

Subject Sales tax exemption and grant for a fire in Melrose

Authors Anderson and Franson

Analyst Pat Dalton

Date February 18, 2019

Overview

Reinstates both the sales tax exemption and the remediation grants for the September 8, 2016, fire in Melrose included in the 2017 omnibus tax bill that expired in 2018.

History: In 2017 the omnibus tax bill included a sales tax exemption for construction materials used in reconstruction and recovery due to the September 8, 2016, fire in the city of Melrose. It also included an appropriation to the city of Melrose and Stearns County for remediation costs to cover costs related to fire fighting and clean up and lost revenue from associated property tax abatements. The sales tax exemption expired December 31, 2018, and the unused portion of the remediation grants canceled back to the general fund on July 1, 2018.

Summary

Section	Description
1	<p>Properties destroyed by fire.</p> <p>Requires that for the period between January 1, 2019, and July 1, 2019, the sales tax must be paid on exempt construction materials and refunded to the property owners in the same manner as was required for the time period from September 30, 2016, and July 1, 2017.</p> <p>Effective the day after final enactment.</p>
2	<p>Effective date.</p> <p>Modifies the effective date for the sales tax exemption granted in section 1 to cover the period January 1, 2019, to December 31, 2022.</p> <p>Effective retroactively to January 1, 2019.</p>
3	<p>Appropriation of lapsed amounts; fire remediation grants.</p> <p>Appropriates in fiscal year 2019 from the general fund the amount of unused remediation grants to the city of Melrose that canceled back to the general fund at the beginning of</p>

Section	Description
	fiscal year 2019. The appropriated amount is \$634,729 and is available for grants from the day after final enactment until June 30, 2022.



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 600 State Office Building | St. Paul, MN 55155