

1.1 Senator ..... moves to amend S.F. No. 3706 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 **"ARTICLE 1**  
1.4 **PROPERTY TAXES**

1.5 Section 1. Minnesota Statutes 2020, section 272.01, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

1.30 (4) except as provided in paragraph (d), property constituting or used as a passenger  
1.31 check-in area or ticket sale counter, boarding area, or luggage claim area in connection with

2.1 a public airport ~~but not the airports owned or operated by the Metropolitan Airports~~  
2.2 ~~Commission or cities of over 50,000 population or an airport authority therein. Real estate~~  
2.3 ~~owned by a municipality in connection with the operation of a public airport and leased or~~  
2.4 ~~used for agricultural purposes is not exempt;~~

2.5 (5) property leased, loaned, or otherwise made available to a private individual,  
2.6 corporation, or association under a cooperative farming agreement made pursuant to section  
2.7 97A.135; or

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

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

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

2.13 (i) the Metropolitan Airports Commission; or

2.14 (ii) a city of over 50,000 population according to the most recent federal census or such  
2.15 a city's airport authority, except that, when calculating the tax imposed by this subdivision  
2.16 for property taxes payable in 2023 through 2034, the net tax capacity of such property is  
2.17 reduced by 50 percent if it is owned or operated by a city over 50,000 but under 150,000  
2.18 in population according to the most recent federal census or such a city's airport authority;  
2.19 or

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

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

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

2.26 (i) the Metropolitan Airports Commission; or

2.27 (ii) a city of over 50,000 population or an airport authority therein, except that, when  
2.28 calculating the tax imposed by this subdivision for property taxes payable in 2023 through  
2.29 2034, the net tax capacity of such property is reduced by 50 percent if it is owned or operated  
2.30 by a city over 50,000 but under 150,000 in population according to the most recent federal  
2.31 census or such a city's airport authority; or

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

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

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

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

3.18 Sec. 2. Minnesota Statutes 2020, section 272.02, subdivision 98, is amended to read:

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

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

3.21 (2) is located in a city of the first class with a population greater than 300,000 as of the  
3.22 2010 federal census;

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

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

3.28 (b) For purposes of this subdivision, a "tribal purpose" means a public purpose as defined  
3.29 in subdivision 8 and includes noncommercial tribal government activities. Property that  
3.30 qualifies for the exemption under this subdivision is limited to no more than two contiguous  
3.31 parcels and structures that do not exceed in the aggregate 20,000 square feet. Property  
3.32 acquired for single-family housing, market-rate apartments, agriculture, or forestry does

4.1 not qualify for this exemption. The exemption created by this subdivision expires with taxes  
4.2 payable in ~~2024~~ 2034.

4.3 (c) Property exempt under this section is exempt from the requirements of section  
4.4 272.025.

4.5 **EFFECTIVE DATE.** This section is effective for taxes payable in 2022.

4.6 Sec. 3. Minnesota Statutes 2020, section 272.02, is amended by adding a subdivision to  
4.7 read:

4.8 Subd. 105. **Energy storage systems.** (a) Personal property consisting of an energy  
4.9 storage system is exempt. For the purposes of this subdivision, "energy storage system" has  
4.10 the meaning given in section 216B.2422, subdivision 1, paragraph (f). The land on which  
4.11 the property is located remains taxable and must be classified as class 3a under section  
4.12 273.13, subdivision 24.

4.13 (b) A taxpayer requesting an exemption under this subdivision must file an application  
4.14 with the commissioner of revenue by November 1 of the year prior to each assessment year.  
4.15 The commissioner shall prescribe the content, format, and manner of the application pursuant  
4.16 to section 270C.30, except that a "law administered by the commissioner" includes the  
4.17 property tax laws. In determining eligibility for the exemption under this section, the  
4.18 commissioner of revenue may request information and advice from the commissioner of  
4.19 commerce. By December 15 of each assessment year, the commissioner of revenue shall  
4.20 certify to each county assessor the list of properties that qualifies for the exemption under  
4.21 this subdivision.

4.22 (c) The exemption under this section expires with taxes payable in 2034.

4.23 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

4.24 Sec. 4. Minnesota Statutes 2020, section 273.032, is amended to read:

4.25 **273.032 MARKET VALUE DEFINITION.**

4.26 (a) Unless otherwise provided, for the purpose of determining any property tax levy  
4.27 limitation based on market value or any limit on net debt, the issuance of bonds, certificates  
4.28 of indebtedness, or capital notes based on market value, any qualification to receive state  
4.29 aid based on market value, or any state aid amount based on market value, the terms "market  
4.30 value," "estimated market value," and "market valuation," whether equalized or unequalized,  
4.31 mean the estimated market value of taxable property within the local unit of government  
4.32 before any of the following or similar adjustments for:

- 5.1 (1) the market value exclusions under:
- 5.2 (i) section 273.11, subdivisions 14a and 14c (vacant platted land);
- 5.3 (ii) section 273.11, subdivision 16 (certain improvements to homestead property);
- 5.4 (iii) section 273.11, subdivisions 19 and 20 (certain improvements to business properties);
- 5.5 (iv) section 273.11, subdivision 21 (homestead property damaged by mold);
- 5.6 (v) section 273.13, subdivision 34 (homestead of a veteran with a disability or family
- 5.7 caregiver); ~~or~~
- 5.8 (vi) section 273.13, subdivision 35 (homestead market value exclusion); or
- 5.9 (vii) section 273.13, subdivision 36 (affordable housing market value exclusion); or
- 5.10 (2) the deferment of value under:
- 5.11 (i) the Minnesota Agricultural Property Tax Law, section 273.111;
- 5.12 (ii) the Aggregate Resource Preservation Law, section 273.1115;
- 5.13 (iii) the Minnesota Open Space Property Tax Law, section 273.112;
- 5.14 (iv) the rural preserves property tax program, section 273.114; or
- 5.15 (v) the Metropolitan Agricultural Preserves Act, section 473H.10; or
- 5.16 (3) the adjustments to tax capacity for:
- 5.17 (i) tax increment financing under sections 469.174 to 469.1794;
- 5.18 (ii) fiscal disparities under chapter 276A or 473F; or
- 5.19 (iii) powerline credit under section 273.425.
- 5.20 (b) Estimated market value under paragraph (a) also includes the market value of
- 5.21 tax-exempt property if the applicable law specifically provides that the limitation,
- 5.22 qualification, or aid calculation includes tax-exempt property.
- 5.23 (c) Unless otherwise provided, "market value," "estimated market value," and "market
- 5.24 valuation" for purposes of property tax levy limitations and calculation of state aid, refer
- 5.25 to the estimated market value for the previous assessment year and for purposes of limits
- 5.26 on net debt, the issuance of bonds, certificates of indebtedness, or capital notes refer to the
- 5.27 estimated market value as last finally equalized.
- 5.28 (d) For purposes of a provision of a home rule charter or of any special law that is not
- 5.29 codified in the statutes and that imposes a levy limitation based on market value or any limit

6.1 on debt, the issuance of bonds, certificates of indebtedness, or capital notes based on market  
6.2 value, the terms "market value," "taxable market value," and "market valuation," whether  
6.3 equalized or unequalized, mean "estimated market value" as defined in paragraph (a).

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

6.5 Sec. 5. Minnesota Statutes 2020, section 273.11, subdivision 23, is amended to read:

6.6 Subd. 23. **First tier valuation limit; agricultural homestead property.** (a) The  
6.7 commissioner of revenue shall annually certify the first tier limit for agricultural homestead  
6.8 property. For assessment year ~~2010~~ 2023, the limit is ~~\$1,140,000~~ \$2,500,000. Beginning  
6.9 with assessment year ~~2011~~ 2024, the limit is the product of (i) the first tier limit for the  
6.10 preceding assessment year, and (ii) the ratio of the statewide average taxable market value  
6.11 of agricultural property per acre of deeded farm land in the preceding assessment year to  
6.12 the statewide average taxable market value of agricultural property per acre of deeded farm  
6.13 land for the second preceding assessment year. The limit shall be rounded to the nearest  
6.14 \$10,000.

6.15 (b) For the purposes of this subdivision, "agricultural property" means all class 2a  
6.16 property under section 273.13, subdivision 23, except for property consisting of the house,  
6.17 garage, and immediately surrounding one acre of land of an agricultural homestead.

6.18 (c) The commissioner shall certify the limit by January 2 of each assessment year.

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

6.20 Sec. 6. Minnesota Statutes 2020, section 273.128, is amended by adding a subdivision to  
6.21 read:

6.22 Subd. 1a. **Approval.** A property owner must receive approval by resolution of the  
6.23 governing body of the city or town where the property is located before submitting an initial  
6.24 application to the Housing Finance Agency, as required under subdivision 2, for property  
6.25 that has not, in whole or in part, been classified as class 4d under section 273.13, subdivision  
6.26 25, prior to assessment year 2023. A property owner that receives approval as required  
6.27 under this subdivision, and the certification made under subdivision 3, shall not be required  
6.28 to seek approval under this subdivision prior to submitting an application under subdivision  
6.29 2 in each subsequent year.

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

7.1 Sec. 7. Minnesota Statutes 2020, section 273.128, subdivision 2, is amended to read:

7.2 Subd. 2. **Application.** (a) Application for certification under this section must be filed  
7.3 by March 31 of the levy year, or at a later date if the Housing Finance Agency deems  
7.4 practicable. The application must be filed with the Housing Finance Agency, on a form  
7.5 prescribed by the agency, and must contain the information required by the Housing Finance  
7.6 Agency.

7.7 (b) Each application must include:

7.8 (1) the property tax identification number; and

7.9 (2) evidence that the property meets the requirements of ~~subdivision~~ subdivisions 1 and  
7.10 1a.

7.11 (c) The Housing Finance Agency may charge an application fee approximately equal  
7.12 to the costs of processing and reviewing the applications but not to exceed \$10 per unit. If  
7.13 imposed, the applicant must pay the application fee to the Housing Finance Agency. The  
7.14 fee must be deposited in the housing development fund.

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

7.16 Sec. 8. **[273.129] AFFORDABLE HOUSING MARKET VALUE EXCLUSION**  
7.17 **PROGRAM; ESTABLISHMENT.**

7.18 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have  
7.19 the meanings given, unless otherwise indicated.

7.20 (b) "Municipality" means a statutory or home rule charter city, a township, or unorganized  
7.21 territory.

7.22 (c) "Governing body" means, with respect to a city, a city council, with respect to a  
7.23 town, a town board, and with respect to an unorganized territory, the county board acting  
7.24 on behalf of the unorganized territory.

7.25 (d) "Market value" has the meaning given in section 272.03, subdivision 8.

7.26 (e) "Property" means a residential rental housing property classified as class 4a under  
7.27 section 273.13, subdivision 25, a portion of which is occupied by residents meeting the  
7.28 income requirement under subdivision 4.

7.29 Subd. 2. **Establishment.** An affordable housing market value exclusion program is  
7.30 established to promote the development of affordable rental properties in the state. Eligible

8.1 properties located in participating municipalities are eligible to receive a market value  
8.2 exclusion of 50 percent.

8.3 Subd. 3. **Approval.** (a) A governing body may, upon approval by a majority vote of its  
8.4 members, adopt a resolution agreeing to participate in the affordable housing market value  
8.5 exclusion program. Prior to approval, the governing body must publish notice of its intent  
8.6 to discuss the resolution at a regularly scheduled meeting, in a newspaper with general  
8.7 circulation in the city at least twice, not less than 30 days prior to the meeting. The notice  
8.8 must include the date, time, and location of the meeting at which the program will be  
8.9 discussed and public input allowed.

8.10 (b) After a governing body has adopted a resolution agreeing to participate in the program,  
8.11 the governing body must adopt a separate resolution, subject to the same voting, notice, and  
8.12 public hearing requirements under paragraph (a), for each property the governing body  
8.13 approves to receive the affordable housing market value exclusion. The resolution must  
8.14 state the valuation exclusion percentage of 50 percent which the property shall receive, and  
8.15 which shall remain the same each year, subject to the duration limit under subdivision 5.

8.16 (c) After a governing body has adopted the property specific resolution as required under  
8.17 paragraph (b), the governing body, other than the county board acting on behalf of an  
8.18 unorganized territory, must provide the county board with a copy of the resolution for each  
8.19 property the local government approved to receive the affordable housing market value  
8.20 exclusion, along with information relating to the fiscal implications resulting from the  
8.21 approved exclusion. The county board may request additional information from the local  
8.22 government that the board deems necessary. The county board must approve, by a majority  
8.23 vote of its members, the affordable housing market value exclusion for each property within  
8.24 60 days of receipt. If a county board fails to approve the exclusion within 60 days of receipt,  
8.25 or if the county board affirmatively denies approval of the exclusion, the property shall not  
8.26 receive the affordable housing market value exclusion.

8.27 Subd. 4. **Eligibility.** (a) A property located in a participating municipality is eligible for  
8.28 the affordable housing market value exclusion applied under section 273.13, subdivision  
8.29 36, if:

8.30 (1) the property is not classified in whole or in part as class 4d under section 273.13,  
8.31 subdivision 25;

8.32 (2) construction of the property began on or after January 1, 2022; and

8.33 (3) the Minnesota Housing Finance Agency certifies to the county or local assessor that:



9.1 (i) at least 20 percent of the units in the property are available for residents whose  
9.2 household income at the time of initial occupancy does not exceed 60 percent of the greater  
9.3 of area or state median income, adjusted for family size, as determined by the United States  
9.4 Department of Housing and Urban Development; and

9.5 (ii) at least 80 percent of the available units in the property are occupied by residents  
9.6 meeting the income requirement.

9.7 (b) By February 1 each assessment year, an application for certification under this  
9.8 subdivision must be filed by the property owner to the Minnesota Housing Finance Agency.  
9.9 The property owner must provide a copy of the application to the county or city assessor.  
9.10 The application must be filed on a form prescribed by the agency and must contain the  
9.11 property tax identification number, evidence that the property meets the requirements of  
9.12 paragraph (a), a copy of the property-specific approval by the county board if required, and  
9.13 any other information necessary for the Minnesota Housing Finance Agency to determine  
9.14 eligibility. The Minnesota Housing Finance Agency may charge an application fee  
9.15 approximately equal to the costs of processing and reviewing the applications. If imposed,  
9.16 the applicant must pay the application fee to the Minnesota Housing Finance Agency and  
9.17 the fee must be deposited in the housing development fund.

9.18 (c) By April 1 each assessment year, the Minnesota Housing Finance Agency must  
9.19 certify to the appropriate county or city assessor:

9.20 (1) the specific properties, identified by parcel identification numbers, that are eligible  
9.21 under this section to receive the exclusion for the current assessment year; and

9.22 (2) the specific properties, identified by parcel identification numbers, that received the  
9.23 exclusion in the previous assessment year but no longer meet the requirements under this  
9.24 section.

9.25 In making the certification, the Minnesota Housing Finance Agency must rely on the property  
9.26 owner's application and any other supporting information that the agency deems necessary.

9.27 Subd. 5. **Duration.** The governing body of a participating municipality shall determine  
9.28 the duration of the affordable housing market value exclusion for each eligible property,  
9.29 provided that the exclusion applies for at least ten but not more than 20 assessment years,  
9.30 except that when a property no longer meets the requirements of subdivision 4, the exclusion  
9.31 shall be removed for the current assessment year.

10.1 Subd. 6. Expiration. The affordable housing market value exclusion program expires  
10.2 on December 31, 2030. A property that has not received the required approval under  
10.3 subdivision 3 by December 31, 2030, shall not receive the exclusion.

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

10.5 Sec. 9. Minnesota Statutes 2020, section 273.13, subdivision 22, is amended to read:

10.6 Subd. 22. **Class 1.** (a) Except as provided in subdivision 23 and in paragraphs (b) and  
10.7 (c), real estate which is residential and used for homestead purposes is class 1a. In the case  
10.8 of a duplex or triplex in which one of the units is used for homestead purposes, the entire  
10.9 property is deemed to be used for homestead purposes. The market value of class 1a property  
10.10 must be determined based upon the value of the house, garage, and land.

10.11 The first \$500,000 of market value of class 1a property has a net classification rate of  
10.12 one percent of its market value; and the market value of class 1a property that exceeds  
10.13 \$500,000 has a classification rate of 1.25 percent of its market value.

10.14 (b) Class 1b property includes homestead real estate or homestead manufactured homes  
10.15 used for the purposes of a homestead by:

10.16 (1) any person who is blind as defined in section 256D.35, or the person who is blind  
10.17 and the spouse of the person who is blind;

10.18 (2) any person who is permanently and totally disabled or by the person with a disability  
10.19 and the spouse of the person with a disability; or

10.20 (3) the surviving spouse of a veteran who was permanently and totally disabled  
10.21 homesteading a property classified under this paragraph for taxes payable in 2008.

10.22 Property is classified and assessed under clause (2) only if the government agency or  
10.23 income-providing source certifies, upon the request of the homestead occupant, that the  
10.24 homestead occupant satisfies the disability requirements of this paragraph, and that the  
10.25 property is not eligible for the valuation exclusion under subdivision 34.

10.26 Property is classified and assessed under paragraph (b) only if the commissioner of  
10.27 revenue or the county assessor certifies that the homestead occupant satisfies the requirements  
10.28 of this paragraph.

10.29 Permanently and totally disabled for the purpose of this subdivision means a condition  
10.30 which is permanent in nature and totally incapacitates the person from working at an  
10.31 occupation which brings the person an income. The first \$50,000 market value of class 1b  
10.32 property has a net classification rate of .45 percent of its market value. The remaining market

11.1 value of class 1b property is classified as class 1a or class 2a property, whichever is  
11.2 appropriate.

11.3 (c) Class 1c property is commercial use real and personal property that abuts public  
11.4 water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by  
11.5 the Department of Natural Resources, and is devoted to temporary and seasonal residential  
11.6 occupancy for recreational purposes but not devoted to commercial purposes for more than  
11.7 250 days in the year preceding the year of assessment, and that includes a portion used as  
11.8 a homestead by the owner, which includes a dwelling occupied as a homestead by a  
11.9 shareholder of a corporation that owns the resort, a partner in a partnership that owns the  
11.10 resort, or a member of a limited liability company that owns the resort even if the title to  
11.11 the homestead is held by the corporation, partnership, or limited liability company. For  
11.12 purposes of this paragraph, property is devoted to a commercial purpose on a specific day  
11.13 if any portion of the property, excluding the portion used exclusively as a homestead, is  
11.14 used for residential occupancy and a fee is charged for residential occupancy. Class 1c  
11.15 property must contain three or more rental units. A "rental unit" is defined as a cabin,  
11.16 condominium, townhouse, sleeping room, or individual camping site equipped with water  
11.17 and electrical hookups for recreational vehicles. Class 1c property must provide recreational  
11.18 activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill  
11.19 or cross-country ski equipment; provide marina services, launch services, or guide services;  
11.20 or sell bait and fishing tackle. Any unit in which the right to use the property is transferred  
11.21 to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies  
11.22 for class 1c even though it may remain available for rent. A camping pad offered for rent  
11.23 by a property that otherwise qualifies for class 1c is also class 1c, regardless of the term of  
11.24 the rental agreement, as long as the use of the camping pad does not exceed 250 days. If  
11.25 the same owner owns two separate parcels that are located in the same township, and one  
11.26 of those properties is classified as a class 1c property and the other would be eligible to be  
11.27 classified as a class 1c property if it was used as the homestead of the owner, both properties  
11.28 will be assessed as a single class 1c property; for purposes of this sentence, properties are  
11.29 deemed to be owned by the same owner if each of them is owned by a limited liability  
11.30 company, and both limited liability companies have the same membership. The portion of  
11.31 the property used as a homestead is class 1a property under paragraph (a). The remainder  
11.32 of the property is classified as follows: the first ~~\$600,000~~ \$850,000 of market value is tier  
11.33 I, the next ~~\$1,700,000~~ \$2,250,000 of market value is tier II, and any remaining market value  
11.34 is tier III. The classification rates for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent;  
11.35 and tier III, 1.25 percent. Owners of real and personal property devoted to temporary and  
11.36 seasonal residential occupancy for recreation purposes in which all or a portion of the

12.1 property was devoted to commercial purposes for not more than 250 days in the year  
12.2 preceding the year of assessment desiring classification as class 1c, must submit a declaration  
12.3 to the assessor designating the cabins or units occupied for 250 days or less in the year  
12.4 preceding the year of assessment by January 15 of the assessment year. Those cabins or  
12.5 units and a proportionate share of the land on which they are located must be designated as  
12.6 class 1c as otherwise provided. The remainder of the cabins or units and a proportionate  
12.7 share of the land on which they are located must be designated as class 3a commercial. The  
12.8 owner of property desiring designation as class 1c property must provide guest registers or  
12.9 other records demonstrating that the units for which class 1c designation is sought were not  
12.10 occupied for more than 250 days in the year preceding the assessment if so requested. The  
12.11 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center  
12.12 or meeting room, and (5) other nonresidential facility operated on a commercial basis not  
12.13 directly related to temporary and seasonal residential occupancy for recreation purposes  
12.14 does not qualify for class 1c.

12.15 (d) Class 1d property includes structures that meet all of the following criteria:

12.16 (1) the structure is located on property that is classified as agricultural property under  
12.17 section 273.13, subdivision 23;

12.18 (2) the structure is occupied exclusively by seasonal farm workers during the time when  
12.19 they work on that farm, and the occupants are not charged rent for the privilege of occupying  
12.20 the property, provided that use of the structure for storage of farm equipment and produce  
12.21 does not disqualify the property from classification under this paragraph;

12.22 (3) the structure meets all applicable health and safety requirements for the appropriate  
12.23 season; and

12.24 (4) the structure is not salable as residential property because it does not comply with  
12.25 local ordinances relating to location in relation to streets or roads.

12.26 The market value of class 1d property has the same classification rates as class 1a property  
12.27 under paragraph (a).

12.28 **EFFECTIVE DATE.** This section is effective for taxes payable in 2023 and thereafter.

12.29 Sec. 10. Minnesota Statutes 2021 Supplement, section 273.13, subdivision 25, is amended  
12.30 to read:

12.31 Subd. 25. **Class 4.** (a) Class 4a is residential real estate containing four or more units  
12.32 and used or held for use by the owner or by the tenants or lessees of the owner as a residence  
12.33 for rental periods of 30 days or more, excluding property qualifying for class 4d. Class 4a

13.1 also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt  
13.2 under section 272.02, and contiguous property used for hospital purposes, without regard  
13.3 to whether the property has been platted or subdivided. The market value of class 4a property  
13.4 has a classification rate of 1.25 percent.

13.5 (b) Class 4b includes:

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

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

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

13.12 (4) unimproved property that is classified residential as determined under subdivision  
13.13 33.

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

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

13.17 (c) Class 4bb includes:

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

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

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

13.24 Class 4bb property has the same classification rates as class 1a property under subdivision  
13.25 22.

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

13.29 (d) Class 4c property includes:

13.30 (1) except as provided in subdivision 22, paragraph (c), real and personal property  
13.31 devoted to commercial temporary and seasonal residential occupancy for recreation purposes,

14.1 for not more than 250 days in the year preceding the year of assessment. For purposes of  
14.2 this clause, property is devoted to a commercial purpose on a specific day if any portion of  
14.3 the property is used for residential occupancy, and a fee is charged for residential occupancy.  
14.4 Class 4c property under this clause must contain three or more rental units. A "rental unit"  
14.5 is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site  
14.6 equipped with water and electrical hookups for recreational vehicles. A camping pad offered  
14.7 for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c  
14.8 under this clause regardless of the term of the rental agreement, as long as the use of the  
14.9 camping pad does not exceed 250 days. In order for a property to be classified under this  
14.10 clause, either (i) the business located on the property must provide recreational activities,  
14.11 at least 40 percent of the annual gross lodging receipts related to the property must be from  
14.12 business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid  
14.13 bookings by lodging guests during the year must be for periods of at least two consecutive  
14.14 nights; or (B) at least 20 percent of the annual gross receipts must be from charges for  
14.15 providing recreational activities, or (ii) the business must contain 20 or fewer rental units,  
14.16 and must be located in a township or a city with a population of 2,500 or less located outside  
14.17 the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion  
14.18 of a state trail administered by the Department of Natural Resources. For purposes of item  
14.19 (i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4c  
14.20 property also includes commercial use real property used exclusively for recreational  
14.21 purposes in conjunction with other class 4c property classified under this clause and devoted  
14.22 to temporary and seasonal residential occupancy for recreational purposes, up to a total of  
14.23 two acres, provided the property is not devoted to commercial recreational use for more  
14.24 than 250 days in the year preceding the year of assessment and is located within two miles  
14.25 of the class 4c property with which it is used. In order for a property to qualify for  
14.26 classification under this clause, the owner must submit a declaration to the assessor  
14.27 designating the cabins or units occupied for 250 days or less in the year preceding the year  
14.28 of assessment by January 15 of the assessment year. Those cabins or units and a proportionate  
14.29 share of the land on which they are located must be designated class 4c under this clause  
14.30 as otherwise provided. The remainder of the cabins or units and a proportionate share of  
14.31 the land on which they are located will be designated as class 3a. The owner of property  
14.32 desiring designation as class 4c property under this clause must provide guest registers or  
14.33 other records demonstrating that the units for which class 4c designation is sought were not  
14.34 occupied for more than 250 days in the year preceding the assessment if so requested. The  
14.35 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center  
14.36 or meeting room, and (5) other nonresidential facility operated on a commercial basis not

15.1 directly related to temporary and seasonal residential occupancy for recreation purposes  
15.2 does not qualify for class 4c. For the purposes of this paragraph, "recreational activities"  
15.3 means renting ice fishing houses, boats and motors, snowmobiles, downhill or cross-country  
15.4 ski equipment; providing marina services, launch services, or guide services; or selling bait  
15.5 and fishing tackle;

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

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

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

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

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

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

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

15.23 For purposes of this clause:

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

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

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

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

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

16.11 The organization shall maintain records of its charitable contributions and donations  
16.12 and of public meetings and events held on the property and make them available upon  
16.13 request any time to the assessor to ensure eligibility. An organization meeting the requirement  
16.14 under item (ii) must file an application by May 1 with the assessor for eligibility for the  
16.15 current year's assessment. The commissioner shall prescribe a uniform application form  
16.16 and instructions;

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

16.21 (5)(i) manufactured home parks as defined in section 327.14, subdivision 3, excluding  
16.22 manufactured home parks described in items (ii) and (iii), (ii) manufactured home parks as  
16.23 defined in section 327.14, subdivision 3, that are described in section 273.124, subdivision  
16.24 3a, and (iii) class I manufactured home parks as defined in section 327C.01, subdivision  
16.25 13;

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

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

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



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

17.3 If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be  
17.4 filed by the new owner with the assessor of the county where the property is located within  
17.5 60 days of the sale;

17.6 (8) a privately owned noncommercial aircraft storage hangar not exempt under section  
17.7 272.01, subdivision 2, and the land on which it is located, provided that:

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

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

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

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

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

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

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

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

17.25 (10) real property up to a maximum of three acres and operated as a restaurant as defined  
17.26 under section 157.15, subdivision 12, provided it: (i) is located on a lake as defined under  
17.27 section 103G.005, subdivision 15, paragraph (a), clause (3); and (ii) is either devoted to  
17.28 commercial purposes for not more than 250 consecutive days, or receives at least 60 percent  
17.29 of its annual gross receipts from business conducted during four consecutive months. Gross  
17.30 receipts from the sale of alcoholic beverages must be included in determining the property's  
17.31 qualification under item (ii). The property's primary business must be as a restaurant and  
17.32 not as a bar. Gross receipts from gift shop sales located on the premises must be excluded.

18.1 Owners of real property desiring 4c classification under this clause must submit an annual  
18.2 declaration to the assessor by February 1 of the current assessment year, based on the  
18.3 property's relevant information for the preceding assessment year;

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

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

18.16 Class 4c property has a classification rate of 1.5 percent of market value, except that (i)  
18.17 each parcel of noncommercial seasonal residential recreational property under clause (12)  
18.18 has the same classification rates as class 4bb property, (ii) manufactured home parks assessed  
18.19 under clause (5), item (i), have the same classification rate as class 4b property, the market  
18.20 value of manufactured home parks assessed under clause (5), item (ii), have a classification  
18.21 rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by  
18.22 shareholders in the cooperative corporation or association and a classification rate of one  
18.23 percent if 50 percent or less of the lots are so occupied, and class I manufactured home  
18.24 parks as defined in section 327C.01, subdivision 13, have a classification rate of 1.0 percent,  
18.25 (iii) commercial-use seasonal residential recreational property and marina recreational land  
18.26 as described in clause (11), has a classification rate of one percent for the first \$500,000 of  
18.27 market value, and 1.25 percent for the remaining market value, (iv) the market value of  
18.28 property described in clause (4) has a classification rate of one percent, (v) the market value  
18.29 of property described in clauses (2), (6), and (10) has a classification rate of 1.25 percent,  
18.30 (vi) that portion of the market value of property in clause (9) qualifying for class 4c property  
18.31 has a classification rate of 1.25 percent, and (vii) property qualifying for classification under  
18.32 clause (3) that is owned or operated by a congressionally chartered veterans organization  
18.33 has a classification rate of one percent. The commissioner of veterans affairs must provide  
18.34 a list of congressionally chartered veterans organizations to the commissioner of revenue  
18.35 by June 30, 2017, and by January 1, 2018, and each year thereafter.

19.1 (e) Class 4d property is qualifying low-income rental housing certified to the assessor  
19.2 by the Housing Finance Agency under section 273.128, subdivision 3. If only a portion of  
19.3 the units in the building qualify as low-income rental housing units as certified under section  
19.4 273.128, subdivision 3, only the proportion of qualifying units to the total number of units  
19.5 in the building qualify for class 4d. The remaining portion of the building shall be classified  
19.6 by the assessor based upon its use. Class 4d also includes the same proportion of land as  
19.7 the qualifying low-income rental housing units are to the total units in the building. For all  
19.8 properties qualifying as class 4d, the market value determined by the assessor must be based  
19.9 on the normal approach to value using normal unrestricted rents. Class 4d property has a  
19.10 classification rate of 0.25 percent.

19.11 ~~(f) The first tier of market value of class 4d property has a classification rate of 0.75~~  
19.12 ~~percent. The remaining value of class 4d property has a classification rate of 0.25 percent.~~  
19.13 ~~For the purposes of this paragraph, the "first tier of market value of class 4d property" means~~  
19.14 ~~the market value of each housing unit up to the first tier limit. For the purposes of this~~  
19.15 ~~paragraph, all class 4d property value must be assigned to individual housing units. The~~  
19.16 ~~first tier limit is \$100,000 for assessment years 2022 and 2023. For subsequent assessment~~  
19.17 ~~years, the limit is adjusted each year by the average statewide change in estimated market~~  
19.18 ~~value of property classified as class 4a and 4d under this section for the previous assessment~~  
19.19 ~~year, excluding valuation change due to new construction, rounded to the nearest \$1,000,~~  
19.20 ~~provided, however, that the limit may never be less than \$100,000. Beginning with~~  
19.21 ~~assessment year 2015, the commissioner of revenue must certify the limit for each assessment~~  
19.22 ~~year by November 1 of the previous year.~~

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

19.24 Sec. 11. Minnesota Statutes 2021 Supplement, section 273.13, subdivision 34, is amended  
19.25 to read:

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

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

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

20.5 (c) If a veteran with a disability qualifying for a valuation exclusion under paragraph  
20.6 (b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the  
20.7 spouse holds the legal or beneficial title to the homestead and permanently resides there,  
20.8 the exclusion shall carry over to the benefit of the veteran's spouse until such time as the  
20.9 spouse remarries, or sells, transfers, or otherwise disposes of the property, except as otherwise  
20.10 provided in paragraph (n). Qualification under this paragraph requires an application under  
20.11 paragraph (h), and a spouse must notify the assessor if there is a change in the spouse's  
20.12 marital status, ownership of the property, or use of the property as a permanent residence.  
20.13 If a spouse previously received the exclusion under this paragraph, but the exclusion expired  
20.14 prior to assessment year 2019 before the eligibility time period for surviving spouses was  
20.15 changed to a lifetime benefit, the spouse may reapply under paragraph (h) for the exclusion  
20.16 under this paragraph.

20.17 (d) If the spouse of a member of any branch or unit of the United States armed forces  
20.18 who dies due to a service-connected cause while serving honorably in active service, as  
20.19 indicated on United States Government Form DD1300 or DD2064, holds the legal or  
20.20 beneficial title to a homestead and permanently resides there, the spouse is entitled to the  
20.21 benefit described in paragraph (b), clause (2), until such time as the spouse remarries or  
20.22 sells, transfers, or otherwise disposes of the property, except as otherwise provided in  
20.23 paragraph (n). If a spouse previously received the exclusion under this paragraph, but the  
20.24 exclusion expired prior to assessment year 2019 before the eligibility time period for  
20.25 surviving spouses was changed to a lifetime benefit, the spouse may reapply under paragraph  
20.26 (h) for the exclusion under this paragraph.

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

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

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

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

21.9 (i) A first-time application by a qualifying spouse for the market value exclusion under  
21.10 paragraph (d) must be made any time within two years of the death of the service member,  
21.11 within two years of the United States Department of Veterans Affairs Dependency and  
21.12 Indemnity Compensation determination, or by December 31, 2023, whichever is later. A  
21.13 qualifying spouse whose application was previously denied may reapply, pursuant to this  
21.14 paragraph, by December 31, 2023.

21.15 (j) For purposes of this subdivision:

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

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

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

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

21.23 (k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion  
21.24 under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit  
21.25 under paragraph (b), clause (2), until the spouse remarries or sells, transfers, or otherwise  
21.26 disposes of the property, except as otherwise provided in paragraph (n), if:

21.27 (1) the spouse files a first-time application within two years of the death of the service  
21.28 member, within two years of the United States Department of Veterans Affairs Dependency  
21.29 and Indemnity Compensation determination, if applicable, or by ~~June 1, 2019~~ December  
21.30 31, 2023, whichever is later. A spouse whose application was previously denied may reapply,  
21.31 pursuant to this paragraph, by December 31, 2023;

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

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

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

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

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

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

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

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

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

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

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

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

22.26 **EFFECTIVE DATE.** This section is effective for assessment year 2022 and thereafter.

22.27 Sec. 12. Minnesota Statutes 2020, section 273.13, subdivision 35, is amended to read:

22.28 Subd. 35. **Homestead market value exclusion.** (a) Prior to determining a property's  
22.29 net tax capacity under this section, property classified as class 1a or 1b under subdivision  
22.30 22, and the portion of property classified as class 2a under subdivision 23 consisting of the

23.1 house, garage, and surrounding one acre of land, shall be eligible for a market value exclusion  
23.2 as determined under paragraph (b).

23.3 (b) For a homestead valued at ~~\$76,000~~ \$95,000 or less, the exclusion is 40 percent of  
23.4 market value. For a homestead valued between ~~\$76,000~~ \$95,000 and ~~\$413,800~~ \$517,200,  
23.5 the exclusion is ~~\$30,400~~ \$38,000 minus nine percent of the valuation over ~~\$76,000~~ \$95,000.  
23.6 For a homestead valued at ~~\$413,800~~ \$517,200 or more, there is no valuation exclusion. The  
23.7 valuation exclusion shall be rounded to the nearest whole dollar, and may not be less than  
23.8 zero.

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

23.11 (d) In the case of a property that is classified as part homestead and part nonhomestead,  
23.12 (i) the exclusion shall apply only to the homestead portion of the property, but (ii) if a portion  
23.13 of a property is classified as nonhomestead solely because not all the owners occupy the  
23.14 property, not all the owners have qualifying relatives occupying the property, or solely  
23.15 because not all the spouses of owners occupy the property, the exclusion amount shall be  
23.16 initially computed as if that nonhomestead portion were also in the homestead class and  
23.17 then prorated to the owner-occupant's percentage of ownership. For the purpose of this  
23.18 section, when an owner-occupant's spouse does not occupy the property, the percentage of  
23.19 ownership for the owner-occupant spouse is one-half of the couple's ownership percentage.

23.20 **EFFECTIVE DATE.** This section is effective for assessment year 2023 and thereafter.

23.21 Sec. 13. Minnesota Statutes 2020, section 273.13, is amended by adding a subdivision to  
23.22 read:

23.23 **Subd. 36. Affordable housing market value exclusion.** (a) Prior to determining a  
23.24 property's net tax capacity under this section, property classified as class 4a under subdivision  
23.25 25, paragraph (a), shall be eligible for an affordable housing market value exclusion as  
23.26 determined under paragraph (b).

23.27 (b) For a property that meets the requirements under section 273.129, the exclusion is  
23.28 50 percent of the market value. The valuation shall be rounded to the nearest whole dollar,  
23.29 and may not be less than zero.

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

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

24.1 Sec. 14. Minnesota Statutes 2020, section 273.41, is amended to read:

24.2 **273.41 AMOUNT OF TAX; DISTRIBUTION.**

24.3 There is hereby imposed upon each such cooperative association on December 31 of  
 24.4 each year a tax of \$10 for each 100 members, or fraction thereof, of such association. The  
 24.5 tax, when paid, shall be in lieu of all personal property taxes, state, county, or local, upon  
 24.6 distribution lines and the attachments and appurtenances thereto of such associations located  
 24.7 in rural areas. For purposes of this section, "attachments and appurtenances" include all  
 24.8 cooperative association-owned metering and streetlighting equipment that is physically or  
 24.9 electrically connected to the cooperative association's distribution system. The tax shall be  
 24.10 payable on or before March 1 of the next succeeding year, to the commissioner of revenue.  
 24.11 If the tax, or any portion thereof, is not paid within the time herein specified for the payment  
 24.12 thereof, there shall be added thereto a specific penalty equal to ten percent of the amount  
 24.13 so remaining unpaid. Such penalty shall be collected as part of said tax, and the amount of  
 24.14 said tax not timely paid, together with said penalty, shall bear interest at the rate specified  
 24.15 in section 270C.40 from the time such tax should have been paid until paid. The  
 24.16 commissioner shall deposit the amount so received in the general fund of the state treasury.

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

24.18 Sec. 15. Minnesota Statutes 2021 Supplement, section 275.025, subdivision 1, is amended  
 24.19 to read:

24.20 Subdivision 1. **Levy amount.** The state general levy is levied against  
 24.21 commercial-industrial property and seasonal residential recreational property, as defined  
 24.22 in this section. The state general levy for commercial-industrial property is ~~\$716,990,000~~  
 24.23 \$708,188,000 for taxes payable in 2023 through 2025; \$637,369,000 for taxes payable in  
 24.24 2026; \$566,550,000 for taxes payable in 2027; \$495,731,000 for taxes payable in 2028;  
 24.25 \$424,912,000 for taxes payable in 2029; \$354,093,000 for taxes payable in 2030;  
 24.26 \$283,274,000 for taxes payable in 2031; \$212,455,000 for taxes payable in 2032;  
 24.27 \$141,636,000 for taxes payable in 2033; \$70,817,000 for taxes payable in 2034; and \$0 for  
 24.28 taxes payable in 2035 and thereafter. The state general levy for seasonal-recreational property  
 24.29 is ~~\$41,690,000~~ \$41,178,000 for taxes payable in 2020 2023 through 2025; \$37,060,000 for  
 24.30 taxes payable in 2026; \$32,942,000 for taxes payable in 2027; \$28,824,000 for taxes payable  
 24.31 in 2028; \$24,706,000 for taxes payable in 2029; \$20,588,000 for taxes payable in 2030;  
 24.32 \$16,470,000 for taxes payable in 2031; \$12,352,000 for taxes payable in 2032; \$8,234,000  
 24.33 for taxes payable in 2033; \$4,116,000 for taxes payable in 2034; and \$0 for taxes payable



25.1 in 2035 and thereafter. The tax under this section is not treated as a local tax rate under  
25.2 section 469.177 and is not the levy of a governmental unit under chapters 276A and 473F.

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

25.8 (1) an erroneous report of taxable value by a local official;

25.9 (2) an erroneous calculation by the commissioner; and

25.10 (3) an increase or decrease in taxable value for commercial-industrial or seasonal  
25.11 residential recreational property reported to the commissioner under section 270C.85,  
25.12 subdivision 2, clause (4), for the same year.

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

25.15 **EFFECTIVE DATE.** This section is effective for taxes payable in 2023 and thereafter.

25.16 Sec. 16. Minnesota Statutes 2020, section 276.04, subdivision 2, is amended to read:

25.17 Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the printing of  
25.18 the tax statements. The commissioner of revenue shall prescribe the form of the property  
25.19 tax statement and its contents. The tax statement must not state or imply that property tax  
25.20 credits are paid by the state of Minnesota. The statement must contain a tabulated statement  
25.21 of the dollar amount due to each taxing authority and the amount of the state tax from the  
25.22 parcel of real property for which a particular tax statement is prepared. The dollar amounts  
25.23 attributable to the county, the state tax, the voter approved school tax, the other local school  
25.24 tax, the township or municipality, and the total of the metropolitan special taxing districts  
25.25 as defined in section 275.065, subdivision 3, paragraph (i), must be separately stated. The  
25.26 amounts due all other special taxing districts, if any, may be aggregated except that any  
25.27 levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin,  
25.28 Ramsey, Scott, or Washington under chapter 398A shall be listed on a separate line directly  
25.29 under the appropriate county's levy. If the county levy under this paragraph includes an  
25.30 amount for a lake improvement district as defined under sections 103B.501 to 103B.581,  
25.31 the amount attributable for that purpose must be separately stated from the remaining county  
25.32 levy amount. In the case of Ramsey County, if the county levy under this paragraph includes  
25.33 an amount for public library service under section 134.07, the amount attributable for that

26.1 purpose may be separated from the remaining county levy amount. The amount of the tax  
26.2 on homesteads qualifying under the senior citizens' property tax deferral program under  
26.3 chapter 290B is the total amount of property tax before subtraction of the deferred property  
26.4 tax amount. The amount of the tax on contamination value imposed under sections 270.91  
26.5 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar  
26.6 amount of any special assessments, may be rounded to the nearest even whole dollar. For  
26.7 purposes of this section whole odd-numbered dollars may be adjusted to the next higher  
26.8 even-numbered dollar. The amount of market value excluded under section 273.11,  
26.9 subdivision 16, if any, must also be listed on the tax statement.

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

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

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

26.18 (2) the property's homestead market value exclusion under section 273.13, subdivision  
26.19 35, or the affordable housing market value exclusion under section 273.13, subdivision 36;

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

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

26.22 (5) for agricultural properties, the credits under sections 273.1384 ~~and~~, 273.1387, and  
26.23 273.1388;

26.24 (6) any credits received under sections 273.119; 273.1234 or 273.1235; 273.135;  
26.25 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit  
26.26 received under section 273.135 must be separately stated and identified as "taconite tax  
26.27 relief"; and

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

26.29 (d) If the county uses envelopes for mailing property tax statements and if the county  
26.30 agrees, a taxing district may include a notice with the property tax statement notifying  
26.31 taxpayers when the taxing district will begin its budget deliberations for the current year,  
26.32 and encouraging taxpayers to attend the hearings. If the county allows notices to be included  
26.33 in the envelope containing the property tax statement, and if more than one taxing district

27.1 relative to a given property decides to include a notice with the tax statement, the county  
27.2 treasurer or auditor must coordinate the process and may combine the information on a  
27.3 single announcement.

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

27.5 Sec. 17. Minnesota Statutes 2020, section 279.03, subdivision 1a, is amended to read:

27.6 Subd. 1a. **Rate.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), interest on  
27.7 delinquent property taxes, penalties, and costs unpaid on or after January 1 is payable at the  
27.8 per annum rate determined in section 270C.40, subdivision 5. ~~If the rate so determined is~~  
27.9 ~~less than ten percent, the rate of interest is ten percent.~~ The maximum per annum rate is 14  
27.10 percent if the rate specified under section 270C.40, subdivision 5, exceeds 14 percent. The  
27.11 rate is subject to change on January 1 of each year.

27.12 (b) If a person is the owner of one or more parcels of property on which taxes are  
27.13 delinquent, and the delinquent taxes are more than 25 percent of the prior year's school  
27.14 district levy, interest on the delinquent property taxes, penalties, and costs unpaid is payable  
27.15 at twice the rate determined under paragraph (a) for the year.

27.16 (c) A county board, by resolution, may establish an interest rate lower than the interest  
27.17 rate determined under paragraph (a).

27.18 **EFFECTIVE DATE.** This section is effective for property taxes, penalties, and costs  
27.19 determined to be delinquent on or after January 1, 2023.

27.20 Sec. 18. Minnesota Statutes 2020, section 282.261, subdivision 2, is amended to read:

27.21 Subd. 2. **Interest rate.** (a) Except as provided under paragraph (b), the unpaid balance  
27.22 on any repurchase contract approved by the county board is subject to interest at the rate  
27.23 determined in section 279.03, subdivision 1a. The interest rate is subject to change each  
27.24 year on the unpaid balance in the manner provided for rate changes in section 279.03,  
27.25 subdivision 1a.

27.26 (b) A county board, by resolution, or a county auditor, if delegated the responsibility to  
27.27 administer tax-forfeited land assigned to the county board as provided under section 282.135,  
27.28 may establish an interest rate lower than the interest rate determined under paragraph (a).

27.29 **EFFECTIVE DATE.** This section is effective January 1, 2023.

28.1 Sec. 19. Minnesota Statutes 2020, section 290A.04, subdivision 2h, is amended to read:

28.2 Subd. 2h. **Additional refund.** (a) If the gross property taxes payable on a homestead  
28.3 increase more than ~~12~~ ten percent over the property taxes payable in the prior year on the  
28.4 same property that is owned and occupied by the same owner on January 2 of both years,  
28.5 and the amount of that increase is \$100 or more, a claimant who is a homeowner shall be  
28.6 allowed an additional refund equal to 60 percent of the amount of the increase over the  
28.7 greater of ~~12~~ ten percent of the prior year's property taxes payable or \$100. This subdivision  
28.8 shall not apply to any increase in the gross property taxes payable attributable to  
28.9 improvements made to the homestead after the assessment date for the prior year's taxes.  
28.10 This subdivision shall not apply to any increase in the gross property taxes payable  
28.11 attributable to the termination of valuation exclusions under section 273.11, subdivision  
28.12 16.

28.13 The maximum refund allowed under this subdivision is ~~\$1,000~~ \$2,000.

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

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

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

28.26 **EFFECTIVE DATE.** This section is effective for refund claims based on taxes payable  
28.27 in 2023 and thereafter.

28.28 Sec. 20. Minnesota Statutes 2020, section 290B.03, subdivision 1, is amended to read:

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

28.31 (1) the property must be owned and occupied as a homestead by a person 65 years of  
28.32 age or older. In the case of a married couple, at least one of the spouses must be at least 65  
28.33 years old at the time the first property tax deferral is granted, regardless of whether the

29.1 property is titled in the name of one spouse or both spouses, or titled in another way that  
29.2 permits the property to have homestead status, and the other spouse must be at least 62 years  
29.3 of age;

29.4 (2) the total household income of the qualifying homeowners, as defined in section  
29.5 290A.03, subdivision 5, for the calendar year preceding the year of the initial application  
29.6 may not exceed ~~\$60,000~~ \$75,000;

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

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

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

29.13 (6) the total unpaid balances of debts secured by mortgages and other liens on the  
29.14 property, including unpaid and delinquent special assessments and interest and any delinquent  
29.15 property taxes, penalties, and interest, but not including property taxes payable during the  
29.16 year or debts secured by a residential PACE lien, as defined in section 216C.435, subdivision  
29.17 10d, does not exceed 75 percent of the assessor's estimated market value for the year.

29.18 **EFFECTIVE DATE.** This section is effective for applications received for deferral of  
29.19 taxes payable in 2023 and thereafter.

29.20 Sec. 21. Minnesota Statutes 2020, section 290B.04, subdivision 3, is amended to read:

29.21 Subd. 3. **Excess-income certification by taxpayer.** A taxpayer whose initial application  
29.22 has been approved under subdivision 2 shall notify the commissioner of revenue in writing  
29.23 by July 1 if the taxpayer's household income for the preceding calendar year exceeded  
29.24 ~~\$60,000~~ \$75,000. The certification must state the homeowner's total household income for  
29.25 the previous calendar year. No property taxes may be deferred under this chapter in any  
29.26 year following the year in which a program participant filed or should have filed an  
29.27 excess-income certification under this subdivision, unless the participant has filed a  
29.28 resumption of eligibility certification as described in subdivision 4.

29.29 **EFFECTIVE DATE.** This section is effective for applications received for deferral of  
29.30 taxes payable in 2023 and thereafter.

30.1 Sec. 22. Minnesota Statutes 2020, section 290B.04, subdivision 4, is amended to read:

30.2 Subd. 4. **Resumption of eligibility certification by taxpayer.** A taxpayer who has  
30.3 previously filed an excess-income certification under subdivision 3 may resume program  
30.4 participation if the taxpayer's household income for a subsequent year is ~~\$60,000~~ \$75,000  
30.5 or less. If the taxpayer chooses to resume program participation, the taxpayer must notify  
30.6 the commissioner of revenue in writing by July 1 of the year following a calendar year in  
30.7 which the taxpayer's household income is ~~\$60,000~~ \$75,000 or less. The certification must  
30.8 state the taxpayer's total household income for the previous calendar year. Once a taxpayer  
30.9 resumes participation in the program under this subdivision, participation will continue until  
30.10 the taxpayer files a subsequent excess-income certification under subdivision 3 or until  
30.11 participation is terminated under section 290B.08, subdivision 1.

30.12 **EFFECTIVE DATE.** This section is effective for applications received for deferral of  
30.13 taxes payable in 2023 and thereafter.

30.14 Sec. 23. Minnesota Statutes 2020, section 290B.05, subdivision 1, is amended to read:

30.15 Subdivision 1. **Determination by commissioner.** The commissioner shall determine  
30.16 each qualifying homeowner's "annual maximum property tax amount" following approval  
30.17 of the homeowner's initial application and following the receipt of a resumption of eligibility  
30.18 certification. The "annual maximum property tax amount" equals three percent of the  
30.19 homeowner's total household income for the year preceding either the initial application or  
30.20 the resumption of eligibility certification, whichever is applicable. Following approval of  
30.21 the initial application, the commissioner shall determine the qualifying homeowner's  
30.22 "maximum allowable deferral." No tax may be deferred relative to the appropriate assessment  
30.23 year for any homeowner whose total household income for the previous year exceeds  
30.24 ~~\$60,000~~ \$75,000. No tax shall be deferred in any year in which the homeowner does not  
30.25 meet the program qualifications in section 290B.03. The maximum allowable total deferral  
30.26 is equal to 75 percent of the assessor's estimated market value for the year, less the balance  
30.27 of any mortgage loans and other amounts secured by liens against the property at the time  
30.28 of application, including any unpaid and delinquent special assessments and interest and  
30.29 any delinquent property taxes, penalties, and interest, but not including property taxes  
30.30 payable during the year.

30.31 **EFFECTIVE DATE.** This section is effective for applications received for deferral of  
30.32 taxes payable in 2023 and thereafter.

31.1 **Sec. 24. CITY OF VIRGINIA; NET DEBT LIMIT EXEMPTION.**

31.2 The city of Virginia may finance the construction of a public safety building in the city  
31.3 of Virginia by obtaining a loan from the United States Department of Agriculture secured  
31.4 by its general obligation pledge. Any bonds issued relating to this construction project or  
31.5 repayment of the loan must not be included in the computation of the city's limit on net debt  
31.6 under Minnesota Statutes, section 475.53, subdivision 1.

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

31.8 **ARTICLE 2**

31.9 **PROPERTY TAX AIDS AND CREDITS**

31.10 **Section 1. [273.1388] AGRICULTURAL RIPARIAN BUFFER CREDIT.**

31.11 Subdivision 1. **Eligibility.** Class 2a and 2b property under section 273.13, subdivision  
31.12 23, containing a riparian buffer as defined in section 103F.48, not including land enrolled  
31.13 in and generating payments under a state or federal conservation reserve or easement program  
31.14 under sections 103F.501 to 103F.531, is eligible to receive the credit under this section,  
31.15 provided that the landowner follows the requirements of section 103F.48. Eligible land must  
31.16 be certified by the local soil and water conservation district to the county assessor. This  
31.17 certification is effective until the local soil and water conservation district notifies the  
31.18 assessor that qualified land is no longer eligible for a credit under the requirements of this  
31.19 section. The local soil and water conservation districts must annually notify their county's  
31.20 assessor of any qualified land that is no longer eligible for a credit under the requirements  
31.21 of this section.

31.22 Subd. 2. **Credit amount.** For each qualifying property, the agricultural riparian buffer  
31.23 credit is equal to 50 percent of the amount of net tax capacity based property tax attributable  
31.24 to the portion of the property subject to section 103F.48.

31.25 Subd. 3. **Credit reimbursement.** The county auditor must determine the tax reductions  
31.26 allowed under this section within the county for each taxes payable year and must certify  
31.27 that amount to the commissioner of revenue as part of the data required under section  
31.28 270C.85, subdivision 2. Any prior year adjustments must also be certified as part of the  
31.29 data required under section 270C.85, subdivision 2. The commissioner must review the  
31.30 certifications for accuracy, and may make such changes as are deemed necessary, or return  
31.31 the certification to the county auditor for correction. The credit under this section must be  
31.32 used to proportionately reduce the net tax capacity based property tax payable to each local  
31.33 taxing jurisdiction as provided in section 273.1393.

32.1 Subd. 4. **Payment.** (a) The commissioner of revenue shall reimburse each local taxing  
 32.2 jurisdiction, other than school districts, for the tax reductions granted under this section in  
 32.3 two equal installments on October 31 and December 26 of the taxes payable year for which  
 32.4 the reductions are granted, including in each payment the prior year adjustments certified  
 32.5 under section 270C.85, subdivision 2, for that taxes payable year.

32.6 (b) The commissioner of revenue shall certify the total of the tax reductions granted  
 32.7 under this section for each taxes payable year within each school district to the commissioner  
 32.8 of the Department of Education and the commissioner of education must pay the  
 32.9 reimbursement amounts to each school district as provided in section 273.1392.

32.10 Subd. 5. **Appropriation.** An amount sufficient to make the payments required by this  
 32.11 section to taxing jurisdictions other than school districts is annually appropriated from the  
 32.12 general fund to the commissioner of revenue. An amount sufficient to make the payments  
 32.13 required by this section for school districts is annually appropriated from the general fund  
 32.14 to the commissioner of education.

32.15 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2024.

32.16 Sec. 2. Minnesota Statutes 2020, section 273.1392, is amended to read:

32.17 **273.1392 PAYMENT; SCHOOL DISTRICTS.**

32.18 The amounts of bovine tuberculosis credit reimbursements under section 273.113;  
 32.19 conservation tax credits under section 273.119; disaster or emergency reimbursement under  
 32.20 sections 273.1231 to 273.1235; agricultural credits under sections 273.1384 ~~and~~, 273.1387,  
 32.21 and 273.1388; aids and credits under section 273.1398; enterprise zone property credit  
 32.22 payments under section 469.171; and metropolitan agricultural preserve reduction under  
 32.23 section 473H.10 for school districts, shall be certified to the Department of Education by  
 32.24 the Department of Revenue. The amounts so certified shall be paid according to section  
 32.25 127A.45, subdivisions 9, 10, and 13.

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

32.27 Sec. 3. Minnesota Statutes 2020, section 273.1393, is amended to read:

32.28 **273.1393 COMPUTATION OF NET PROPERTY TAXES.**

32.29 Notwithstanding any other provisions to the contrary, "net" property taxes are determined  
 32.30 by subtracting the credits in the order listed from the gross tax:

32.31 (1) disaster credit as provided in sections 273.1231 to 273.1235;



- 33.1 (2) powerline credit as provided in section 273.42;
- 33.2 (3) agricultural preserves credit as provided in section 473H.10;
- 33.3 (4) enterprise zone credit as provided in section 469.171;
- 33.4 (5) disparity reduction credit;
- 33.5 (6) conservation tax credit as provided in section 273.119;
- 33.6 (7) the school bond credit as provided in section 273.1387;
- 33.7 (8) the agricultural riparian buffer credit as provided in section 273.1388;
- 33.8 ~~(8)~~ (9) agricultural credit as provided in section 273.1384;
- 33.9 ~~(9)~~ (10) taconite homestead credit as provided in section 273.135;
- 33.10 ~~(10)~~ (11) supplemental homestead credit as provided in section 273.1391; and
- 33.11 ~~(11)~~ (12) the bovine tuberculosis zone credit, as provided in section 273.113.
- 33.12 The combination of all property tax credits must not exceed the gross tax amount.

33.13 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2024.

33.14 Sec. 4. Minnesota Statutes 2021 Supplement, section 275.065, subdivision 3, is amended  
33.15 to read:

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

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

33.23 (c) The notice must inform taxpayers that it contains the amount of property taxes each  
33.24 taxing authority proposes to collect for taxes payable the following year. In the case of a  
33.25 town, or in the case of the state general tax, the final tax amount will be its proposed tax.  
33.26 The notice must clearly state for each city that has a population over 500, county, school  
33.27 district, regional library authority established under section 134.201, metropolitan taxing  
33.28 districts as defined in paragraph (i), and fire protection and emergency medical services  
33.29 special taxing districts established under section 144F.01, the time and place of a meeting  
33.30 for each taxing authority in which the budget and levy will be discussed and public input

34.1 allowed, prior to the final budget and levy determination. The taxing authorities must provide  
34.2 the county auditor with the information to be included in the notice on or before the time it  
34.3 certifies its proposed levy under subdivision 1. The public must be allowed to speak at that  
34.4 meeting, which must occur after November 24 and must not be held before 6:00 p.m. It  
34.5 must provide a telephone number for the taxing authority that taxpayers may call if they  
34.6 have questions related to the notice and an address where comments will be received by  
34.7 mail, except that no notice required under this section shall be interpreted as requiring the  
34.8 printing of a personal telephone number or address as the contact information for a taxing  
34.9 authority. If a taxing authority does not maintain public offices where telephone calls can  
34.10 be received by the authority, the authority may inform the county of the lack of a public  
34.11 telephone number and the county shall not list a telephone number for that taxing authority.

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

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

34.19 (2) the items listed below, shown separately by county, city or town, and state general  
34.20 tax, agricultural homestead credit under section 273.1384, school building bond agricultural  
34.21 credit under section 273.1387, agricultural riparian buffer credit under section 273.1388,  
34.22 voter approved school levy, other local school levy, and the sum of the special taxing  
34.23 districts, and as a total of all taxing authorities:

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

34.25 (ii) the proposed tax amount.

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

34.29 In the case of a town or the state general tax, the final tax shall also be its proposed tax  
34.30 unless the town changes its levy at a special town meeting under section 365.52. If a school  
34.31 district has certified under section 126C.17, subdivision 9, that a referendum will be held  
34.32 in the school district at the November general election, the county auditor must note next  
34.33 to the school district's proposed amount that a referendum is pending and that, if approved  
34.34 by the voters, the tax amount may be higher than shown on the notice. In the case of the

35.1 city of Minneapolis, the levy for Minneapolis Park and Recreation shall be listed separately  
35.2 from the remaining amount of the city's levy. In the case of the city of St. Paul, the levy for  
35.3 the St. Paul Library Agency must be listed separately from the remaining amount of the  
35.4 city's levy. In the case of Ramsey County, any amount levied under section 134.07 may be  
35.5 listed separately from the remaining amount of the county's levy. In the case of a parcel  
35.6 where tax increment or the fiscal disparities areawide tax under chapter 276A or 473F  
35.7 applies, the proposed tax levy on the captured value or the proposed tax levy on the tax  
35.8 capacity subject to the areawide tax must each be stated separately and not included in the  
35.9 sum of the special taxing districts; and

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

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

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

35.17 (1) special assessments;

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

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

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

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

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

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

35.31 (g) If the notice the taxpayer receives under this section lists the property as  
35.32 nonhomestead, and satisfactory documentation is provided to the county assessor by the

36.1 applicable deadline, and the property qualifies for the homestead classification in that  
36.2 assessment year, the assessor shall reclassify the property to homestead for taxes payable  
36.3 in the following year.

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

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

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

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

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

36.16 (1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325, 473.446,  
36.17 473.521, 473.547, or 473.834;

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

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

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

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

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

36.32 (2) population growth and decline;

37.1 (3) state or federal government action; and

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

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

37.8 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2024.

37.9 Sec. 5. **[477A.23] ELECTRIC GENERATION TRANSITION AID.**

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

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

37.15 (c) "Electric generating unit" means a single generating unit at an electric generating  
37.16 plant powered by coal, nuclear, or natural gas.

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

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

37.21 (f) "Unit differential" means (1) the tax capacity of electric generation property in the  
37.22 assessment year preceding the unit base year, minus (2) the tax capacity of electric generation  
37.23 property in the unit base year. The unit differential may not be less than zero. The unit  
37.24 differential equals zero if the tax capacity of electric generation property in the eligible  
37.25 taxing jurisdiction in the assessment year preceding the unit base year is less than four  
37.26 percent of the total net tax capacity of the eligible taxing jurisdiction in the assessment year  
37.27 preceding the aid calculation year, as adjusted under section 473F.08, subdivision 2, or  
37.28 section 276A.06, subdivision 2, as applicable.

37.29 Subd. 2. **Required notification.** Notwithstanding the requirements of Minnesota Rules,  
37.30 chapter 8100, a public utility must notify the commissioner when the public utility expects  
37.31 to retire an electric generating unit and remove that unit from the property tax base. The  
37.32 notification must be in the form and manner determined by the commissioner, must include

38.1 information required by the commissioner to calculate transition aid under this section, and  
38.2 must be filed together with the reports required under section 273.371.

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

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

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

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

38.18 (1) 90 percent of the jurisdiction's total net tax capacity in the assessment year preceding  
38.19 the aid calculation year in which the jurisdiction first qualified for aid under this section;  
38.20 times

38.21 (2) the greater of one or the ratio of (i) the statewide total net tax capacity of real and  
38.22 personal property in the assessment year preceding the aid calculation year to (ii) the  
38.23 statewide total net tax capacity of real and personal property in the assessment year preceding  
38.24 the aid calculation year in which the jurisdiction first qualified for aid under this section.

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

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

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

39.1 Subd. 6. Commissioner's duties; payment schedule. (a) The commissioner of revenue  
39.2 shall compute the amount of electric generation transition aid payable to each jurisdiction  
39.3 under this section. On or before August 1 of each year, the commissioner shall certify the  
39.4 amount of aid computed for aids payable in the following year for each jurisdiction. The  
39.5 commissioner shall pay aid to each jurisdiction annually at the times provided in section  
39.6 477A.015.

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

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

39.13 Subd. 8. Appropriation. An amount sufficient to pay transition aid under this section  
39.14 is annually appropriated from the general fund to the commissioner of revenue.

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

39.16 Sec. 6. MILLE LACS COUNTY; COUNTY, CITY, TOWNSHIP, SCHOOL  
39.17 DISTRICT REIMBURSEMENT.

39.18 (a) A taxing jurisdiction located in Mille Lacs County that has lost property tax revenue  
39.19 due to the placement of property into trust by the United States Department of the Interior  
39.20 Bureau of Indian Affairs is eligible for reimbursement under this section in the following  
39.21 manner:

39.22 (1) by July 1, 2022, the auditor of Mille Lacs County must certify to the commissioner  
39.23 of revenue the amount of tax revenue lost by each taxing jurisdiction in the county due to  
39.24 property being placed into trust between January 1, 2009, and December 31, 2020;

39.25 (2) by July 1 of each year, starting in 2022, the auditor of Mille Lacs County must certify  
39.26 to the commissioner of revenue the amount of tax revenue lost by each taxing jurisdiction  
39.27 in the county due to property being placed into trust during the preceding calendar year.  
39.28 This clause only applies to properties that were the subject of an application for placement  
39.29 into trust between January 1, 2009, and June 30, 2021; and

39.30 (3) in the first five years following certification under clause (1) or (2), the commissioner  
39.31 of education must distribute to the county the full amount certified for school districts, and  
39.32 the commissioner of revenue must distribute to the county the full amount certified for  
39.33 taxing jurisdictions other than school districts. The county must distribute to each taxing

40.1 jurisdiction the certified amount of tax revenue lost by the jurisdiction. In the sixth year  
40.2 following certification and in each year thereafter, the commissioners of education and  
40.3 revenue must distribute to the county, for distribution to each taxing jurisdiction, an amount  
40.4 equal to the previous year's amount minus 20 percent of the amount distributed in the first  
40.5 year.

40.6 (b) Reimbursements required by this section must be paid to taxing jurisdictions other  
40.7 than school districts at the times provided in Minnesota Statutes, section 477A.015, for  
40.8 payment of local government aid. Aid to school districts must be certified to the  
40.9 commissioner of education and paid under Minnesota Statutes, section 273.1392.

40.10 (c) An amount sufficient to make the payments to taxing jurisdictions other than school  
40.11 districts is annually appropriated from the general fund to the commissioner of revenue. An  
40.12 amount sufficient to make the payment to school districts is annually appropriated from the  
40.13 general fund to the commissioner of education.

40.14 (d) For purposes of this section, "taxing jurisdiction" means a political subdivision  
40.15 including a county, city, town, township, school district, or special taxing district imposing  
40.16 a levy on real property.

40.17 (e) For purposes of this section, "tax revenue lost" means the amount that was payable  
40.18 in the year before the property became exempt.

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

40.20 Sec. 7. **CLASS 4D LOW-INCOME RENTAL PROPERTY 2024 AND 2025**  
40.21 **TRANSITION AID; APPROPRIATION.**

40.22 Subdivision 1. **Definitions.** (a) As used in this section, the terms in this subdivision have  
40.23 the meanings given.

40.24 (b) "4d property" means class 4d low-income rental property under Minnesota Statutes,  
40.25 section 273.13, subdivision 25.

40.26 (c) "Base assessment year" means assessment year 2022.

40.27 (d) "Local unit" means a home rule charter or statutory city.

40.28 (e) "Transition tax capacity" means the greater of zero or the difference between (1) the  
40.29 net tax capacity of 4d property for the local unit in the base assessment year, minus (2) two  
40.30 percent of the total net tax capacity for the local unit in the base assessment year.

40.31 (f) "Transition ratio" means the ratio of (1) the net tax capacity of 4d property for the  
40.32 local unit in the base assessment year calculated using the classification rates and first-tier



41.1 limit in effect for 4d property for taxes payable in 2024, to (2) the net tax capacity of 4d  
41.2 property for the local unit in the base assessment year calculated using the classification  
41.3 rates and first-tier limit in effect for 4d property for taxes payable in 2023.

41.4 (g) "Modified transition tax capacity" means the product of (1) one minus the transition  
41.5 ratio for the local unit, times (2) the transition tax capacity for the local unit.

41.6 Subd. 2. **Aid amount.** In 2024 and 2025 only, transition aid for a local unit equals the  
41.7 product of (1) the local unit's tax rate for taxes payable in 2023, times (2) the modified  
41.8 transition tax capacity for the local unit.

41.9 Subd. 3. **Administration; payment schedule.** (a) For purposes of this section, net tax  
41.10 capacity must be determined by the commissioner of revenue based on information available  
41.11 to the commissioner as of July 15, 2023.

41.12 (b) The commissioner of revenue must notify a local unit of its transition aid amount  
41.13 before August 1 of the year preceding the aid distribution year and must pay the aid in two  
41.14 installments on the dates specified in Minnesota Statutes, section 477A.015.

41.15 Subd. 4. **Appropriation.** An amount sufficient to pay transition aid under this section  
41.16 is annually appropriated from the general fund to the commissioner of revenue.

41.17 **EFFECTIVE DATE.** This section is effective for aid payable in calendar year 2024  
41.18 and 2025 only.

41.19 Sec. 8. **2019 LOCAL GOVERNMENT AID PENALTY FORGIVENESS; CITY OF**  
41.20 **ROOSEVELT; APPROPRIATION.**

41.21 (a) Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of  
41.22 Roosevelt shall receive its aid payment for calendar year 2019 under Minnesota Statutes,  
41.23 section 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision  
41.24 3, provided that the state auditor certifies to the commissioner of revenue that it received  
41.25 the annual financial reporting form for 2018 from the city as well as all forms, including  
41.26 the audited financial statement for calendar year 2019 by June 1, 2022. The commissioner  
41.27 of revenue shall make a payment of \$25,410 on July 1, 2022.

41.28 (b) An amount sufficient to pay aid under this section is appropriated in fiscal year 2023  
41.29 from the general fund to the commissioner of revenue. This is a onetime appropriation.

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

42.1 **Sec. 9. 2021 AID PENALTY FORGIVENESS; CITY OF BENA.**

42.2 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Bena  
42.3 must receive the city's aid payment for calendar year 2021 under Minnesota Statutes, section  
42.4 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,  
42.5 and the city's small city assistance payment for calendar year 2021 under Minnesota Statutes,  
42.6 section 162.145, that was withheld under Minnesota Statutes, section 162.145, subdivision  
42.7 3, paragraph (c), provided that the state auditor certifies to the commissioner of revenue  
42.8 that the state auditor received the annual financial reporting form for 2020 from the city by  
42.9 June 1, 2022. The commissioner of revenue must make a payment of \$43,774 to the city  
42.10 by June 30, 2022.

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

42.12 **Sec. 10. 2021 AID PENALTY FORGIVENESS; CITY OF BOY RIVER.**

42.13 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Boy  
42.14 River must receive the city's aid payment for calendar year 2021 under Minnesota Statutes,  
42.15 section 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision  
42.16 3, and the city's small city assistance payment for calendar year 2021 under Minnesota  
42.17 Statutes, section 162.145, that was withheld under Minnesota Statutes, section 162.145,  
42.18 subdivision 3, paragraph (c), provided that the state auditor certifies to the commissioner  
42.19 of revenue that the state auditor received the annual financial reporting form for 2020 from  
42.20 the city by June 1, 2022. The commissioner of revenue must make a payment of \$19,578  
42.21 to the city by June 30, 2022.

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

42.23 **Sec. 11. 2021 AID PENALTY FORGIVENESS; CITY OF ECHO.**

42.24 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Echo  
42.25 must receive its aid payment for calendar year 2021 under Minnesota Statutes, section  
42.26 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,  
42.27 and its small city assistance payment for calendar year 2021 under Minnesota Statutes,  
42.28 section 162.145, that was withheld under Minnesota Statutes, section 162.145, subdivision  
42.29 3, paragraph (c), provided that the state auditor certifies to the commissioner of revenue  
42.30 that it received the annual financial reporting form for 2020 from the city by June 1, 2022.  
42.31 The commissioner of revenue must make a payment of \$46,060 to the city by June 30, 2022.

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

43.1 **Sec. 12. 2021 AID PENALTY FORGIVENESS; CITY OF MORTON.**

43.2 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Morton  
 43.3 must receive its aid payment for calendar year 2021 under Minnesota Statutes, section  
 43.4 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,  
 43.5 and its small city assistance payment for calendar year 2021 under Minnesota Statutes,  
 43.6 section 162.145, that was withheld under Minnesota Statutes, section 162.145, subdivision  
 43.7 3, paragraph (c), provided that the state auditor certifies to the commissioner of revenue  
 43.8 that it received the annual financial reporting form for 2020 from the city by June 1, 2022.  
 43.9 The commissioner of revenue must make a payment of \$79,476 to the city by June 30, 2022.

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

43.11 **ARTICLE 3**

43.12 **TAX INCREMENT FINANCING**

43.13 Section 1. Minnesota Statutes 2020, section 469.174, subdivision 14, is amended to read:

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

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

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

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

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

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

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

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

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

44.3 (2) amounts paid to contractors or others providing materials and services, ~~including~~  
44.4 ~~architectural and engineering services~~, directly connected with the physical development  
44.5 of the real property in the project, including architectural and engineering services and  
44.6 materials and services for demolition, soil correction, and the construction or installation  
44.7 of public improvements;

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

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

44.12 ~~(5)~~ (4) amounts paid for property taxes or payments in lieu of taxes; and

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

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

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

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

44.23 Sec. 2. Minnesota Statutes 2020, section 469.174, is amended by adding a subdivision to  
44.24 read:

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

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

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

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

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

45.4 Sec. 3. Minnesota Statutes 2020, section 469.176, subdivision 3, is amended to read:

45.5 Subd. 3. **Limitation on administrative expenses.** (a) For districts for which certification  
45.6 was requested before August 1, 2001, no tax increment shall be used to pay any  
45.7 administrative expenses for a project which exceed ten percent of the total estimated tax  
45.8 increment expenditures authorized by the tax increment financing plan or ten percent of the  
45.9 total tax increment expenditures for the project net of any amounts returned to the county  
45.10 auditor as excess increment, as returned increment under section 469.1763, subdivision 4,  
45.11 paragraph (g), or as remedies under section 469.1771, subdivision 2, whichever is less.

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

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

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

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

45.26 Sec. 4. Minnesota Statutes 2020, section 469.176, subdivision 4, is amended to read:

45.27 Subd. 4. **Limitation on use of tax increment; general rule.** All revenues derived from  
45.28 tax increment shall be used in accordance with the tax increment financing plan. The revenues  
45.29 shall be used solely for the following purposes: (1) to pay the principal of and interest on  
45.30 bonds issued to finance a project; (2) by a rural development financing authority for the  
45.31 purposes stated in section 469.142<sup>2</sup>; by a port authority or municipality exercising the powers  
45.32 of a port authority to finance or otherwise pay the cost of redevelopment pursuant to sections

46.1 469.048 to 469.068<sub>2</sub>; by an economic development authority to finance or otherwise pay  
46.2 the cost of redevelopment pursuant to sections 469.090 to 469.108<sub>2</sub>; by a housing and  
46.3 redevelopment authority or economic development authority to finance or otherwise pay  
46.4 public redevelopment costs pursuant to sections 469.001 to 469.047<sub>2</sub>; by a municipality or  
46.5 economic development authority to finance or otherwise pay the capital and administration  
46.6 costs of a development district pursuant to sections 469.124 to 469.133<sub>2</sub>; by a municipality  
46.7 or authority to finance or otherwise pay the costs of developing and implementing a  
46.8 development action response plan<sub>2</sub>; by a municipality or redevelopment agency to finance  
46.9 or otherwise pay premiums for insurance or other security guaranteeing the payment when  
46.10 due of principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to  
46.11 469.165, or both, or to accumulate and maintain a reserve securing the payment when due  
46.12 of the principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to  
46.13 469.165, or both, which revenues in the reserve shall not exceed, subsequent to the fifth  
46.14 anniversary of the date of issue of the first bond issue secured by the reserve, an amount  
46.15 equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased  
46.16 bonds secured by the reserve; and (3) to pay administrative expenses.

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

46.19 Sec. 5. Minnesota Statutes 2020, section 469.176, subdivision 4c, is amended to read:

46.20 Subd. 4c. **Economic development districts.** (a) Revenue derived from tax increment  
46.21 from an economic development district may not be used to provide improvements, loans,  
46.22 subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting  
46.23 of buildings and ancillary facilities, if more than 15 percent of the buildings and facilities  
46.24 (determined on the basis of square footage) are used for a purpose other than:

46.25 (1) the manufacturing or production of tangible personal property, including processing  
46.26 resulting in the change in condition of the property;

46.27 (2) warehousing, storage, and distribution of tangible personal property, excluding retail  
46.28 sales;

46.29 (3) research and development related to the activities listed in clause (1) or (2);

46.30 (4) telemarketing if that activity is the exclusive use of the property;

46.31 (5) tourism facilities;

46.32 (6) space necessary for and related to the activities listed in clauses (1) to (5); or

47.1 (7) a workforce housing project that satisfies the requirements of paragraph (d).

47.2 (b) Notwithstanding the provisions of this subdivision, revenues derived from tax  
47.3 increment from an economic development district may be used to provide improvements,  
47.4 loans, subsidies, grants, interest rate subsidies, or assistance in any form for up to 15,000  
47.5 square feet of any separately owned commercial facility located within the municipal  
47.6 jurisdiction of a small city, if the revenues derived from increments are spent only to assist  
47.7 the facility directly or for administrative expenses, the assistance is necessary to develop  
47.8 the facility, and all of the increments, except those for administrative expenses, are spent  
47.9 only for activities within the district. If the separately owned commercial facility is a  
47.10 multilevel facility, the 15,000 square feet limitation under this paragraph shall apply to the  
47.11 first floor only. For purposes of this paragraph, "first floor" means the floor at street level.

47.12 (c) A city is a small city for purposes of this subdivision if the city was a small city in  
47.13 the year in which the request for certification was made and applies for the rest of the  
47.14 duration of the district, regardless of whether the city qualifies or ceases to qualify as a  
47.15 small city.

47.16 (d) A project qualifies as a workforce housing project under this subdivision if:

47.17 (1) increments from the district are used exclusively to assist in the acquisition of  
47.18 property; construction of improvements; and provision of loans or subsidies, grants, interest  
47.19 rate subsidies, public infrastructure, and related financing costs for rental housing  
47.20 developments in the municipality;

47.21 (2) the governing body of the municipality made the findings for the project required  
47.22 by section 469.175, subdivision 3, paragraph (f); and

47.23 (3) the governing bodies of the county and the school district, following receipt, review,  
47.24 and discussion of the materials required by section 469.175, subdivision 2, for the tax  
47.25 increment financing district, have each approved the tax increment financing plan, by  
47.26 resolution.

47.27 **EFFECTIVE DATE.** This section is effective for districts for which the request for  
47.28 certification was made after December 31, 2021.

47.29 Sec. 6. Minnesota Statutes 2021 Supplement, section 469.1763, subdivision 2, is amended  
47.30 to read:

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

48.1 to the extent that the proceeds of the bonds were used to finance activities in the district or  
48.2 to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other  
48.3 than redevelopment districts for which the request for certification was made after June 30,  
48.4 1995, the in-district percentage for purposes of the preceding sentence is 80 percent. Not  
48.5 more than 25 percent of the total revenue derived from tax increments paid by properties  
48.6 in the district may be expended, through a development fund or otherwise, on activities  
48.7 outside of the district but within the defined geographic area of the project except to pay,  
48.8 or secure payment of, debt service on credit enhanced bonds. For districts, other than  
48.9 redevelopment districts for which the request for certification was made after June 30, 1995,  
48.10 the pooling percentage for purposes of the preceding sentence is 20 percent. The revenues  
48.11 derived from tax increments paid by properties in the district that are expended on costs  
48.12 under section 469.176, subdivision 4h, paragraph (b), may be deducted first before calculating  
48.13 the percentages that must be expended within and without the district.

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

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

48.20 (d) The authority may elect, in the tax increment financing plan for the district, to increase  
48.21 by up to ten percentage points the permitted amount of expenditures for activities located  
48.22 outside the geographic area of the district under paragraph (a). As permitted by section  
48.23 469.176, subdivision 4k, the expenditures, including the permitted expenditures under  
48.24 paragraph (a), need not be made within the geographic area of the project. Expenditures  
48.25 that meet the requirements of this paragraph are legally permitted expenditures of the district,  
48.26 notwithstanding section 469.176, subdivisions 4b, 4c, and 4j. To qualify for the increase  
48.27 under this paragraph, the expenditures must:

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

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

48.33 (3) be used to:

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



- 49.1 (ii) acquire, construct, or rehabilitate the housing; or
- 49.2 (iii) make public improvements directly related to the housing; or
- 49.3 (4) be used to develop housing:
- 49.4 (i) if the market value of the housing does not exceed the lesser of:
- 49.5 (A) 150 percent of the average market value of single-family homes in that municipality;
- 49.6 or
- 49.7 (B) \$200,000 for municipalities located in the metropolitan area, as defined in section
- 49.8 473.121, or \$125,000 for all other municipalities; and
- 49.9 (ii) if the expenditures are used to pay the cost of site acquisition, relocation, demolition
- 49.10 of existing structures, site preparation, and pollution abatement on one or more parcels, if
- 49.11 the parcel contains a residence containing one to four family dwelling units that has been
- 49.12 vacant for six or more months and is in foreclosure as defined in section 325N.10, subdivision
- 49.13 7, but without regard to whether the residence is the owner's principal residence, and only
- 49.14 after the redemption period has expired; or
- 49.15 (5) to assist owner-occupied housing that meets the requirements of section 469.1761,
- 49.16 subdivision 2.
- 49.17 (e) The authority under paragraph (d), clause (4), expires on December 31, 2016.
- 49.18 Increments may continue to be expended under this authority after that date, if they are used
- 49.19 to pay bonds or binding contracts that would qualify under subdivision 3, paragraph (a), if
- 49.20 December 31, 2016, is considered to be the last date of the five-year period after certification
- 49.21 under that provision.
- 49.22 (f) For purposes of determining whether the minimum percentage of expenditures for
- 49.23 activities in the district and maximum percentages of expenditures allowed on activities
- 49.24 outside the district have been met under this subdivision, any amounts returned to the county
- 49.25 auditor as excess increment, as returned increment under subdivision 4, paragraph (g), or
- 49.26 as remedies under section 469.1771, subdivision 2, shall first be subtracted from the total
- 49.27 revenues derived from tax increments paid by properties in the district. Any other amounts
- 49.28 returned to the county auditor for purposes other than a remedy under section 469.1771,
- 49.29 subdivision 3, are considered to be expenditures for activities in the district.
- 49.30 **EFFECTIVE DATE.** This section is effective the day following final enactment and
- 49.31 applies to all districts with a request for certification date after April 30, 1990, except that
- 49.32 paragraph (f) shall apply to districts decertifying after December 31, 2022.

50.1 Sec. 7. Minnesota Statutes 2021 Supplement, section 469.1763, subdivision 3, is amended  
50.2 to read:

50.3 Subd. 3. **Five-year rule.** (a) Revenues derived from tax increments paid by properties  
50.4 in the district that are considered to have been expended on an activity within the district  
50.5 ~~under~~ will instead be considered to have been expended on an activity outside the district  
50.6 for purposes of subdivision 2 only if one of the following occurs unless:

50.7 (1) before or within five years after certification of the district, the revenues are actually  
50.8 paid to a third party with respect to the activity;

50.9 (2) bonds, the proceeds of which must be used to finance the activity, are issued and  
50.10 sold to a third party before or within five years after certification of the district, the revenues  
50.11 are spent to repay the bonds, and the proceeds of the bonds either are, on the date of issuance,  
50.12 reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii)  
50.13 a reasonable temporary period within the meaning of the use of that term under section  
50.14 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve  
50.15 or replacement fund;

50.16 (3) binding contracts with a third party are entered into for performance of the activity  
50.17 before or within five years after certification of the district and the revenues are spent under  
50.18 the contractual obligation;

50.19 (4) costs with respect to the activity are paid before or within five years after certification  
50.20 of the district and the revenues are spent to reimburse a party for payment of the costs,  
50.21 including interest on unreimbursed costs; or

50.22 (5) ~~expenditures are made~~ revenues are spent for housing purposes as permitted described  
50.23 by subdivision 2, paragraphs paragraph (b) and (d), or for public infrastructure purposes  
50.24 within a zone as permitted by subdivision 2, paragraph (e).

50.25 (b) For purposes of this subdivision, bonds include subsequent refunding bonds if the  
50.26 original refunded bonds meet the requirements of paragraph (a), clause (2).

50.27 (c) For a redevelopment district or a renewal and renovation district certified after June  
50.28 30, 2003, and before April 20, 2009, the five-year periods described in paragraph (a) are  
50.29 extended to ten years after certification of the district. For a redevelopment district certified  
50.30 after April 20, 2009, and before June 30, 2012, the five-year periods described in paragraph  
50.31 (a) are extended to eight years after certification of the district. This extension is provided  
50.32 primarily to accommodate delays in development activities due to unanticipated economic  
50.33 circumstances.

51.1 (d) For a redevelopment district that was certified after December 31, 2017, and before  
 51.2 June 30, 2020, the five-year periods described in paragraph (a) are extended to eight years  
 51.3 after certification of the district.

51.4 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 51.5 applies to all districts with a request for certification date after April 30, 1990.

51.6 Sec. 8. Minnesota Statutes 2021 Supplement, section 469.1763, subdivision 4, is amended  
 51.7 to read:

51.8 **Subd. 4. Use of revenues for decertification.** ~~(a) In each year beginning with the sixth~~  
 51.9 ~~year following certification of the district, or beginning with the ninth year following~~  
 51.10 ~~certification of the district for districts whose five-year rule is extended to eight years under~~  
 51.11 ~~subdivision 3, paragraph (d), if the applicable in-district percent of the revenues derived~~  
 51.12 ~~from tax increments paid by properties in the district exceeds the amount of expenditures~~  
 51.13 ~~that have been made for costs permitted under subdivision 3, an amount equal to the~~  
 51.14 ~~difference between the in-district percent of the revenues derived from tax increments paid~~  
 51.15 ~~by properties in the district and the amount of expenditures that have been made for costs~~  
 51.16 ~~permitted under subdivision 3 must be used and only used to pay or defease the following~~  
 51.17 ~~or be set aside to pay the following:~~

51.18 ~~(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b);~~

51.19 ~~(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4);~~

51.20 ~~(3) credit enhanced bonds to which the revenues derived from tax increments are pledged,~~  
 51.21 ~~but only to the extent that revenues of the district for which the credit enhanced bonds were~~  
 51.22 ~~issued are insufficient to pay the bonds and to the extent that the increments from the~~  
 51.23 ~~applicable pooling percent share for the district are insufficient; or~~

51.24 ~~(4) the amount provided by the tax increment financing plan to be paid under subdivision~~  
 51.25 ~~2, paragraphs (b), (d), and (e).~~

51.26 ~~(b) The~~ (a) Beginning with the sixth year following certification of the district, or  
 51.27 beginning with the year following the extended period for districts whose five-year period  
 51.28 is extended under subdivision 3, paragraphs (c) and (d), a district must be decertified and  
 51.29 the pledge of tax increment discharged when the outstanding bonds have been defeased and  
 51.30 when sufficient money has been set aside to pay, based on the product of the applicable  
 51.31 in-district percentage multiplied by the increment to be cumulative revenues derived from  
 51.32 tax increments paid by properties in the district that have been collected through the end of  
 51.33 the calendar year, equals or exceeds an amount sufficient to pay the following amounts:

52.1 ~~(1) contractual~~ any costs and obligations as defined described in subdivision 3, paragraph  
 52.2 paragraphs (a), clauses (3) and (4); and (b), excluding those under a qualifying pay-as-you-go  
 52.3 contract and note;

52.4 ~~(2) the amount specified in the tax increment financing plan for activities qualifying~~  
 52.5 ~~under subdivision 2, paragraph (b), that have not been funded with the proceeds of bonds~~  
 52.6 ~~qualifying under paragraph (a), clause (1); and~~

52.7 ~~(3) the additional expenditures permitted by the tax increment financing plan for housing~~  
 52.8 ~~activities under an election under subdivision 2, paragraph (d), that have not been funded~~  
 52.9 ~~with the proceeds of bonds qualifying under paragraph (a), clause (1).~~

52.10 (2) any accrued interest on the costs and obligations in clause (1), payable in accordance  
 52.11 with the terms thereof; and

52.12 (3) any administrative expenses falling within the exception in subdivision 2, paragraph  
 52.13 (c).

52.14 (b) For districts with an outstanding qualifying pay-as-you-go contract and note, the  
 52.15 required decertification under paragraph (a) is deferred until the end of the remaining term  
 52.16 of the last outstanding qualifying pay-as-you-go contract and note, and the applicable  
 52.17 in-district percentage of cumulative revenues derived from tax increments paid by properties  
 52.18 in the district are sufficient to pay the obligations identified in subdivision 3, paragraphs  
 52.19 (a) and (b), provided that the deferral shall not exceed the district's duration limit under  
 52.20 section 469.176. During the deferral, beginning at the time paragraph (a) would otherwise  
 52.21 require decertification, the authority must annually either:

52.22 (1) remove from the district, by the end of the year, all parcels that will no longer have  
 52.23 their tax increment revenue pledged or subject to a qualifying pay-as-you-go contract and  
 52.24 note or other costs and obligations described in subdivision 3, paragraphs (a) and (b), after  
 52.25 the end of the year; or

52.26 (2) use the applicable in-district percentage of revenues derived from tax increments  
 52.27 paid by those parcels to prepay an outstanding qualifying pay-as-you-go contract and note  
 52.28 of the district or other costs and obligations described in subdivision 3, paragraphs (a) and  
 52.29 (b), or to accumulate and use revenues derived from tax increments paid by those parcels  
 52.30 as permitted under paragraph (i).

52.31 The authority must remove any parcels as required by this paragraph by modification  
 52.32 of the tax increment financing plan and notify the county auditor of the removed parcels by  
 52.33 the end of the same calendar year. Notwithstanding section 469.175, subdivision 4,

53.1 paragraphs (b), clause (1), and (e), the notice, discussion, public hearing, and findings  
53.2 required for approval of the original plan are not required for such a modification.

53.3 (d) Notwithstanding paragraph (a) or (b), if tax increment was pledged prior to August  
53.4 1, 2022, to a bond other than a pay-as-you-go contract and note or interfund loan, and the  
53.5 proceeds of the bond were used solely or in part to pay authorized costs for activities outside  
53.6 the district, the requirement to decertify under paragraph (a) or remove parcels under  
53.7 paragraph (b) shall not apply prior to the bond being fully paid or defeased.

53.8 (e) For purposes of this subdivision, "applicable in-district percentage" means the  
53.9 percentage of tax increment revenue that is restricted for expenditures within the district,  
53.10 as determined under subdivision 2, paragraphs (a) and (d), for the district.

53.11 (f) For purposes of this subdivision, "qualifying pay-as-you-go contract and note" means  
53.12 a pay-as-you-go contract and note that is considered to be for activities within the district  
53.13 under subdivision 3, paragraph (a).

53.14 (g) For purposes of this subdivision, the reference in paragraph (a) to cumulative revenues  
53.15 derived from tax increments paid by properties in the district through the end of the calendar  
53.16 year shall include any final settlement distributions made in the following January. For  
53.17 purposes of the calculation in paragraph (a), any amounts returned to the county auditor as  
53.18 excess increment or as remedies under section 469.1771, subdivision 2, shall first be  
53.19 subtracted from the cumulative revenues derived from tax increments paid by properties in  
53.20 the district.

53.21 (h) The timing and implementation of a decertification pursuant to paragraphs (a) and  
53.22 (b) shall be subject to the following:

53.23 (1) when a decertification is required under paragraph (a) and not deferred under  
53.24 paragraph (b), the authority must, as soon as practical and no later than the final settlement  
53.25 distribution date of January 25 as identified in section 276.111 for the property taxes payable  
53.26 in the calendar year identified in paragraph (a), make the decertification by resolution  
53.27 effective for the end of the calendar year identified in paragraph (a), and communicate the  
53.28 decertification to the county auditor;

53.29 (2) when a decertification is deferred under paragraph (b), the authority must, by  
53.30 December 31 of the year in which the last qualifying pay-as-you-go contract and note reaches  
53.31 termination, make the decertification by resolution effective for the end of that calendar  
53.32 year and communicate the decertification to the county auditor;

54.1 (3) if the county auditor is unable to prevent tax increments from being calculated for  
54.2 taxes payable in the year following the year for which the decertification is made effective,  
54.3 the county auditor may redistribute the tax increments in the same manner as excess  
54.4 increments under section 469.176, subdivision 2, paragraph (c), clause (4), without first  
54.5 distributing them to the authority; and

54.6 (4) if tax increments are distributed to an authority for a taxes payable year after the year  
54.7 for which the decertification was required to be effective, the authority must return the  
54.8 amount of the distributions to the county auditor for redistribution in the same manner as  
54.9 excess increments under section 469.176, subdivision 2, paragraph (c), clause (4).

54.10 (i) The provisions of this subdivision do not apply to a housing district.

54.11 (j) Notwithstanding anything to the contrary in paragraphs (a) or (b), if an authority has  
54.12 made the election in the tax increment financing plan for the district under subdivision 2,  
54.13 paragraph (d), then the requirement to decertify under paragraph (a) or remove parcels under  
54.14 paragraph (b) shall not apply prior to such time that the accumulated revenues derived from  
54.15 tax increments paid by properties in the district that are eligible to be expended for housing  
54.16 purposes described under subdivision 2, paragraph (d), equals the lesser of the amount the  
54.17 authority is permitted to expend for housing purposes described under subdivision 2,  
54.18 paragraph (d), or the amount authorized for such purposes in the tax increment financing  
54.19 plan. Increment revenues collected after the district would have decertified under paragraph  
54.20 (a) or from parcels which otherwise would be subject to removal under paragraph (b), absent  
54.21 the exception of this paragraph, shall be used solely for housing purposes as described in  
54.22 subdivision 2, paragraph (d).

54.23 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
54.24 applies to all districts with a request for certification after April 30, 1990, except that the  
54.25 requirements under paragraph (b) to remove parcels or use revenues from such parcels as  
54.26 prescribed in paragraph (b) apply only to districts for which the request for certification  
54.27 was made after the day following final enactment.

54.28 Sec. 9. Minnesota Statutes 2020, section 469.1763, subdivision 6, is amended to read:

54.29 Subd. 6. **Pooling permitted for deficits.** (a) This subdivision applies only to districts  
54.30 for which the request for certification was made before August 1, 2001, and without regard  
54.31 to whether the request for certification was made prior to August 1, 1979.

54.32 (b) The municipality for the district may transfer available increments from another tax  
54.33 increment financing district located in the municipality, if the transfer is necessary to

55.1 eliminate a deficit in the district to which the increments are transferred. The municipality  
 55.2 may transfer increments as provided by this subdivision without regard to whether the  
 55.3 transfer or expenditure is authorized by the tax increment financing plan for the district  
 55.4 from which the transfer is made. A deficit in the district for purposes of this subdivision  
 55.5 means the lesser of the following two amounts:

55.6 (1)~~(i)~~ the amount due during the calendar year to pay preexisting obligations of the  
 55.7 district; minus the sum of

55.8 ~~(ii)~~ (i) the total increments collected or to be collected from properties located within  
 55.9 the district that are available for the calendar year including amounts collected in prior years  
 55.10 that are currently available; plus

55.11 ~~(iii)~~ (ii) total increments from properties located in other districts in the municipality  
 55.12 including amounts collected in prior years that are available to be used to meet the district's  
 55.13 obligations under this section, excluding this subdivision, or other provisions of law; or

55.14 (2) the reduction in increments collected from properties located in the district for the  
 55.15 calendar year as a result of the changes in classification rates in Laws 1997, chapter 231,  
 55.16 article 1; Laws 1998, chapter 389, article 2; and Laws 1999, chapter 243, and Laws 2001,  
 55.17 First Special Session chapter 5, or the elimination of the general education tax levy under  
 55.18 Laws 2001, First Special Session chapter 5.

55.19 The authority may compute the deficit amount under clause (1) only (without regard to  
 55.20 the limit under clause (2)) if the authority makes an irrevocable commitment, by resolution,  
 55.21 to use increments from the district to which increments are to be transferred and any  
 55.22 transferred increments are only used to pay preexisting obligations and administrative  
 55.23 expenses for the district that are required to be paid under section 469.176, subdivision 4h,  
 55.24 paragraph (a).

55.25 (c) A preexisting obligation means:

55.26 (1) bonds issued and sold before August 1, 2001, or bonds issued pursuant to a binding  
 55.27 contract requiring the issuance of bonds entered into before July 1, 2001, and bonds issued  
 55.28 to refund such bonds or to reimburse expenditures made in conjunction with a signed  
 55.29 contractual agreement entered into before August 1, 2001, to the extent that the bonds are  
 55.30 secured by a pledge of increments from the tax increment financing district; and

55.31 (2) binding contracts entered into before August 1, 2001, to the extent that the contracts  
 55.32 require payments secured by a pledge of increments from the tax increment financing district.

56.1 (d) The municipality may require a development authority, other than a seaway port  
56.2 authority, to transfer available increments including amounts collected in prior years that  
56.3 are currently available for any of its tax increment financing districts in the municipality to  
56.4 make up an insufficiency in another district in the municipality, regardless of whether the  
56.5 district was established by the development authority or another development authority.  
56.6 This authority applies notwithstanding any law to the contrary, but applies only to a  
56.7 development authority that:

56.8 (1) was established by the municipality; or

56.9 (2) the governing body of which is appointed, in whole or part, by the municipality or  
56.10 an officer of the municipality or which consists, in whole or part, of members of the  
56.11 governing body of the municipality. The municipality may use this authority only after it  
56.12 has first used all available increments of the receiving development authority to eliminate  
56.13 the insufficiency and exercised any permitted action under section 469.1792, subdivision  
56.14 3, for preexisting districts of the receiving development authority to eliminate the  
56.15 insufficiency.

56.16 (e) The authority under this subdivision to spend tax increments outside of the area of  
56.17 the district from which the tax increments were collected:

56.18 (1) is an exception to the restrictions under section 469.176, subdivisions 4b, 4c, 4d, 4e,  
56.19 4i, and 4j; the expenditure limits under section 469.176, subdivision 1c; and the other  
56.20 provisions of this section; and the percentage restrictions under subdivision 2 must be  
56.21 calculated after deducting increments spent under this subdivision from the total increments  
56.22 for the district; and

56.23 (2) applies notwithstanding the provisions of the Tax Increment Financing Act in effect  
56.24 for districts for which the request for certification was made before June 30, 1982, or any  
56.25 other law to the contrary.

56.26 (f) If a preexisting obligation requires the development authority to pay an amount that  
56.27 is limited to the increment from the district or a specific development within the district and  
56.28 if the obligation requires paying a higher amount to the extent that increments are available,  
56.29 the municipality may determine that the amount due under the preexisting obligation equals  
56.30 the higher amount and may authorize the transfer of increments under this subdivision to  
56.31 pay up to the higher amount. The existence of a guarantee of obligations by the individual  
56.32 or entity that would receive the payment under this paragraph is disregarded in the  
56.33 determination of eligibility to pool under this subdivision. The authority to transfer increments



57.1 under this paragraph may only be used to the extent that the payment of all other preexisting  
57.2 obligations in the municipality due during the calendar year have been satisfied.

57.3 (g) For transfers of increments made in calendar year 2005 and later, the reduction in  
57.4 increments as a result of the elimination of the general education tax levy for purposes of  
57.5 paragraph (b), clause (2), for a taxes payable year equals the general education tax rate for  
57.6 the school district under Minnesota Statutes 2000, section 273.1382, subdivision 1, for taxes  
57.7 payable in 2001, multiplied by the captured tax capacity of the district for the current taxes  
57.8 payable year.

57.9 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
57.10 applies only to districts for which the request for certification was made before August 1,  
57.11 2001, and without regard to whether the request for certification was made prior to August  
57.12 1, 1979.

57.13 Sec. 10. Minnesota Statutes 2020, section 469.1771, subdivision 2, is amended to read:

57.14 Subd. 2. **Collection of increment.** If an authority includes or retains a parcel of property  
57.15 in a tax increment financing district that does not qualify for inclusion or retention within  
57.16 the district, the authority must pay to the county auditor an amount of money equal to the  
57.17 increment collected from the property for the year or years. The property must be eliminated  
57.18 from the original and captured tax capacity of the district effective for the current property  
57.19 tax assessment year. ~~This subdivision does not apply to a failure to decertify a district at~~  
57.20 ~~the end of the duration limit specified in the tax increment financing plan.~~

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

57.22 Sec. 11. Minnesota Statutes 2020, section 469.1771, subdivision 2a, is amended to read:

57.23 Subd. 2a. **Suspension of distribution of tax increment.** (a) If an authority fails to make  
57.24 a disclosure or to submit a report containing the information required by section 469.175,  
57.25 subdivisions 5 and 6, regarding a tax increment financing district within the time provided  
57.26 in section 469.175, subdivisions 5 and 6, the state auditor shall mail to the authority a written  
57.27 notice that it or the municipality has failed to make the required disclosure or to submit a  
57.28 required report with respect to a particular district. The state auditor shall mail the notice  
57.29 on or before the third Tuesday of August of the year in which the disclosure or report was  
57.30 required to be made or submitted. The notice must describe the consequences of failing to  
57.31 disclose or submit a report as provided in paragraph (b). If the state auditor has not received  
57.32 a copy of a disclosure or a report described in this paragraph on or before the first day of  
57.33 October of the year in which the disclosure or report was required to be made or submitted,

58.1 the state auditor shall mail a written notice to the county auditor to hold the distribution of  
58.2 tax increment from a particular district.

58.3 (b) Upon receiving written notice from the state auditor to hold the distribution of tax  
58.4 increment, the county auditor shall hold: all tax increment that otherwise would be distributed  
58.5 after receipt of the notice, until further notified under paragraph (c).

58.6 ~~(1) 100 percent of the amount of tax increment that otherwise would be distributed, if~~  
58.7 ~~the distribution is made after the first day of October but during the year in which the~~  
58.8 ~~disclosure or report was required to be made or submitted; or~~

58.9 ~~(2) 100 percent of the amount of tax increment that otherwise would be distributed, if~~  
58.10 ~~the distribution is made after December 31 of the year in which the disclosure or report was~~  
58.11 ~~required to be made or submitted.~~

58.12 (c) Upon receiving the copy of the disclosure and all of the reports described in paragraph  
58.13 (a) with respect to a district regarding which the state auditor has mailed to the county  
58.14 auditor a written notice to hold distribution of tax increment, the state auditor shall mail to  
58.15 the county auditor a written notice lifting the hold and authorizing the county auditor to  
58.16 distribute to the authority or municipality any tax increment that the county auditor had held  
58.17 pursuant to paragraph (b). The state auditor shall mail the written notice required by this  
58.18 paragraph within five working days after receiving the last outstanding item. The county  
58.19 auditor shall distribute the tax increment to the authority or municipality within 15 working  
58.20 days after receiving the written notice required by this paragraph.

58.21 (d) Notwithstanding any law to the contrary, any interest that accrues on tax increment  
58.22 while it is being held by the county auditor pursuant to paragraph (b) is not tax increment  
58.23 and may be retained by the county.

58.24 (e) For purposes of sections 469.176, subdivisions 1a to 1g, and 469.177, subdivision  
58.25 11, tax increment being held by the county auditor pursuant to paragraph (b) is considered  
58.26 distributed to or received by the authority or municipality as of the time that it would have  
58.27 been distributed or received but for paragraph (b).

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

58.29 Sec. 12. Minnesota Statutes 2020, section 469.1771, subdivision 3, is amended to read:

58.30 Subd. 3. **Expenditure of increment.** If an authority expends revenues derived from tax  
58.31 increments, including the proceeds of tax increment bonds, (1) for a purpose that is not a  
58.32 permitted project under ~~section 469.176~~ sections 469.174 to 469.1794, (2) for a purpose  
58.33 that is not permitted under ~~section 469.176~~ sections 469.174 to 469.1794 for the district

59.1 from which the increment was received, or (3) on activities outside of the geographic area  
59.2 in which the revenues may be expended under this chapter, the authority must pay to the  
59.3 county auditor an amount equal to the expenditures made in violation of the law.

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

59.5 Sec. 13. Laws 2014, chapter 308, article 6, section 12, subdivision 2, is amended to read:

59.6 Subd. 2. **Special rules.** (a) If the city elects, upon the adoption of the tax increment  
59.7 financing plan for a district, the rules under this section apply to a redevelopment district,  
59.8 renewal and renovation district, soil condition district, or soil deficiency district established  
59.9 by the city or a development authority of the city in the project area.

59.10 (b) Prior to or upon the adoption of the first tax increment plan subject to the special  
59.11 rules under this subdivision, the city must find by resolution that parcels consisting of at  
59.12 least 80 percent of the acreage of the project area, excluding street and railroad rights-of-way,  
59.13 are characterized by one or more of the following conditions:

59.14 (1) peat or other soils with geotechnical deficiencies that impair development of  
59.15 commercial buildings or infrastructure;

59.16 (2) soils or terrain that require substantial filling in order to permit the development of  
59.17 commercial buildings or infrastructure;

59.18 (3) landfills, dumps, or similar deposits of municipal or private waste;

59.19 (4) quarries or similar resource extraction sites;

59.20 (5) floodway; and

59.21 (6) substandard buildings, within the meaning of Minnesota Statutes, section 469.174,  
59.22 subdivision 10.

59.23 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the  
59.24 relevant condition if at least 70 percent of the area of the parcel contains the relevant  
59.25 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by  
59.26 substandard buildings if substandard buildings occupy at least 30 percent of the area of the  
59.27 parcel.

59.28 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is  
59.29 extended to ~~eight~~ 11 years for any district; the five-year period under Minnesota Statutes,  
59.30 section 469.175, subdivision 4, paragraph (f), is extended to eight years for any district; and  
59.31 Minnesota Statutes, section 469.1763, subdivision 4, does not apply to any district.

60.1 (e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763,  
60.2 subdivision 2, paragraph (a), not more than 40 percent of the total revenue derived from tax  
60.3 increments paid by properties in any district, measured over the life of the district, may be  
60.4 expended on activities outside the district but within the project area.

60.5 (f) For a soil deficiency district:

60.6 (1) increments may be collected through 20 years after the receipt by the authority of  
60.7 the first increment from the district;

60.8 (2) increments may be used only to:

60.9 (i) acquire parcels on which the improvements described in item (ii) will occur;

60.10 (ii) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional  
60.11 cost of installing public improvements directly caused by the deficiencies; and

60.12 (iii) pay for the administrative expenses of the authority allocable to the district; and

60.13 (3) any parcel acquired with increments from the district must be sold at no less than  
60.14 their fair market value.

60.15 (g) Increments spent for any infrastructure costs, whether inside a district or outside a  
60.16 district but within the project area, are deemed to satisfy the requirements of Minnesota  
60.17 Statutes, section 469.176, subdivision 4j.

60.18 (h) The authority to approve tax increment financing plans to establish tax increment  
60.19 financing districts under this section expires June 30, 2020.

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

60.23 **Sec. 14. CITY OF SHAKOPEE; TAX INCREMENT FINANCING DISTRICT.**

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

60.26 (b) "City" means the city of Shakopee.

60.27 (c) "Project area" means the following parcels, identified by parcel identification number:  
60.28 279160102, 279160110, 279170020, and 279160120.

60.29 (d) "Soil deficiency district" means a type of tax increment financing district consisting  
60.30 of a portion of the project area in which the city finds by resolution that the following  
60.31 conditions exist:

61.1 (1) unusual terrain or soil deficiencies that occurred over 70 percent of the acreage in  
61.2 the district require substantial filling, grading, or other physical preparation for use; and

61.3 (2) the estimated cost of the physical preparation under clause (1), excluding costs  
61.4 directly related to roads as defined in Minnesota Statutes, section 160.01, and local  
61.5 improvements as described in Minnesota Statutes, sections 429.021, subdivision 1, other  
61.6 than clauses (8) to (10), and 430.01, exceeds the fair market value of the land before  
61.7 completion of the preparation.

61.8 Subd. 2. **Special rules.** (a) If the city elects, upon the adoption of the tax increment  
61.9 financing plan for a district, the rules under this section apply to a redevelopment district,  
61.10 renewal and renovation district, soil condition district, or soil deficiency district established  
61.11 by the city or a development authority of the city in the project area. The city, or a  
61.12 development authority acting on its behalf, may establish one or more soil deficiency districts  
61.13 within the project area.

61.14 (b) Prior to or upon the adoption of the first tax increment plan subject to the special  
61.15 rules under this subdivision, the city must find by resolution that parcels consisting of at  
61.16 least 70 percent of the acreage of the project area, excluding street and railroad rights-of-way,  
61.17 are characterized by one or more of the following conditions:

61.18 (1) peat or other soils with geotechnical deficiencies that impair development of  
61.19 residential or commercial buildings or infrastructure;

61.20 (2) soils or terrain that requires substantial filling in order to permit the development of  
61.21 residential or commercial buildings or infrastructure;

61.22 (3) landfills, dumps, or similar deposits of municipal or private waste;

61.23 (4) quarries or similar resource extraction sites;

61.24 (5) floodways; and

61.25 (6) substandard buildings, within the meaning of Minnesota Statutes, section 469.174,  
61.26 subdivision 10.

61.27 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the  
61.28 relevant condition if at least 60 percent of the area of the parcel contains the relevant  
61.29 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by  
61.30 substandard buildings if substandard buildings occupy at least 30 percent of the area of the  
61.31 parcel.

62.1 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is  
62.2 extended to ten years for any district, and the period under Minnesota Statutes, section  
62.3 469.1763, subdivision 4, is extended to 11 years.

62.4 (e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763,  
62.5 subdivision 2, paragraph (a), not more than 80 percent of the total revenue derived from tax  
62.6 increments paid by properties in any district, measured over the life of the district, may be  
62.7 expended on activities outside the district but within the project area.

62.8 (f) For a soil deficiency district:

62.9 (1) increments may be collected through 20 years after the receipt by the authority of  
62.10 the first increment from the district; and

62.11 (2) except as otherwise provided in this subdivision, increments may be used only to:

62.12 (i) acquire parcels on which the improvements described in item (ii) will occur;

62.13 (ii) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional  
62.14 cost of installing public improvements directly caused by the deficiencies; and

62.15 (iii) pay for the administrative expenses of the authority allocable to the district.

62.16 (g) The authority to approve tax increment financing plans to establish tax increment  
62.17 financing districts under this section expires December 31, 2026.

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

62.21 Sec. 15. **CITY OF WOODBURY; TIF DISTRICT NO. 13; EXPENDITURES**  
62.22 **ALLOWED; DURATION EXTENSION.**

62.23 (a) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, or any other  
62.24 law to the contrary, the city of Woodbury may expend increments generated from Tax  
62.25 Increment Financing District No. 13 for the maintenance and facility and infrastructure  
62.26 upgrades to Central Park. All such expenditures are deemed expended on activities within  
62.27 the district.

62.28 (b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, the city of  
62.29 Woodbury may elect to extend the duration of Tax Increment Financing District No. 13 by  
62.30 five years.

63.1 **EFFECTIVE DATE.** Paragraph (a) is effective the day after the governing body of the  
 63.2 city of Woodbury and its chief clerical officer comply with the requirements of Minnesota  
 63.3 Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance  
 63.4 by the city of Woodbury, Washington County, and Independent School District No. 833  
 63.5 with the requirements of Minnesota Statutes, sections 469.1782, subdivision 2, and 645.021,  
 63.6 subdivisions 2 and 3."

63.7 Delete the title and insert:

63.8 "A bill for an act  
 63.9 relating to taxation; property; modifying provisions governing property taxes and  
 63.10 tax increment financing, modifying property tax refunds; authorizing property tax  
 63.11 exemptions; establishing property tax credits and valuation exclusions; modifying  
 63.12 classification rates; proposing transition aid; authorizing certain tax increment  
 63.13 financing proposals; appropriating money; amending Minnesota Statutes 2020,  
 63.14 sections 272.01, subdivision 2; 272.02, subdivision 98, by adding a subdivision;  
 63.15 273.032; 273.11, subdivision 23; 273.128, subdivision 2, by adding a subdivision;  
 63.16 273.13, subdivisions 22, 35, by adding a subdivision; 273.1392; 273.1393; 273.41;  
 63.17 276.04, subdivision 2; 279.03, subdivision 1a; 282.261, subdivision 2; 290A.04,  
 63.18 subdivision 2h; 290B.03, subdivision 1; 290B.04, subdivisions 3, 4; 290B.05,  
 63.19 subdivision 1; 469.174, subdivision 14, by adding a subdivision; 469.176,  
 63.20 subdivisions 3, 4, 4c; 469.1763, subdivision 6; 469.1771, subdivisions 2, 2a, 3;  
 63.21 Minnesota Statutes 2021 Supplement, sections 273.13, subdivisions 25, 34; 275.025,  
 63.22 subdivision 1; 275.065, subdivision 3; 469.1763, subdivisions 2, 3, 4; Laws 2014,  
 63.23 chapter 308, article 6, section 12, subdivision 2; proposing coding for new law in  
 63.24 Minnesota Statutes, chapters 273; 477A."