plan, provided the  
93.23 projects have been approved by the corporation. City contributions that are in excess of  
93.24 this ratio carry forward and are credited toward subsequent years. The commissioner and  
93.25 city may agree to amend the agreement at any time in light of new information or other  
93.26 appropriate factors. The city may enter into arrangements with the county to pay for or  
93.27 otherwise meet the local matching contribution requirement. Any public infrastructure  
93.28 project within the area that will be in the destination medical center development district  
93.29 whose implementation is started or funded by the city after June 22, 2013, but before the  
93.30 development plan is adopted, as provided by section 469.43, subdivision 1, will be included  
93.31 for the purposes of determining the amount the city has contributed as required by this  
93.32 section and the agreement with the commissioner, subject to approval by the corporation.

93.33 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
93.34 the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section  
93.35 645.021, subdivisions 2 and 3, and applies retroactively to the original effective dates of  
93.36 the laws that are amended.

94.1 Sec. 17. **[473.1467] NO SPENDING FOR CERTAIN RAIL PROJECTS.**

94.2 (a) Except as provided in paragraph (b), the council must not spend or use any money  
 94.3 for any costs related to studying the feasibility of, planning for, designing, engineering,  
 94.4 acquiring property or constructing facilities for or related to, or development or operation  
 94.5 of intercity or interregional passenger rail facilities or operations between the city of  
 94.6 Rochester, or locations in its metropolitan area, and any location in the metropolitan area.

94.7 (b) The restrictions under this section do not apply to funds the council obtains from  
 94.8 contributions, grants, or other voluntary payments made by nongovernmental entities  
 94.9 from private sources.

94.10 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
 94.11 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
 94.12 and Washington.

94.13 Sec. 18. Laws 2014, chapter 308, article 6, section 7, is amended to read:

94.14 Sec. 7. **CITY OF EAGAN; TAX INCREMENT FINANCING.**

94.15 (a) Effective for taxes payable in 2015, the city of Eagan may elect to compute tax  
 94.16 increment for the Cedar Grove Tax Increment Financing District using the current local tax  
 94.17 rate, notwithstanding the provisions of Minnesota Statutes, section 469.177, subdivision 1a.

94.18 (b) The requirements of Minnesota Statutes, section 469.1763, subdivision 3, that  
 94.19 activities must be undertaken within a five-year period from the date of certification  
 94.20 of a tax increment financing district, is considered to be met for the Cedar Grove Tax  
 94.21 Increment Financing District in the city of Eagan if the activities are undertaken within 13  
 94.22 years from the date of certification of the district.

94.23 (c) Notwithstanding the provisions of Minnesota Statutes, section 469.176,  
 94.24 subdivision 1b, or any other law to the contrary, the city of Eagan may collect tax  
 94.25 increment from the Cedar Grove Tax Increment Financing District through December  
 94.26 31, 2032. Notwithstanding the provisions of Minnesota Statutes, section 469.1782,  
 94.27 subdivision 2, any extension under this paragraph takes effect with regard to any affected  
 94.28 local government unit, as that term is defined in section 469.1782, subdivision 2, that  
 94.29 approved the extension, subject to the provisions of paragraph (d).

94.30 (d) For purposes of any extension under paragraph (c), if the governing body of an  
 94.31 affected local government unit does not approve the extension, but the extension takes  
 94.32 effect because one or more other affected local government units approve, the following  
 94.33 rules apply:

95.1 (1) tax increments during the period of the extension that are attributable to levies  
 95.2 imposed by an affected local government unit that did not approve the extension must be  
 95.3 paid by the county to the affected local government unit that did not approve the extension;

95.4 (2) for increment paid to the school district during the period of the extension, the  
 95.5 school district must report the amounts to the commissioner of education, along with any  
 95.6 additional information required by the commissioner and at the times required by the  
 95.7 commissioner; and

95.8 (3) the commissioner of education shall deduct from state aid payable to the school  
 95.9 district the amount of the reported tax increment attributable to state equalized levies.

95.10 **EFFECTIVE DATE.** The amendment to paragraph (c) extending the duration of the  
 95.11 district to 2034 is effective after one or more of the governing bodies of the city of Eagan,  
 95.12 Dakota County, and Independent School District No. 191 comply with the requirements of  
 95.13 Minnesota Statutes, sections 469.1782, subdivision 2, and 645.021, subdivision 3.

95.14 **Sec. 19. CITY OF COTTAGE GROVE; TAX INCREMENT FINANCING.**

95.15 The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that  
 95.16 activities must be undertaken within a five-year period from the date of certification of a  
 95.17 tax increment financing district, are considered to be met for Tax Increment Financing  
 95.18 District No. 1-12 (Gateway North), administered by the Cottage Grove Economic  
 95.19 Development Authority, if the activities are undertaken prior to January 1, 2017.

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

95.23 **Sec. 20. CITY OF WAYZATA; TAX INCREMENT FINANCING.**

95.24 The requirements of Minnesota Statutes, section 469.1763, subdivision 3, that  
 95.25 activities must be undertaken within a five-year period from the date of certification of a  
 95.26 tax increment financing district, are considered to be met for Tax Increment Financing  
 95.27 District 3 (Widsten) in the city of Wayzata if the revenues derived from tax increments  
 95.28 from the district are expended for any project contemplated by the original tax increment  
 95.29 financing plan for the district, including, without limitation, a municipal parking ramp  
 95.30 within the district.

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

96.1 **ARTICLE 6**

96.2 **MISCELLANEOUS PROVISIONS**

96.3 Section 1. **[11A.237] ACCOUNT FOR COUNTY JOINT TRUST FUND**  
 96.4 **PAYMENTS.**

96.5 Subdivision 1. **Establishment.** The State Board of Investment, when requested by a  
 96.6 county as required under sections 97A.056, subdivision 1b, and 116P.045, subdivision 2,  
 96.7 shall invest the funds deposited by the commissioner of revenue, acting as an agent on its  
 96.8 behalf, under section 97A.056, subdivision 1b, or 116P.045, subdivision 2, in a special  
 96.9 account for that purpose in the combined investment funds established in section 11A.14,  
 96.10 subject to the policy and procedures of the State Board of Investment. Use of the funds is  
 96.11 restricted to payments to the commissioner of revenue, acting as an agent on behalf of  
 96.12 the counties, for distributions to counties under sections 97A.056, subdivision 1b, and  
 96.13 116P.045, subdivision 3.

96.14 Subd. 2. **Account maintenance and investment.** The commissioner of revenue  
 96.15 may deposit money into the account on behalf of the counties and may withdraw money  
 96.16 from the account for the purpose of making distributions to the counties under sections  
 96.17 97A.056, subdivision 1b, and 116P.045, subdivision 3, only. The commissioner of revenue  
 96.18 shall make one payment under each section each year for all counties eligible for a payment  
 96.19 in that year. The commissioner shall make one withdrawal annually at a time negotiated  
 96.20 with the executive director of the State Board of Investment, but no later than November  
 96.21 15 to cover distributions to counties under section 477A.30, up to the limit allowed under  
 96.22 that section. Such transactions shall be in a manner required by the executive director of  
 96.23 the State Board of Investment. Investment earnings must be credited to the account.

96.24 **EFFECTIVE DATE.** This section is effective beginning January 1, 2017.

96.25 Sec. 2. Minnesota Statutes 2014, section 97A.056, subdivision 1a, is amended to read:

96.26 Subd. 1a. **Definitions.** ~~For the purpose of~~ (a) The definitions in this subdivision  
 96.27 apply to this section and appropriations from the outdoor heritage fund;

96.28 (b) "Land acquisition costs" means acquisition coordination costs, costs of  
 96.29 engineering services, appraisal fees, attorney fees, taxes, assessments required at the time  
 96.30 of purchase, onetime trust fund payments under subdivision 1b, and recording fees.

96.31 (c) "Recipient" means the entity responsible for deliverables financed by the outdoor  
 96.32 heritage fund.

97.1 Sec. 3. Minnesota Statutes 2014, section 97A.056, is amended by adding a subdivision  
97.2 to read:

97.3 Subd. 1b. **Outdoor heritage trust fund account; trust fund payments.** (a)  
97.4 An outdoor heritage trust fund account is created in the special revenue fund. The  
97.5 State Board of Investment must ensure the account is invested under section 11A.24.  
97.6 The commissioner of management and budget must credit to the account all money  
97.7 appropriated to the account and all money earned by the account. The principal of the  
97.8 account and any unexpended earnings must be invested and reinvested by the State Board  
97.9 of Investment. Nothing in this section limits the source of contributions to the account.  
97.10 Money in the account must be used only for the purposes of this subdivision.

97.11 (b) State land acquired in fee in whole or in part with money appropriated from the  
97.12 outdoor heritage fund is eligible for a onetime trust fund payment as provided under this  
97.13 subdivision. For purposes of this subdivision, "acquired in part" means that at least 20  
97.14 percent of the state payment for the parcel was from money from the outdoor heritage  
97.15 fund. The trust payment is equal to 30 times the property taxes assessed in the year prior  
97.16 to the year in which the land is acquired. If the land was acquired from a private party  
97.17 that was exempt from paying property taxes, the payments must be based on 30 times the  
97.18 property taxes assessed on comparable, privately owned, adjacent land in the year prior to  
97.19 the year in which the land is acquired. By September 1 of each year, the county in which  
97.20 the land is acquired must provide the commissioner of revenue with information necessary  
97.21 to make this determination for all lands acquired for the 12-month period ending on June  
97.22 30 of that year. The commissioner of revenue must make a trust payment on behalf of  
97.23 each county on the same date as the first payment under section 273.1384, subdivision 4,  
97.24 each year for all land acquired in that county in the 12-month period ending on June 30 of  
97.25 that year to the State Board of Investment as required under paragraph (e). The money  
97.26 so deposited is money paid to the counties and may only be withdrawn for the purposes  
97.27 allowed under section 477A.30. The commissioner of revenue must inform each county  
97.28 by September 20 of each year the amount deposited on the county's behalf with the State  
97.29 Board of Investment under this subdivision.

97.30 (c) If the land eligible for a trust fund payment under this subdivision is also eligible  
97.31 for a trust fund payment under section 116P.045, the payment under this subdivision is  
97.32 equal to the amount calculated under paragraph (b), multiplied by the ratio of (1) the  
97.33 amount paid for the parcel with money from the outdoor heritage fund to (2) the sum  
97.34 of the money paid for the parcel out of the outdoor heritage fund and the environment  
97.35 and natural resources trust fund.

98.1 (d) The amount necessary to make the payments required under this subdivision is  
 98.2 annually appropriated from the outdoor heritage trust fund account to the commissioner of  
 98.3 revenue.

98.4 (e) In order to receive a trust fund payment under this subdivision, a county  
 98.5 board must enter into an agreement with the State Board of Investment to allow the  
 98.6 commissioner of revenue to make deposits and withdrawals on behalf of the county into  
 98.7 and out of the county joint trust fund account under section 1.

98.8 (f) Land receiving a trust fund payment under this subdivision is not eligible  
 98.9 for payments under sections 477A.11 to 477A.14, but is eligible for distribution of  
 98.10 withdrawals from the county joint trust fund account under section 477A.30.

98.11 **EFFECTIVE DATE.** This section is effective July 1, 2016, and applies to land  
 98.12 acquired with funds appropriated on or after that date.

98.13 Sec. 4. Minnesota Statutes 2014, section 97A.056, is amended by adding a subdivision  
 98.14 to read:

98.15 Subd. 15b. **State acquisition of land; restrictions.** The state may not use funds  
 98.16 from the environment and natural resources fund to acquire in fee in whole or in part any  
 98.17 land currently subject to property taxes or any land owned by a nonprofit organization that  
 98.18 was subject to property taxes prior to the land's acquisition by the nonprofit organization if  
 98.19 (1) subdivision 1b is void, or (2) sufficient funds to cover the onetime trust fund payment  
 98.20 required under that subdivision have not been appropriated or are not available.

98.21 **EFFECTIVE DATE.** This section is effective July 1, 2016, and applies to land  
 98.22 acquired with funds appropriated on or after that date.

98.23 Sec. 5. Minnesota Statutes 2014, section 116P.02, subdivision 1, is amended to read:

98.24 Subdivision 1. **Applicability.** The definitions in this section apply to this chapter,  
 98.25 except that the definition in subdivision 6 does not apply to section 116P.045.

98.26 **EFFECTIVE DATE.** This section is effective July 1, 2016.

98.27 Sec. 6. Minnesota Statutes 2014, section 116P.02, is amended by adding a subdivision  
 98.28 to read:

98.29 Subd. 4a. **Land acquisition costs.** "Land acquisition costs" means acquisition  
 98.30 coordination costs, costs of engineering services, appraisal fees, attorney fees, taxes,  
 98.31 assessments required at the time of purchase, payments under section 116P.045, and  
 98.32 recording fees.

99.1 **EFFECTIVE DATE.** This section is effective July 1, 2016.

99.2 Sec. 7. **[116P.045] ENVIRONMENT AND NATURAL RESOURCES TRUST**  
 99.3 **FUND PAYMENT ACCOUNT.**

99.4 Subdivision 1. **Account created.** An environment and natural resources trust fund  
 99.5 payment account is created in the special revenue fund. The State Board of Investment  
 99.6 must ensure the account is invested under section 11A.24. The commissioner of  
 99.7 management and budget must credit to the account all money appropriated to the account  
 99.8 and all money earned by the account. The principal of the account and any unexpended  
 99.9 earnings must be invested and reinvested by the State Board of Investment. Nothing in  
 99.10 this section limits the source of contributions to the account. Money in the account must  
 99.11 be used only for the purposes of this section.

99.12 Subd. 2. **Trust fund payment; appropriation.** (a) State land acquired in fee in  
 99.13 whole or in part with money appropriated from the environment and natural resources trust  
 99.14 fund is eligible for a onetime trust fund payment as provided under this subdivision. For  
 99.15 purposes of this subdivision, "acquired in part" means that at least 20 percent of the state  
 99.16 payment for the parcel was from money from the environment and natural resources trust  
 99.17 fund. The trust payment is equal to 30 times the property taxes assessed in the year prior  
 99.18 to the year in which the land is acquired. If the land was acquired from a private party  
 99.19 that was exempt from paying property taxes, the payments must be based on 30 times the  
 99.20 property taxes assessed on comparable, privately owned adjacent land in the year prior to  
 99.21 the year in which the land is acquired. By September 1 of each year, the county in which  
 99.22 the land is acquired must provide the commissioner of revenue with information necessary  
 99.23 to make this determination for all lands acquired for the 12-month period ending on June  
 99.24 30 of that year. The commissioner of revenue must make a trust payment on behalf of  
 99.25 each county on the same date as the first payment under section 273.1384, subdivision 4,  
 99.26 each year for all land acquired in that county in the 12-month period ending on June 30 of  
 99.27 that year to the State Board of Investment as required under paragraph (e). The money  
 99.28 so deposited is money paid to the counties and may only be withdrawn for the purposes  
 99.29 allowed under section 477A.30. The commissioner of revenue must inform each county  
 99.30 by September 20 of each year the amount deposited on the county's behalf with the State  
 99.31 Board of Investment under this subdivision.

99.32 (b) If the land eligible for a trust fund payment under this subdivision is also eligible  
 99.33 for a trust fund payment under section 97A.056, subdivision 1b, the payment under this  
 99.34 subdivision is equal to the amount calculated under paragraph (a), multiplied by the ratio  
 99.35 of (1) the amount paid for the parcel with money from the environment and natural

100.1 resources trust fund to (2) the sum of the money paid for the parcel out of the outdoor  
 100.2 heritage fund and the environment and natural resources trust fund.

100.3 (c) The amount necessary to make the payments required under this subdivision is  
 100.4 annually appropriated from the environment and natural resources trust fund payment  
 100.5 account to the commissioner of revenue.

100.6 Subd. 3. **County requirements.** In order to receive a trust fund payment under this  
 100.7 section, a county board must enter into an agreement with the State Board of Investment  
 100.8 to allow the commissioner of revenue to make deposits and withdrawals on behalf of the  
 100.9 county into and out of the county joint trust fund account under section 1.

100.10 Subd. 4. **Ineligible for other payments.** Land receiving a trust fund payment  
 100.11 under this section is not eligible for payments under sections 477A.11 to 477A.14, but  
 100.12 is eligible for distribution of withdrawals from the county joint trust fund account under  
 100.13 section 477A.30.

100.14 Subd. 5. **State acquisition of land; restrictions.** The state may not use funds from  
 100.15 the outdoor heritage fund to acquire in fee in whole or in part any land currently subject to  
 100.16 property taxes or any land owned by a nonprofit organization that was subject to property  
 100.17 taxes prior to the land's acquisition by the nonprofit organization if (1) subdivision 2 is  
 100.18 void, or (2) sufficient funds to cover the one time trust fund payment required under that  
 100.19 subdivision have not been appropriated or are not available.

100.20 **EFFECTIVE DATE.** This section is effective July 1, 2016, and applies to land  
 100.21 acquired with funds appropriated on or after that date.

100.22 Sec. 8. Minnesota Statutes 2014, section 270A.03, subdivision 7, is amended to read:

100.23 Subd. 7. **Refund.** "Refund" means an individual income tax refund ~~or political~~  
 100.24 ~~contribution refund~~, pursuant to chapter 290, or a property tax credit or refund, pursuant to  
 100.25 chapter 290A, or a sustainable forest payment to a claimant under chapter 290C.

100.26 For purposes of this chapter, lottery prizes, as set forth in section 349A.08, subdivision  
 100.27 8, and amounts granted to persons by the legislature on the recommendation of the joint  
 100.28 senate-house of representatives Subcommittee on Claims shall be treated as refunds.

100.29 In the case of a joint property tax refund payable to spouses under chapter 290A,  
 100.30 the refund shall be considered as belonging to each spouse in the proportion of the total  
 100.31 refund that equals each spouse's proportion of the total income determined under section  
 100.32 290A.03, subdivision 3. In the case of a joint income tax refund under chapter 289A, the  
 100.33 refund shall be considered as belonging to each spouse in the proportion of the total  
 100.34 refund that equals each spouse's proportion of the total taxable income determined under  
 100.35 section 290.01, subdivision 29. The commissioner shall remit the entire refund to the

101.1 claimant agency, which shall, upon the request of the spouse who does not owe the debt,  
101.2 determine the amount of the refund belonging to that spouse and refund the amount to  
101.3 that spouse. For court fines, fees, and surcharges and court-ordered restitution under  
101.4 section 611A.04, subdivision 2, the notice provided by the commissioner of revenue under  
101.5 section 270A.07, subdivision 2, paragraph (b), serves as the appropriate legal notice  
101.6 to the spouse who does not owe the debt.

101.7 **EFFECTIVE DATE.** This section is effective for political contribution refund  
101.8 claims based on contributions made on or after July 1, 2015.

101.9 Sec. 9. Minnesota Statutes 2014, section 289A.50, subdivision 1, is amended to read:

101.10 Subdivision 1. **General right to refund.** (a) Subject to the requirements of this  
101.11 section and section 289A.40, a taxpayer who has paid a tax in excess of the taxes lawfully  
101.12 due and who files a written claim for refund will be refunded or credited the overpayment  
101.13 of the tax determined by the commissioner to be erroneously paid.

101.14 (b) The claim must specify the name of the taxpayer, the date when and the period  
101.15 for which the tax was paid, the kind of tax paid, the amount of the tax that the taxpayer  
101.16 claims was erroneously paid, the grounds on which a refund is claimed, and other  
101.17 information relative to the payment and in the form required by the commissioner. An  
101.18 income tax, estate tax, or corporate franchise tax return, or amended return claiming an  
101.19 overpayment constitutes a claim for refund.

101.20 (c) When, in the course of an examination, and within the time for requesting a  
101.21 refund, the commissioner determines that there has been an overpayment of tax, the  
101.22 commissioner shall refund or credit the overpayment to the taxpayer and no demand  
101.23 is necessary. If the overpayment exceeds \$1, the amount of the overpayment must  
101.24 be refunded to the taxpayer. If the amount of the overpayment is less than \$1, the  
101.25 commissioner is not required to refund. In these situations, the commissioner does not  
101.26 have to make written findings or serve notice by mail to the taxpayer.

101.27 (d) If the amount allowable as a credit for withholding, estimated taxes, or dependent  
101.28 care exceeds the tax against which the credit is allowable, the amount of the excess is  
101.29 considered an overpayment. ~~The refund allowed by section 290.06, subdivision 23, is also~~  
101.30 ~~considered an overpayment.~~ The requirements of section 270C.33 do not apply to the  
101.31 refunding of such an overpayment shown on the original return filed by a taxpayer.

101.32 (e) If the entertainment tax withheld at the source exceeds by \$1 or more the taxes,  
101.33 penalties, and interest reported in the return of the entertainment entity or imposed by  
101.34 section 290.9201, the excess must be refunded to the entertainment entity. If the excess is  
101.35 less than \$1, the commissioner need not refund that amount.

102.1 (f) If the surety deposit required for a construction contract exceeds the liability of  
 102.2 the out-of-state contractor, the commissioner shall refund the difference to the contractor.

102.3 (g) An action of the commissioner in refunding the amount of the overpayment does  
 102.4 not constitute a determination of the correctness of the return of the taxpayer.

102.5 (h) There is appropriated from the general fund to the commissioner of revenue the  
 102.6 amount necessary to pay refunds allowed under this section.

102.7 **EFFECTIVE DATE.** This section is effective for political contribution refund  
 102.8 claims based on contributions made on or after July 1, 2015.

102.9 Sec. 10. Minnesota Statutes 2014, section 290.01, subdivision 6, is amended to read:

102.10 Subd. 6. **Taxpayer.** The term "taxpayer" means any person or corporation subject to  
 102.11 a tax imposed by this chapter. ~~For purposes of section 290.06, subdivision 23, the term~~  
 102.12 ~~"taxpayer" means an individual eligible to vote in Minnesota under section 201.014.~~

102.13 **EFFECTIVE DATE.** This section is effective for political contribution refund  
 102.14 claims based on contributions made on or after July 1, 2015.

102.15 Sec. 11. Minnesota Statutes 2014, section 477A.10, is amended to read:

102.16 **477A.10 NATURAL RESOURCES LAND PAYMENTS IN LIEU; PURPOSE.**

102.17 The purposes of sections 477A.11 to 477A.14 are:

102.18 (1) to compensate local units of government for the loss of tax base from state  
 102.19 ownership of land, except land acquired in whole or in part with money appropriated on  
 102.20 or after July 1, 2016, from the outdoor heritage fund or the environment and natural  
 102.21 resources trust fund and the need to provide services for state land;

102.22 (2) to address the disproportionate impact of state land ownership on local units of  
 102.23 government with a large proportion of state land; and

102.24 (3) to address the need to manage state lands held in trust for the local taxing districts.

102.25 Sec. 12. Minnesota Statutes 2014, section 477A.11, is amended by adding a  
 102.26 subdivision to read:

102.27 Subd. 9. **Environment and natural resources trust fund lands.** Notwithstanding  
 102.28 any other provision of law to the contrary, natural resource land acquired in whole or in  
 102.29 part with money appropriated from the environment and natural resources trust fund after  
 102.30 July 1, 2016, is not included in the definitions of the lands described in subdivisions 3 to  
 102.31 7 and is excluded from payments under sections 477A.11 to 477A.14. For purposes of  
 102.32 this subdivision, "acquired in part" means that at least 20 percent of the state payment

103.1 for the acquisition of the parcel was from money from the environment and natural  
 103.2 resources trust fund.

103.3 Sec. 13. Minnesota Statutes 2014, section 477A.11, is amended by adding a  
 103.4 subdivision to read:

103.5 Subd. 10. **Outdoor heritage lands.** Notwithstanding any other provision of law to  
 103.6 the contrary, natural resource land acquired in whole or in part with money appropriated  
 103.7 from the outdoor heritage fund on or after July 1, 2016, is not included in the definitions of  
 103.8 the lands described in subdivisions 3 to 7 and is excluded from payments under sections  
 103.9 477A.11 to 477A.14. For purposes of this subdivision, "acquired in part" means that at  
 103.10 least 20 percent of the state payment for the acquisition of the parcel was from money  
 103.11 from the outdoor heritage fund.

103.12 Sec. 14. [477A.30] ANNUAL COUNTY JOINT TRUST FUND WITHDRAWALS  
 103.13 AND DISTRIBUTION FOR ENVIRONMENT AND NATURAL TRUST FUND  
 103.14 LANDS AND OUTDOOR HERITAGE LANDS.

103.15 Subdivision 1. **Commissioner of revenue; withdrawals and payments.** No later  
 103.16 than November 15 of each year, the commissioner of revenue shall make a withdrawal on  
 103.17 behalf of all eligible counties from the county joint trust fund account established under  
 103.18 section 11A.237 equal to the lesser of (1) the total amount of necessary withdrawals  
 103.19 certified by the counties under subdivision 2 for the year, or (2) 5-1/2 percent of the  
 103.20 amount in that account as determined by the executive director of the State Board of  
 103.21 Investment. The commissioner shall distribute the certified withdrawal amounts to each  
 103.22 county by November 30. If the amount of the withdrawal is less than the total certified  
 103.23 withdrawal amounts under subdivision 2, the commissioner shall reduce the distribution  
 103.24 to each county proportionately.

103.25 Subd. 2. **Certification of needed withdrawal, distribution of funds.** (a) Beginning  
 103.26 in calendar year 2016, by November 1 of each year, a county for whom a trust fund  
 103.27 payment has been made on its behalf under sections 97A.056, subdivision 1b, or 116P.045,  
 103.28 subdivision 2, shall calculate and certify to the commissioner of revenue the amount of  
 103.29 trust fund withdrawals needed under this section. The amount of the withdrawal for each  
 103.30 parcel of land for which a county received a trust fund payment under either provision  
 103.31 is as follows:

103.32 (1) for the year in which a trust fund payment is made to a county for a parcel of  
 103.33 land, the withdrawal for that parcel is equal to:

104.1 (i) the remaining taxes owed to the local governments for taxes spread that year for a  
 104.2 parcel acquired between January 1 and June 30; or

104.3 (ii) the amount of taxes paid on the parcel in the previous year if the parcel was  
 104.4 acquired before January 1 of the current year. The county must distribute the amount by  
 104.5 December 15 to all local governments based on the location of the parcel and the local  
 104.6 governments' share of the total tax; and

104.7 (2) For all subsequent years, the withdrawal for a parcel is equal to the taxes that  
 104.8 would be owed based on the appraised value of the land and the taxes assessed on  
 104.9 comparable, privately owned adjacent land. For purposes of this subdivision, "appraised  
 104.10 value" is determined in the manner described in section 477A.12, subdivision 3. The county  
 104.11 treasurer must allocate the withdrawn funds among the county, the school district, the town  
 104.12 or home rule charter or statutory city, and special districts on the same basis as if the funds  
 104.13 were taxes on the land received in that year. The county treasurer must pay the allocation  
 104.14 to all eligible local governments by December 15 of the year in which the withdrawal is  
 104.15 made. The county's share of the payment must be deposited in the county general fund.

104.16 (b) If the distribution to a county under subdivision 1 is less than its total withdrawal  
 104.17 amounts certified under this subdivision, all distributions under paragraph (a) are reduced  
 104.18 proportionately.

104.19 **EFFECTIVE DATE.** This section is effective January 1, 2016, and applies to land  
 104.20 acquired with funds appropriated on or after July 1, 2015.

104.21 Sec. 15. **NOTIFICATION OF POLITICAL CONTRIBUTION REFUND**  
 104.22 **REPEAL.**

104.23 (a) The commissioner of revenue must take the following actions as soon as  
 104.24 practicable:

104.25 (1) annotate the link to 2015 Form PCR indicating that political contribution refunds  
 104.26 may only be claimed for contributions made before April 15, 2015, and that claims must  
 104.27 be filed by June 15, 2015; and

104.28 (2) send notifications to all appropriate electronic mailing lists that the commissioner  
 104.29 maintains announcing the repeal of the political contribution refund, including the  
 104.30 requirement that claims for refund of contributions made before April 15, 2015, must be  
 104.31 filed before June 15, 2015.

104.32 (b) The executive director of the campaign finance and public disclosure board must  
 104.33 take the following actions as soon as practicable:

104.34 (1) notify all registered political parties and all candidates who have registered  
 104.35 a principal campaign committee with the board and have filed a valid public subsidy

105.1 agreement that the political contribution refund has been repealed, that refunds may only  
 105.2 be claimed for contributions made before April 15, 2015, and that claims must be filed  
 105.3 by June 15, 2015;

105.4 (2) update its Web site to indicate that the political contribution refund program has  
 105.5 been repealed, and to indicate that political contribution refunds may only be claimed  
 105.6 for contributions made before April 15, 2015, and that claims must be filed by June 15,  
 105.7 2015; and

105.8 (3) stop issuing Form EP-3, the official receipt form for political contribution  
 105.9 refunds, to registered political parties and candidates.

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

105.11 Sec. 16. **REPEALER.**

105.12 Minnesota Statutes 2014, sections 10A.322, subdivision 4; 13.4967, subdivision 2;  
 105.13 and 290.06, subdivision 23, and Minnesota Rules, part 4503.1400, subpart 4, are repealed.

105.14 **EFFECTIVE DATE.** This section is effective for contributions made after April  
 105.15 15, 2015, and refund claims filed after June 15, 2015."

105.16 Delete the title and insert:

105.17 "A bill for an act  
 105.18 relating to taxation; providing for local government finance; allowing a reverse  
 105.19 referendum for property tax levies under certain circumstances; modifying dates  
 105.20 for local referenda related to spending; changing proposed levy certification  
 105.21 dates for special taxing districts; modifying general property tax provisions;  
 105.22 providing for joint county and township assessment agreements; modifying  
 105.23 the definition of agricultural homestead; modifying property classification  
 105.24 definitions; permanently extending the market value exclusion for surviving  
 105.25 spouses of deceased service members and permanently disabled veterans;  
 105.26 modifying provisions for appeals and equalizations courses; providing a tax  
 105.27 credit for overvalued property; modifying and phasing out the state general levy;  
 105.28 modifying proposed levy provisions; modifying due dates for property taxes;  
 105.29 changing withdrawal procedures for the Sustainable Forest Incentive Program;  
 105.30 authorizing valuation exclusion for certain improvements to homestead and  
 105.31 commercial-industrial property; modifying local government aids and credits;  
 105.32 providing for a school building bond agricultural credit; creating a county  
 105.33 program aid working group; modifying local sales and use taxes; providing  
 105.34 for certain economic development projects; restricting expenditures and  
 105.35 other powers related to certain rail projects; providing for additional border  
 105.36 city zone allocations; modifying general tax increment financing provisions;  
 105.37 modifying provisions for the Destination Medical Center; establishing trust fund  
 105.38 accounts; providing trust fund payments to counties; modifying provisions  
 105.39 related to payments in lieu of taxes for natural resources land; repealing the  
 105.40 political contribution refund; requiring reports; appropriating money; amending  
 105.41 Minnesota Statutes 2014, sections 16A.726; 40A.18, subdivision 2; 97A.056,  
 105.42 subdivision 1a, by adding subdivisions; 116P.02, subdivision 1, by adding a  
 105.43 subdivision; 123B.63, subdivision 3; 126C.17, subdivision 9; 205.10, subdivision  
 105.44 1; 205A.05, subdivision 1; 216B.46; 237.19; 270A.03, subdivision 7; 273.072,  
 105.45 by adding a subdivision; 273.124, subdivision 14; 273.13, subdivisions 23,

106.1 25, 34; 274.014, subdivision 2; 275.025; 275.065, subdivisions 1, 3; 275.07,  
 106.2 subdivisions 1, 2; 275.08, subdivision 1b; 275.60; 276.04, subdivisions 1,  
 106.3 2; 279.01, subdivisions 1, 3; 289A.50, subdivision 1; 290.01, subdivision 6;  
 106.4 290.06, by adding a subdivision; 290C.10; 297A.994, subdivision 4; 412.221,  
 106.5 subdivision 2; 412.301; 426.19, subdivision 2; 447.045, subdivisions 2, 3, 4, 6, 7;  
 106.6 452.11; 455.24; 455.29; 459.06, subdivision 1; 469.053, subdivision 5; 469.0724;  
 106.7 469.107, subdivision 2; 469.169, by adding a subdivision; 469.174, subdivision  
 106.8 14; 469.176, subdivision 4; 469.1763, subdivisions 1, 2, 3; 469.178, subdivision  
 106.9 7; 469.190, subdivisions 1, 5; 469.40, subdivision 11, as amended; 469.43,  
 106.10 by adding a subdivision; 469.45, subdivisions 1, 2; 469.47, subdivision 4, as  
 106.11 amended; 471.57, subdivision 3; 471.571, subdivision 3; 471.572, subdivisions  
 106.12 2, 4; 473.446, subdivision 1; 473H.09; 473H.17, subdivision 1a; 475.59;  
 106.13 477A.013, subdivision 10, by adding a subdivision; 477A.017, subdivisions 2,  
 106.14 3; 477A.03, subdivisions 2a, 2b; 477A.10; 477A.11, by adding subdivisions;  
 106.15 611.27, subdivisions 13, 15; Laws 1980, chapter 511, sections 1, subdivision  
 106.16 2, as amended; 2, as amended; Laws 1991, chapter 291, article 8, section 27,  
 106.17 subdivisions 3, as amended, 4, as amended, 5, 6; Laws 1996, chapter 471, article  
 106.18 3, section 51; Laws 1999, chapter 243, article 4, section 18, subdivision 1, as  
 106.19 amended; Laws 2008, chapter 366, article 7, section 20; Laws 2014, chapter 308,  
 106.20 article 6, section 7; proposing coding for new law in Minnesota Statutes, chapters  
 106.21 11A; 16A; 16B; 116P; 117; 273; 274; 275; 416; 459; 473; 477A; repealing  
 106.22 Minnesota Statutes 2014, sections 10A.322, subdivision 4; 13.4967, subdivision  
 106.23 2; 205.10, subdivision 3; 290.06, subdivision 23; 477A.085; 477A.19; Minnesota  
 106.24 Rules, part 4503.1400, subpart 4."