
Property Tax Law Summary

2023

A summary of laws enacted during the 2023 session that impact property tax administration statewide

Date: July 5, 2023
To: All Property Tax Administrators
From: Jon Klockziem, Director – Property Tax Division

2023 Property Tax Law Summary

We are pleased to provide this summary of property tax-related law changes enacted during the 2023 regular session of the Minnesota Legislature. The tax omnibus bill was signed into law on May 24, 2023. Additional property tax related provisions were included in the cannabis legalization bill and the housing omnibus bill, which were passed during the regular session.

The *Property Tax Law Summary* is an organized and condensed source of overview information about this year’s legislative changes that affect property tax laws. Property tax professionals can use it to plan for implementation.

What other information will I receive about 2023 property tax legislative changes?

We will share additional information about some of the legislative changes at a later date. The additional information will focus on administration and address questions we receive from counties, vendors, and other customers.

What if I have questions?

Please contact us. We will answer your questions as soon as possible and may also include them in administration materials.

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If you have any suggestions for improving future editions of the Property Tax Law Summary, please contact Susan Raverty at susan.raverty@state.mn.us.

Assessment

Classification

Cannabis Legalization Bill

Regular Session 2023, Chapter 63, Article 2, Sections 4-5

Amends Minnesota Statutes 2022, section 273.13 subdivision 24

These sections classify all real property used for raising, cultivating, processing, or storing cannabis plants, flower, or products for sale as 3a commercial property. It also clarifies that these cannabis properties will be subject to state general taxes in the same manner as other commercial property.

Effective Date: Effective beginning with assessment year 2024.

Solar Generating System Real Property Class Clarified

Regular Session 2023, Chapter 64, Article 3, Section 2

Amends Minnesota Statutes 2022, section 272.02, subdivision 24.

This section states that when multiple solar energy generating systems are located on the same real property, have a total nameplate capacity over one megawatt, and are not subject to the energy production tax, then the real property under the systems will be classified as class 3a.

Effective Date: Effective beginning with assessment year 2024.

Class 4d(2); Community Land Trusts

Regular Session 2023, Chapter 64, Article 3, Section 5

Amends Minnesota Statutes 2022, section 273.11, subdivision 12.

This section allows a unit owned and occupied by a member in good standing of a community land trust to qualify for the new classification 4d(2) provided the requirements of Minnesota Statutes section 273.13, Subdivision 25, paragraph (e), clause (2) are met. The classification rate of 4d(2) is 0.75%. The land upon which the unit is located is assessed proportionate to the classifications of the units in the building.

Effective Date: Effective beginning with assessment year 2024.

First Tier Valuation Limit; Agricultural Homestead Property

Regular Session 2023, Chapter 64, Article 3, Section 6

Amends Minnesota Statutes 2022, section 273.11, subdivision 23.

This section increases the first-tier agricultural homestead limit, excluding the house, garage, and first acre of land, to \$3,500,000 for assessment year 2024. In assessment year 2025 and thereafter, the tier limit will continue to be changed annually in the same manner as under current law.

History: Starting in 2006, the commissioner of Revenue annually calculates and certifies the first-tier limit for agricultural homestead property. The Department of Revenue calculates and certifies the first-tier valuation limit rounded to the nearest \$10,000. Assessment data is used to calculate the new limit, which is the product of:

- The first-tier limit for the preceding assessment year
- The ratio of the statewide average taxable market value of agricultural property per acre in the preceding assessment year to that of the second preceding assessment year

For the 2023 assessment year, the certified agricultural homestead first-tier valuation limit was \$2,150,000.

Effective Date: Effective beginning with assessment year 2024.

Class 4d(1); Requirements

Regular Session 2023, Chapter 64, Article 3, Section 15

Amends Minnesota Statutes 2022, section 273.128, subdivision 1.

This section requires property classified as 4d(1), which is the current 4d, to use any tax savings from the lowered classification rate (0.25%) for:

- Property maintenance
- Property security
- Improvements to the property
- Rent stabilization
- Increasing the property's replacement reserve account

The property owner must annually reapply and certify the use of these tax savings to the Minnesota Housing Finance Agency.

Effective Date: Effective beginning with assessment year 2024.

Class 4d(1); Approval

Regular Session 2023, Chapter 64, Article 3, Section 16

Amends Minnesota Statutes 2022, section 273.128, by creating subdivision 1a.

This section requires any new 4d(1) property to obtain approval, by resolution, from any city or town where the net tax capacity of 4d(1) property exceeds 2% of the total net tax capacity in the prior assessment year. The Department of Revenue is required to annually report to the Minnesota Housing Finance Agency all cities and towns where 4d(1) property exceeded the 2% total net tax capacity threshold.

Effective Date: Effective beginning with assessment year 2024.

Class 4d(1); Application

Regular Session 2023, Chapter 64, Article 3, Section 17

Amends Minnesota Statutes 2022, section 273.128, subdivision 2.

This section updates the application requirements related to the new reporting for the Minnesota Housing Finance Agency certification of 4d(1) properties.

Effective Date: Effective beginning with assessment year 2024.

Class 4d(1)

Regular Session 2023, Chapter 64, Article 3, Section 18

Amends Minnesota Statutes 2022, section 273.13, subdivision 25.

This section creates the new 4d(1) and 4d(2) classifications and assigns the new classification rates of 0.25% for 4d(1) and 0.75% for 4d(2).

This section specifies that the valuation for 4d(2) must be done without regard to any restrictions that apply because the unit is part of a community land trust property. The Community Land Trust must certify to the assessor by December 31 of each assessment year that it continues to own the real property on which the unit is located, and that the owner is a member in good standing.

4d(1) properties are still required to be valued individually in situations where not all units in a building qualify.

Effective Date: Effective beginning with assessment year 2024.

Exemptions

Certain Property Owned by an Indian Tribe

Regular Session 2023, Chapter 64, Article 3, Section 3

Amends Minnesota Statutes 2022, section 272.02, subdivision 98.

This section extends the current exemption for a specific property to 2034. Additionally, this section exempts the property from the requirement to file an application for exemption; however, it preserves the right of the assessor to request the information necessary to verify continued exemption qualifications by written request.

History: This exemption was effective beginning with assessment year 2013 and was previously set to expire in taxes payable in 2024.

Effective Date: Effective for property taxes payable in 2023 and thereafter.

Certain Elderly Living Facility Exemption

Regular Session 2023, Chapter 64, Article 3, Section 4

Amends Minnesota Statutes 2022, section 272.02 by adding subdivision 105.

This section exempts a specific elderly living facility in the city of Duluth from property taxes, so long as it continues to meet the following requirements:

- The facility is owned and operated by a nonprofit organization
- The facility is licensed by the state as an assisted living facility
- Residents of the facility are at least 55 years old or have a disability
- At least 30% of units in the facility are occupied by persons whose annual income is 50% or less of the median family income for the area

For assessment year 2022 only, this section allows an exemption application to be filed with the county assessor by June 15, 2023.

Effective Date: Retroactive to assessment year 2022 for taxes payable in 2023.

Albany School District Hospital Exemption

Regular Session 2023, Chapter 64, Article 3, Section 34

Uncodified provision.

This section exempts a specific hospital property acquired by the Albany School District (District 745) in 2022 for taxes payable year 2023. This bill appropriates funds to be paid to the county for the property taxes attributable to the exempt property in 2023. For assessment 2022 only, this section allows an exemption application to be filed with the county assessor by August 1, 2023. That same day, the county auditor must certify to the Department of Revenue the amount to be paid to the county. The department must distribute the funds to the county by August 15, 2023, for the county to distribute to the local jurisdictions.

Effective Date: Effective the day following enactment.

Homesteads and Special Programs

Certain Property Eligible for Green Acres Deferment Regular Session 2023, Chapter 64, Article 3, Section 7

Amends Minnesota Statutes 2022, section 273.111 by adding subdivision 3b.

This section creates an exception for a specific property that no longer qualified for Green Acres due to an eminent domain action that reduced the real estate to less than ten acres. The exception allows the property to reenroll to receive Green Acres. The property owner may reapply for Green Acres beginning in the 2024 assessment year by May 1. The property may receive Green Acres until it no longer qualifies for the 2a classification, is voluntarily withdrawn from the program, or is sold, transferred, or subdivided. When Green Acres is removed for those reasons, a normal payback under subdivision 9 would be due.

Effective Date: Effective beginning with assessment year 2024.

Individual Taxpayer Identification Number (ITIN) allowed for homestead Regular Session 2023, Chapter 64, Article 3, Sections 8-14, 21

Section 8 amends Minnesota Statutes 2022, section 273.124, subdivision 6.

Section 9 amends Minnesota Statutes 2022, section 273.124, subdivision 13.

Section 10 amends Minnesota Statutes 2022, section 273.124, subdivision 13a.

Section 11 amends Minnesota Statutes 2022, section 273.124, subdivision 13c.

Section 12 amends Minnesota Statutes 2022, section 273.124, subdivision 13d.

Section 13 amends Minnesota Statutes 2022, section 273.124, subdivision 14.

Section 14 amends Minnesota Statutes 2022, section 273.1245, subdivision 1.

Section 21 amends Minnesota Statutes 2022, section 273.1315, subdivision 2.

These sections allow individual taxpayer identification numbers (ITINs) to be used for homestead purposes, as well as including ITINs for homestead reporting requirements. This change allows a property owner who qualifies for homestead, but does not have a Social Security Number, to be granted homestead status which in turn makes them eligible for the Homestead Market Value Exclusion, Property Tax Refund, as well as other classifications and programs where homestead status is a requirement. ITINs are also labeled as private or nonpublic data.

History: Prior to the change, if a property owner only had an ITIN and did not have a Social Security Number (SSN), the property would have been classified as non-homestead.

Effective Date: Retroactive for homestead applications filed in 2023 and thereafter. Effective for homestead data reporting in 2024 and thereafter.

Surviving Spouse Modifications for Homestead Exclusion for Veterans with a Disability Regular Session 2023, Chapter 64, Article 3, Section 19

Amends Minnesota Statutes 2022, section 273.13 subdivision 34.

This section amends the surviving spouse provisions of the Homestead Exclusion for Veterans with a Disability in two ways:

1. Surviving spouses who previously received the exclusion when it was limited to eight years and whose exclusion expired are again eligible to enroll in the program.
2. If the veteran passed away without receiving the exclusion, the surviving spouse may now apply for the exclusion regardless of the amount of time that has passed after the qualifying veteran died and regardless of whether the exclusion existed at the time of the veteran's death. The surviving spouse still must meet all other requirements to qualify for the exclusion.

Surviving spouses of veterans who died in active service and who qualify for the exclusion under paragraph (d) still must apply within two years of the death of the veteran.

History: For the first provision, spouses who received the exclusion at the beginning when it was limited to eight years and saw it expire were not included in the law change making it a lifetime benefit. They therefore were ineligible to re-apply and receive the lifetime benefit (until they marry, sell, or otherwise dispose of the property).

For the second provision, surviving spouses of veterans who had died before 2012 were ineligible for the exclusion, and if they did not apply within the first two years after the death of the veteran would not qualify to receive the surviving spouse exclusion. This also affected surviving spouses who received dependency and indemnity compensation, as the determination for receiving that compensation sometimes was not made until more than two years after the veteran's death.

Effective Date: Effective beginning with assessment year 2023.

Homestead Market Value Exclusion Increase Regular Session 2023, Chapter 64, Article 3, Section 20

Amends Minnesota Statutes 2022, section 273.13, subdivision 35.

This section increases the base homestead market value exclusion from \$76,000 to \$95,000 and increases the overall value qualifying for the exclusion from \$413,800 to \$517,200. For homestead valued between \$95,000 and \$517,200, the exclusion is \$38,000 minus 9% of the valuation over \$95,000.

This section also adds class 4d(2), Community Land Trust, properties to the type of properties eligible for the homestead market value exclusion.

History: The homestead market value exclusion was created in 2011 to replace a state-paid homestead market value credit.

Effective Date: Effective for assessment year 2024 and thereafter.

Class 4d(2); Homestead Regular Session 2023, Chapter 64, Article 3, Section 25

Amends Minnesota Statutes 2022, section 290A.03, subdivision 6 and section 273.13, subdivision 35.

This section adds the 4d(2) classification, Community Land Trust, to the definition of homestead, making properties under that classification eligible for property tax refunds.

Effective Date: Effective beginning with assessment year 2024. For property tax refunds, effective beginning with refunds claimed on taxes payable in 2025 and thereafter.

Property Tax Aids and Credits

Existing Aid Programs

Local Government Aid (LGA) to Cities – Population Age 65 and Over Regular Session 2023, Chapter 64, Article 4, Section 4

Amends Minnesota Statutes 2022, section 477A.011, adding subdivision 3b.

This section creates and defines a new variable for the LGA formula. The section outlines source data, dates, and a process for revisions.

Effective Date: Effective for aids payable in calendar year 2024 and thereafter.

Local Government Aid (LGA) to Cities – Transformed Population Regular Session 2023, Chapter 64, Article 4, Section 5

Amends Minnesota Statutes 2022, section 477A.011, adding subdivision 3c.

This section creates and defines a new variable for the LGA formula for small cities. It is defined as the logarithm to the base 10 of the population.

Effective Date: Effective for aids payable in calendar year 2024 and thereafter.

Local Government Aid (LGA) to Cities – City Revenue Need Regular Session 2023, Chapter 64, Article 4, Section 6

Amends Minnesota Statutes 2022, section 477A.011, subdivision 34.

This section changes the need calculations for all three types (small, medium, and large) of cities, incorporating new variables and removing repealed ones while changing the coefficients in the calculation. The section updates the language concerning adjusting for inflation.

Small Cities (under 2,500 in population)

$$\text{Need} = (220.877 \times \text{transformed population}^*) + 196.487$$

Medium Cities (2,500-9,999)

$$\text{Need} = 1.15 \times ((6.667 \times \text{pre-1940 housing percentage}) + (9.215 \times \text{commercial industrial utility percentage}^*) + (16.081 \times \text{peak population decline}) + 497.308)$$

Large Cities (10,000 or more)

$$\text{Need} = 1.15 \times ((8.572 \times \text{pre-1940 housing percentage}) + (11.494 \times \text{city age index}^*) + (5.719 \times \text{commercial industrial utility percentage}^*) + (9.484 \times \text{peak population decline}) + 293.056)$$

*Denotes new variable

Effective Date: Effective for aids payable in calendar year 2024 and thereafter.

Local Government Aid (LGA) to Cities – City Age Index Regular Session 2023, Chapter 64, Article 4, Section 7

Amends Minnesota Statutes 2022, section 477A.011, adding subdivision 46.

This section creates a new variable for the LGA formula for large cities. It is defined as 100 times the ratio of the population age 65 and over to the population of the city.

Effective Date: Effective for aids payable in calendar year 2024 and thereafter.

Local Government Aid (LGA) to Cities – Commercial Industrial Utility Percentage Regular Session 2023, Chapter 64, Article 4, Section 8

Amends Minnesota Statutes 2022, section 477A.011, adding subdivision 47.

This section creates a new variable for the LGA formula for medium and large cities. It is the percentage of the city's market value tax base that is 3a property before adjustments for fiscal disparities and prior to equalization.

Effective Date: Effective for aids payable in calendar year 2024 and thereafter.

Local Government Aid - County Program Aid (CPA) – Definitions Regular Session 2023, Chapter 64, Article 4, Section 9

Amends Minnesota Statutes 2022, section 477A.0124, subdivision 2.

This section references the variable "population age 65 and over" for the County Program Aid (CPA) formula. The section updates definitions of crime variables in the CPA formula that reflect current processes. The CPA calculation remains unchanged.

Effective Date: Effective for aids payable in calendar year 2024 and thereafter.

Local Government Aid - County Program Aid (CPA) – County Need Aid Regular Session 2023, Chapter 64, Article 4, Section 10

Amends Minnesota Statutes 2022, section 477A.0124, subdivision 3.

This section references the definition of "adjusted offenses" in section 9. The CPA calculation remains unchanged.

Effective Date: Effective for aids payable in calendar year 2024 and thereafter.

Local Government Aid - Municipal Government Distributions – City Formula Aid Regular Session 2023, Chapter 64, Article 4, Section 11

Amends Minnesota Statutes 2022, section 477A.013, subdivision 8.

This section removes reference to certified aid adjustments, which are repealed in Article 4, section 33.

Effective Date: Effective for aids payable in calendar year 2024 and thereafter.

Local Government Aid - Municipal Government Distributions – City Distribution Formula Regular Session 2023, Chapter 64, Article 4, Section 12

Amends Minnesota Statutes 2022, section 477A.013, subdivision 9.

This section removes reference to certified aid adjustments, which are repealed in Article 4, section 33.

Effective Date: Effective for aids payable in calendar year 2024 and thereafter.

Local Government Aid - Commissioner’s Responsibilities – Calculations and Payments Regular Session 2023, Chapter 64, Article 4, Section 13

Amends Minnesota Statutes 2022, section 477A.014, subdivision 1.

This section removes references to “taxing authorities” and “authorities” and replaces it with political subdivisions. The section further clarifies when changes in boundaries, form of government, and computational factors are recognized for calculating aid.

Effective Date: Effective July 1, 2023.

Local Government Aid – Payment Dates Regular Session 2023, Chapter 64, Article 4, Section 14

Amends Minnesota Statutes 2022, section 477A.015.

This section modifies the payments dates for local government aid to taxing authorities for aids payable in 2025. In 2025, aid payments will be made in three installments as follows: 9.402% of the aid will be paid on March 20, 2025, 40.598% on July 20, 2025, and a final payment of 50% will be paid on December 26, 2025.

Effective Date: Effective for aids payable in calendar year 2024 and thereafter.

Local Government Aid (LGA) to Cities – Appropriation Regular Session 2023, Chapter 64, Article 4, Section 15

Amends Minnesota Statutes 2022, section 477A.03, subdivision 2a.

This section increases the appropriation of LGA for cities by \$80,000,000 from \$564,398,012 to \$644,398,012 and deletes outdated language.

Effective Date: Effective for aids payable in calendar year 2024 and thereafter.

Local Government Aid - County Program Aid (CPA) – APPROPRIATION. Regular Session 2023, Chapter 64, Article 4, Section 16

Amends Minnesota Statutes 2022, section 477A.03, subdivision 2b.

This section increases the appropriation for aids payable in 2024 by \$80,000,000 from \$264,668,444 to \$344,668,444. For aids payable in 2025 and thereafter, the appropriation is \$341,668,444.

Effective Date: Effective for aids payable in calendar year 2024 and thereafter.

Local Homeless Prevention Aid

Laws 2023, Chapter 64, Article 4, Section 22

Amends Minnesota Statutes 2022, section 477A.30.

This section changes the aid program's original distribution formula. The program's \$20 million appropriation that was originally going to be distributed solely to counties is now divided, where \$17.6 million will be distributed to counties and \$2.4 million will be distributed to Tribal governments. The amounts for aid payable in 2023 will be recertified by July 15, 2023.

History: This program was enacted in 2021 and the first distribution is taking place in calendar year 2023, half on July 20 and half on December 26. The program will expire after aid is paid in 2028.

Effective Date: Effective beginning with aids payable in 2023 and thereafter.

Mahnomen Property Tax Reimbursement Aid

Regular Session 2023, Chapter 64, Article 4, Section 23

Creates Minnesota Statutes 2022, section 477A.31.

This section codifies the Mahnomen County property tax reimbursement that is currently in session law. The session law is repealed in this article. New reimbursement amounts are \$1,010,000 for the county, \$210,000 for the city of Mahnomen, and \$140,000 for Independent School District No. 432, Mahnomen.

Effective Date: Effective for aids payable in calendar year 2024 and thereafter.

Mahnomen County; County, City, School District, Property Tax Reimbursement

Regular Session 2023, Chapter 64, Article 4, Section 26

Amends Laws 2006, chapter 259, article 11, section 3, as amended by Laws 2008, chapter 154, article 1, section 4, and Laws 2013, chapter 143, article 2, section 33

This section amends Laws 2006, chapter 259, article 11, section 3, as amended by Laws 2008, chapter 154, article 1, section 4, and Laws 2013, chapter 143, article 2, section 33, so that it expires after aids payable in 2023. Minnesota Statutes section 477A.31, Mahnomen Property Tax Reimbursement Aid, replaces it.

Effective Date: Effective for aids payable in calendar year 2024 and thereafter.

2021 Aid Penalty Forgiveness

Regular Session 2023, Chapter 64, Article 4, Section 28

Uncodified provision.

This section forgives the penalties levied on the cities of Echo and Morton in calendar year 2021 for failure to submit audited financial statements to the state auditor. The commissioner of revenue will make 2021 aid payments to the cities no later than June 30, 2023, provided that the state auditor certifies that the cities have complied with all reporting requirements for the 2020 calendar year by June 1, 2023. The city of Echo will receive \$46,060 and the city of Morton will receive \$79,476.

Effective Date: Effective the day following final enactment.

Utility Valuation Transition Aid

Regular Session 2023, Chapter 64, Article 4, Section 33

Repeals Minnesota Statutes 2022, section 477A.16.

This section repeals Utility Valuation Transition Aid. The aid will last be paid in 2023.

History: Utility Valuation Transition Aid was enacted in 2008 to compensate qualifying cities and towns for reductions in their tax base due to a 2007 rule change in the assessment of public utility property. When the aid was initially paid in 2009, 43 cities and towns qualified, and only those municipalities were eligible to participate in the program into perpetuity. All cities and towns had transitioned off the formula to qualify by 2019; however, a few have qualified again under the formula for reasons unrelated to the 2007 rule change.

Effective Date: Effective for aids payable in 2024 and thereafter.

Fire State Aid

Regular Session 2023, Chapter 64, Article 17, Sections 1 to 20 and 25

Amends Minnesota Statutes 2022, sections 6.495, subdivision 3, and various provisions in chapter 477B.

These sections complete a recodification project for this aid program that started with the physical move of the language from chapter 69 to chapter 477B enacted in 2019. Most of this year's changes conform to how the aid program has been administered where law was silent or unclear, such as providing clarity for the inclusion of fire protection special taxing districts.

New changes to the program:

- The certification form will need to be certified solely by the municipal clerk, secretary in the case of an independent nonprofit corporation, or equivalent; a second certification by the fire chief is no longer required
- The reduction in aid for late filing will be 10% per week or partial week instead of 5% per week or partial week
- The required notification to fire departments that have not filed as of March 15 is moved to March 1
- The 10-day grace period associated with the March 16 notification is removed

The changes do not impact how the aid is calculated or distributed, except that population figures will be updated annually rather than only after each decennial census.

History: Prior to 2019, the last time Fire State Aid had been modified in any significant way was 1969. Fire State Aid was originally enacted in 1885.

Effective Date: Effective for aids payable in 2024 and thereafter.

Police State Aid

Regular Session 2023, Chapter 64, Article 17, Sections 21 to 24

Amends several provisions of chapter 477C.

These sections complete a recodification project for this aid program that started with the physical move of the language from chapter 69 to chapter 477C enacted in 2019. Most of this year's changes conform to how the aid program has been administered where law was silent or unclear, such as clarifying language for how the process works for an online form.

New changes to the program:

- The certification form will need to be certified solely by the municipal clerk, secretary in the case of an independent nonprofit corporation, or equivalent; a second certification by the fire chief is no longer required
- The reduction in aid for late filing will be 10% per week or partial week instead of 5% per week or partial week
- The required notification to fire departments that have not filed as of March 15 is moved to March 1
- The 10-day grace period associated with the March 16 notification is removed

The changes do not impact how the aid is calculated or distributed.

History: Prior to 2019, Police State Aid had not been modified in any significant way since being enacted in 1971.

Effective Date: Effective for aids payable in 2024 and thereafter.

New Aid Programs

Local Affordable Housing Aid and Housing Assistance Fund Regular Session 2023, Chapter 37, Article 5, sections 3 and 4

Creates Minnesota Statutes 2023, sections 477A.35 and 477A.36.

These sections create a new Local Affordable Housing Aid for counties and cities of the first, second, and third class in the metropolitan area as defined in Minnesota Statutes section 473.121 and the Housing Assistance Fund. Twenty-five percent of the proceeds from a new sales and use tax imposed in the metropolitan area will be distributed to the metropolitan city aid account in the Housing Assistance Fund, and 50% will be distributed to the county aid account (see Laws 2023, Chapter 37, Article 5, Section 2, subdivision 4).

Funds received from this aid program must be used for qualifying projects, and each recipient will need to submit a report annually to the Minnesota Housing Finance Agency beginning in 2025.

Aid will be calculated based on population and estimates provided by the American Community Survey of the United States Census Bureau on cost-burdened households. "Cost-burdened household" means a household in which gross rent is 30% or more of household income or in which homeownership costs are 30% or more of household income.

Beginning in 2024, aid will be distributed on July 20 and December 26 using the amounts available in the city aid and county aid accounts as of June 1.

Effective Date: Effective July 1, 2023. Aid will first be paid in calendar year 2024.

Local Government Cannabis Aid Regular Session 2023, Chapter 63, Article 2, Section 28

Creates Minnesota Statutes 2023, section 477A.32.

This section creates a new aid program for counties and cities that will be funded through proceeds from a new gross receipts tax, 20% of which will be deposited in the local government cannabis aid account in the special revenue fund (see Laws 2023, Chapter 63, Article 2, Section 9, subdivision 10). The total amount of aid available will be split evenly between counties and cities.

Twenty percent of the amount available for counties will be distributed equally among all counties. The other 80% will be distributed proportionately according to the number of cannabis businesses located in the county as compared to the number of cannabis businesses in all counties.

All of the aid available for cities will be distributed proportionately according to the number of cannabis businesses located in the city as compared to the number of cannabis businesses in all cities.

Beginning in 2024 and annually thereafter:

- The director of the Office of Cannabis Management will certify by June 1 the number of cannabis businesses licensed under chapter 342 as of the previous January 1, disaggregated by county and city
- The commissioner of Management and Budget will certify by July 15 the balance the local government cannabis aid account as of the immediately preceding June 30
- The commissioner of Revenue will certify aid amounts by September 1 each year
- The commissioner of Revenue will pay the aid on December 26 of the same year aid amounts were certified

Effective Date: Effective July 1, 2023. Aid will first be paid in 2024.

Electric Generation Transition Aid

Regular Session 2023, Chapter 64, Article 4, Sections 1 and 21

Section 1 amends Minnesota Statutes 2022, section 273.1392.

Section 21 creates Minnesota Statutes 2023, section 477A.24.

This section creates the electric generation transition aid program. Counties, cities/towns, and school districts will be eligible to receive aid in the event a publicly utility electric generating unit powered by coal, nuclear, or natural gas is retired. Local jurisdictions with electric generating units that were retired after 2016 will be eligible to receive aid.

Jurisdictions where the tax capacity of electric generating property is greater than 4% of the jurisdiction's total tax capacity will receive an initial aid amount equal to the reduction in tax capacity resulting from the unit/units being retired multiplied by the local jurisdiction's tax rate in the year prior to the retirement. Each subsequent year the aid amount will decrease by 5% of the initial aid until it is below \$5,000 at which point the aid will be zero. Jurisdictions will also stop receiving aid when their current total net capacity becomes larger than 90% of their tax capacity before the retirement multiplied by the state's tax capacity growth ratio.

The first year of aid payments will be calculated and certified by the department on or before May 1 in the year the aid is payable. After the first year, the department will calculate and certify the aid on or before August 1.

Effective Date: Effective for aids payable in 2024 and thereafter.

Soil and Water Conservation District Aid

Regular Session 2023, Chapter 64, Article 4, Section 20

Creates Minnesota Statutes 2023, section 477A.23.

This section creates a new state aid program for soil and water conservation districts. The appropriation for aids payable in 2023 and 2024 is \$15,000,000. For aids payable in 2025 and thereafter the appropriation is \$12,000,000. Distribution of the appropriation is as follows: 80% is to be distributed equally among the watersheds, 10% is distributed according to each district's share of nonpublic land compared to nonpublic land in all districts, and 10% must be distributed based on the cube root, or "transformed population," of each district's population.

Effective Date: Effective for aids payable in calendar year 2023 and thereafter.

Statewide Local Housing Aid

Regular Session 2023, Chapter 64, Article 4, Section 24

Creates Minnesota Statutes 2023, section 477A.36.

This section creates a new local housing aid for seven of the state's federally recognized Tribal nations, all counties, and those cities of the first, second, and third class that are not in the metropolitan area as defined in section 473.121. Cities of the fourth class not located in a metropolitan county will be able to participate in a grant program administered by the Minnesota Housing Finance Agency.

Funds received from this aid program must be used for qualifying projects, and each recipient will need to submit a report annually to the Minnesota Housing Finance Agency beginning in 2025.

Aid will be calculated based on population and estimates provided by the American Community Survey of the United States Census Bureau on cost-burdened households. "Cost-burdened household" means a household in which gross rent is 30% or more of household income or in which homeownership costs are 30% or more of household income.

The annual appropriation is \$10 million, with \$6.8 million for counties; \$2 million for cities of the first, second, and third class; and \$1.2 million for Tribal nations. For aid payable in 2023 and 2024 only, the appropriation is increased by \$8.5 million for counties; \$2.5 million for cities of the first, second, and third class; and \$1.5 million for Tribal nations.

Effective Date: Effective beginning with aids payable in calendar year 2023.

Tribal Nation Aid

Regular Session 2023, Chapter 64, Article 4, Section 25

Creates Minnesota Statutes 2023, section 477A.40.

This section creates a new Tribal Nation Aid for the state's 11 federally recognized Indian Tribes. A Tribal nation will be able to choose to receive an aid distribution each year by applying to the commissioner of revenue by January 15 of the year aid is paid. It will also need to certify the most recent estimate of the total number of enrolled members of the Tribal nation by March 1 of the year aid is paid. The annual appropriation is \$35 million. Aid amounts will be certified by August 1 each year and paid by December 27.

Effective Date: Effective beginning with aids payable in 2024.

Public Safety Aid

Regular Session 2023, Chapter 64, Article 4, Section 27

Uncodified provision

This section creates a one-time state aid program of \$300 million for Tribal governments, counties, towns with a population of at least 10,000, and cities. Aid amounts will be calculated based on population; certified by September 1, 2023; and paid by December 26, 2023. Recipients must use the aid to provide public safety, and a list of example eligible uses provided in the law includes community engagement, training programs, and equipment related to fire, rescue, and emergency services. The provision also includes items that the aid may not be applied toward, such as the recipient's employer contribution to the public employees retirement association police and fire fund if that recipient received Police State Aid under chapter 477C in calendar year 2022.

Effective Date: Effective for aids payable in 2023.

Class 4d(1) Low-Income Rental Property Transition Aid **Regular Session 2023, Chapter 64, Article 4, Section 32**

Uncodified provision

This section creates a limited-time aid program to help compensate cities for the reduction in the 4d(1) class rate. Aid amounts will compare net tax capacity data for taxes payable in 2024 and 2025 and use a city's tax rate for taxes payable 2024.

Effective Date: Effective for aid payable in calendar year 2025 and 2026 only.

Taxing Authority and Levies

Levies

Watershed District Levy; General Fund **Regular Session 2023, Article 3, Section 1**

Amends Minnesota Statutes 2022, section 103D.905, subdivision 3.

This section increases the amount that watershed districts may levy. The general fund's ad valorem tax levy rate was doubled from 0.048% to 0.096% and its maximum levy amount was raised from \$250,000 to \$500,000. The final levy is whichever is less.

Effective Date: Effective beginning with assessment year 2024 and thereafter.

Countywide Public Safety Improvements and Equipment; Bonding and Tax Levies **Regular Session 2023, Article 3, Section 30**

Amends Minnesota Statutes 2022, section 383E.21.

This section changes the treatment of Anoka County's Countywide Public Safety Improvements and Equipment, Bonding, and Tax Levies. Current statute provides the option to list these levies as separate from the county levy. New language requires that the county report it separately but does not strike the "may" option. Current practice is that Anoka County reports it as a separate line item. This section does not change the status of the levy. It is a county levy, not a special taxing district levy, and will still be reported as a county levy. This section also extends the expiration date for bonding and levying for public safety improvements and equipment from December 31, 2023 to December 31, 2033.

Effective Date: Effective the day after the governing body of Anoka County and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Northwest Minnesota Multi-County Housing and Redevelopment Authority; Levy Authority **Regular Session 2023, Article 3, Section 33**

Uncodified provision.

This section extends the levy authority of the Northwest Minnesota Multi-County Housing and Redevelopment Authority until taxes payable 2034. The levy authority was set to expire at the end of taxes payable 2024.

Effective Date: Effective the day after the governing body of the Northwest Minnesota Multi-County Housing and Redevelopment Authority and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Truth in Taxation

Notice of Proposed Property Taxes

Regular Session 2023, Chapter 64, Article 3, Section 22

Amends Minnesota Statutes 2022, section 275.065, subdivision 3.

This section adds website address to the items a taxing jurisdiction must provide, along with a telephone number, to be published on the notice of proposed property taxes.

Effective Date: Effective beginning with property taxes payable in 2024.

Notice of Proposed Property Taxes; Required Supplemental Information

Regular Session 2023, Chapter 64, Article 3, Section 23

Amends Minnesota Statutes 2022, section 275.065, subdivision 3b.

This section amends the supplemental statement requirements to refer instead to “supplemental information” (separate from the “supplemental information” discussed in subdivision 3, paragraph (j)) and to remove a significant amount of the information required. The supplemental information must list, for the county and all cities and school districts in the county: the certified levy for the current taxes payable year, the proposed levy for the next taxes payable year, and the increase or decrease in amounts, expressed as a percentage.

History: The supplement statement requirements were enacted in 2021 for taxes payable in 2023.

Effective Date: Effective beginning with property taxes payable in 2024.

Notice of Proposed Property Taxes; Costs

Regular Session 2023, Chapter 64, Article 3, Section 24

Amends Minnesota Statutes 2022, section 275.065, subdivision 4.

This section clarifies that a county may require reimbursement from taxing jurisdictions if the reasonable cost of the county auditor’s services and the cost of preparing and mailing the notice of proposed property taxes exceed the amount distributed to the county by the commissioner of revenue.

History: This subdivision was part of the original truth-in-taxation law that was enacted in 1988, effective for taxes payable in 1990 and thereafter. It was amended in 1989 to read essentially as it has until this law change (a change was made in 1992 for the school district share). In the early years, funds were appropriated to compensate counties for the costs of preparing the notices for taxes payable in 1990 and 1991. It does not appear that there have been any appropriations for this purpose since then.

Effective Date: Effective beginning with property taxes payable in 2024.

Delinquency and Forfeiture

Delinquent Taxes; Interest Rate

Laws 2023, Chapter 64, Article 15, Section 8

Amends Minnesota Statutes, section 279.03, subdivision 1a.

Beginning in 2024, the interest rate for delinquent taxes, penalties, and costs will be the rate determined by the Department of Revenue under Minnesota Statutes section 270C.40, subdivision 5, without a 10% minimum. The maximum remains 14%.

A county board may set, by resolution, a rate lower than the interest rate determined by the Department of Revenue.

History: The 10% minimum was included in a 1990 law change that took effect beginning in 1991.

Effective Date: For taxes, penalty, and costs determined to be delinquent on or after January 1, 2024.

Repurchase Contracts; Interest Rate

Laws 2023, Chapter 64, Article 15, Section 9

Amends Minnesota Statutes, section 282.261, subdivision 2.

Beginning in 2024, a county board, by resolution, or a county auditor when delegated the responsibility to administer tax-forfeited lands assigned to the board, may establish a lower interest rate for repurchase contracts approved by the board. Otherwise, the interest rate is the rate determined by the Department of Revenue under Minnesota Statutes section 279.01, subdivision 1a.

Effective Date: January 1, 2024.

Ramsey County Tax Judgment Sales

Regular Session 2023, Chapter 64, Article 15, Section 25

Uncodified provision.

This section increases the redemption period for certain tax forfeited property within Ramsey County, located in a targeted community as defined in Minnesota Statutes section 469.201, subdivision 10. If the conditions set forth in the effective date are met, the redemption period would increase from one year to three years from the date of sale for all such properties sold to the state as a result of property tax delinquency for taxes payable year 2023 or later.

History: If Ramsey County does not meet the conditions set forth in the effective date, all tax forfeited property located in a targeted community, except homesteaded lands, is subject to a shortened redemption period of one year from the date of sale under Minnesota Statutes, chapter 281.17, paragraph b.

Effective Date: This section is effective the day after the governing body of Ramsey County and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3, but any compliance with these requirements must be completed no later than December 31, 2023.

Payment in Lieu of Taxes

Payment in Lieu of Taxes; Payments

Regular Session 2023, Chapter 64, Article 4, Section 17

Amends Minnesota Statutes 2022, section 477A.12, subdivision 1.

This section increases the amount for payment in lieu of taxes for county-administered and commissioner-administered other natural resources land from \$2 to \$3 per acre. It also adds a payment for all types of land that qualify for payments in lieu of taxes under this subdivision. That payment is \$0.18 per acre if the lands are equal to or greater than 25% of the total acreage of the county or \$0.08 per acre if the lands are equal to or greater than 10% but less than 25% of the total acreage of the county.

Effective Date: Effective beginning with aids payable in 2024.

Payment in Lieu of Taxes; Determination of Appraised Value

Regular Session 2023, Chapter 64, Article 4, Section 18

Amends Minnesota Statutes 2022, section 477A.12, subdivision 3.

This section changes the determination of appraised value of acquired natural resources land where it shall not be less than the 2022 appraised value or subsequent appraised value, if higher.

Effective Date: Effective beginning with aids payable in 2024.

Payment in Lieu of Taxes; Adjustment

Regular Session 2023, Chapter 64, Article 4, Section 19

Creates Minnesota Statutes 2023, section 477A.12, subdivision 4.

Beginning in 2024, the commissioner of revenue will annually adjust payment in lieu of taxes amounts using an existing process in Minnesota Statutes, section 270C.22, with one significant difference that amounts will be rounded to the nearest tenth of a cent instead of nearest \$10. The adjustment is based on the Chained Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics.

Effective Date: Effective beginning with aids payable in 2024.

Economic Development and Tax Increment Financing (TIF)

TIF – General Provisions

TIF; Small Cities

Regular Session 2023, Chapter 64, Article 8, Section 1

Amends Minnesota Statutes 2022, section 469.174, subdivision 27.

This section amends the definition of a small city (population of 5,000 or less) for use of tax increment financing to decrease the distance one must be from a city with a population of 10,000 or more from 10 miles to 5 miles.

Effective Date: Effective for districts for which the request for certification was made on or after July 1, 2023.

TIF; OSA Work Group Regular Session 2023, Chapter 64, Article 9

Amends various provisions in Minnesota Statutes, chapter 469

This article is the result of a working group coordinated by the Office of the State Auditor. It amends various provisions for the administration of tax increment financing (TIF) by TIF authorities and county auditors.

- Updates the definition of administrative expenses
- Adds a definition for a pay-as-you-go contract and note
- Clarifies the limitation on administrative expenses
- Clarifies the calculation of minimum percentage of expenditures for activities in the district and maximum percentage of expenditures allowed on activities outside the district for pooling limits
- Clarifies which expenditures are considered activity within the district for the five-year rule
- Updates the use of revenues for decertification
- Clarifies the calculation of a deficit of a district with respect to pooling permitted for deficits
- Expands the definition of increment collected due to violations
- Clarifies the increment held by the county auditor due to violations
- Expands the sources of permitted purposes of TIF expenditures

Effective Date: All sections are effective the day following final enactment. Many sections include information regarding application dependent on when the request for certification of the district was made.

TIF – Specific Districts

Amendments to Existing TIF Districts and Creation of New TIF Districts Regular Session 2023, Chapter 64, Article 8, Sections 2 to 15

Uncodified provisions

These sections amend or permit the creation of the following districts with special rules:

- **Section 2: Hopkins (District 2-11)** – Increases the limit of total tax increment from the district that may be used to pay the cost of housing or redevelopment activities from 20% to 25%
- **Section 3: Bloomington (District 1-I, Bloomington Central Station)** – Increases the previous extension of the five-year rule to 21 years to 26 years, clarifies that the six-year rule is extended to 27 years, and increases the previous duration limits of the districts for a period through December 31, 2039, to December 31, 2044
- **Sections 4-5: St. Paul (RiverCentre)** – Extends the previous termination of the district from December 31, 2023, to December 31, 2033, and beginning in taxes payable 2024, expands allowed expenditures to include facilitating improvements within the RiverCenter complex
- **Section 6: Savage** – Increases previous extension of five-year rule from eight to 12 and extends the time during which districts can be expanded from five to nine years
- **Section 7: Duluth (Port Lot D)** – Expands previous authority to establish one redevelopment district with special rules to allow not more than two districts and extend the duration limit by five years
- **Section 8: Ramsey (District No. 14)** – Extends previous extension of five-year rule by two years to five years, ending November 28, 2026, with a corresponding change to the six-year rule
- **Section 9: Chatfield** – Authorizes the City of Chatfield or its economic development authority to establish an economic development district to construct a multi-level hotel provided the first floor (meaning floor at street level where the public is permitted to enter and exit) does not exceed 15,000 square feet

- **Section 10: Duluth (Medical Exchange)** – Authorizes the City of Duluth or its economic development authority to establish one or more redevelopment districts limited to a specified area with special rules
- **Section 11: Fridley (District No. 20)** – Authorizes the City of Friday or its economic development authority to transfer tax increment accumulated from its District No. 20 to the Fridley Housing and Redevelopment Authority for specified purposes; subject to annual reporting; report to legislature required
- **Section 12: Plymouth** – Authorizes the City of Plymouth to establish not more than two redevelopment districts in a specified area with special rules
- **Section 13: Shakopee** – Authorizes the City of Shakopee to establish a soil deficiency district as defined in the section and with special rules
- **Section 14: West St. Paul** – Authorizes the City of West St. Paul or its economic development district to establish one or more redevelopment districts in a specified area with special rules
- **Section 15: Woodbury (Central Park)** – Authorizes the City of Woodbury to expend increments from its District No. 13 for the maintenance, and facility and infrastructure upgrades to Central Park, and to elect to extend the duration of the district by five years

Miscellaneous

Senior Deferral

Regular Session 2023, Chapter 64, Article 3, Sections 26 to 29

Section 26 amends Minnesota Statutes 2022, section 290B.03, subdivision 1.

Section 27 amends Minnesota Statutes 2022, section 290B.04, subdivision 3.

Section 28 amends Minnesota Statutes 2022, section 290B.04, subdivision 4.

Section 29 amends Minnesota Statutes 2022, section 290B.05, subdivision 1.

These sections increase the maximum amount of household income allowable for an applicant to qualify for the program from \$60,000 to \$96,000. The requirement that the home have been owned and occupied by at least one qualifying homeowner is lowered from 15 years to five years.

Effective Date: Effective for applications for deferral of taxes payable in 2024 and thereafter.

Metro Fiscal Disparities Area Definition

Regular Session 2023, Chapter 64, Article 3, Sections 31 and 32

Section 31 amends Minnesota Statutes 2022, section 473F.02, subdivisions 2.

Section 32 amends Minnesota Statutes 2022, section 473F.02, subdivisions 8.

These sections modify the definition of the metropolitan fiscal disparities area by cross-referencing to the definition of metropolitan area in section 473.121, subdivision 2. That definition “means the area over which the Metropolitan Council has jurisdiction, including only the counties of Anoka; Carver; Dakota excluding the cities of Northfield and Cannon Falls; Hennepin excluding the cities of Hanover and Rockford; Ramsey; Scott excluding the city of New Prague; and Washington.”

History: Prior to the law change, the definitions have been similar, however, the definition in 473F.02, subdivisions 2 and 8, has not excluded Cannon Falls, Hanover, and Rockford.

Effective Date: Effective for taxes payable in 2024 and thereafter and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Study of State-Owned Lakeshore

Regular Session 2023, Chapter 64, Article 4, Section 29

Uncodified provision.

This section requires the Department of Revenue, in consultation with the Department of Natural resources and counties, to produce a report on the valuation methods used by counties to value the acreage and shoreline areas within all commissioner-administered and county-administered "other natural resources land" as defined by Minnesota Statutes section 477A.11, subdivision 4. Counties will need to provide the most recent assessed value and acreage of parcels in the PILT program, grouped by on-water and not on-water parcels, to the department by December 30, 2023. The report is due to the legislature by January 31, 2025.

Effective Date: Effective the day following final enactment.

Property Tax Service of Petitions

Regular Session 2023, Chapter 64, Article 15, Section 7

Amends Minnesota Statutes 2022, section 278.01

This section modifies service of the petition when a property owner seeks the district court or Tax Court to review how their property was assessed. A petition is filed solely with the county auditor, and the auditor is responsible for distributing it to the county treasurer (if a separate office from auditor), county attorney, and county assessor. The provision further allows the county auditor to accept service by electronic or other alternative service methods rather than just by personal service.

History: Prior to the law change, copies of the petition needed to be served to the county auditor, county attorney, county treasurer, and county assessor, with the assessor receiving extra copies to forward to the city or town and school district where the property is located.

Effective Date: Effective the day following final enactment.

Tourism Improvement Districts

Regular Session 2023, Chapter 64, Article 15, Sections 12 to 21

Creates chapter 428B.

This new chapter allows a county, city, or town to establish a tourism improvement district only if impacted lodging business owners file a petition requesting a public hearing on the proposed action with the clerk of the municipality. The chapter includes information on how to establish or disestablish a district, including notice, hearing, and appeal procedures. The service charges that may be imposed by a municipality on businesses within a tourism improvement must be based on a percent of gross business revenue, a fixed dollar amount per transaction, or any other reasonable method based upon benefit and approved by the municipality.

Effective Date: Effective the day following final enactment.

Appropriation; Crane Lake Water and Sanitary District Debt Relief
Regular Session 2023, Chapter 64, Article 15, Section 29

Uncodified provision.

This section provides for a one-time appropriation in fiscal year 2024 of \$1,294,000 to the Public Facilities Authority for a grant to the Crane Lake Water and Sanitary District. The grant is to be used to retire debt of the district to bring the district's monthly wastewater rates in line with those of similarly situated facilities across the state. This is a one-time appropriation to be enacted only once and is paid on July 1, 2023.

Effective Date: Effective the day following final enactment.

Appropriation; City of Minneapolis; Grant
Regular Session 2023, Chapter 64, Article 15, Section 30

Uncodified provision.

This section appropriates \$10,000,000 from the general fund to the commissioner of employment and economic development in fiscal year 2024 for a grant to the city of Minneapolis. This is a one-time appropriation. The grant must be paid by July 15, 2023. The city of Minneapolis may use up to 1% of the grant for administrative costs.

Of the amount granted, \$8,000,000 must be used for a grant to a foundation that provides business advising, branding, and marketing support, and real estate consulting to businesses located on Lake Street in Minneapolis, between 30th Avenue South and Nicollet Avenue. The organization must use the funds for direct business support or direct corridor support, including assistance with marketing, placemaking, and public relations services.

Of the amount granted, \$2,000,000 must be used for property acquisition in the city of Minneapolis at 1860 28th Street East and 2717 Longfellow Avenue.

Effective Date: Effective the day following final enactment.

Appropriation; City of Northfield; Grant
Regular Session 2023, Chapter 64, Article 15, Section 31

Uncodified provision.

This section appropriates \$300,000 from the general fund to the commissioner of revenue in fiscal year 2024 for a grant to the city of Northfield. This is a one-time appropriation. The grant must be paid by July 15, 2023. The grant under this section must be used by the city of Northfield to pay for infrastructure related to a cooperatively owned manufactured home park.

Effective Date: Effective the day following final enactment.

Appropriation; City of Spring Grove Fire Remediation Grant
Regular Session 2023, Chapter 64, Article 15, Section 32

Uncodified provision.

This section appropriates \$250,000 from the general fund to the commissioner of revenue in fiscal year 2024 for a grant to the city of Spring Grove. This grant is to aid in the remediation of the effects of the fire in the city on December 22, 2022. The grant recipient must use the money appropriated under this section for remediation costs incurred by public or private entities because of the fire, including disaster recovery, infrastructure,

reimbursement for emergency personnel costs, reimbursement for equipment costs, and reimbursement for property tax abatements. This is a one-time appropriation and is available until June 30, 2025.

Effective Date: Effective July 1, 2023.

Appropriation; City of Windom

Regular Session 2023, Chapter 64, Article 15, Section 33

Uncodified provision.

This section appropriates \$13,000,000 from the general fund in fiscal year 2023 to the commissioner of employment and economic development for a grant to the city of Windom. This is a one-time appropriation and is available until June 30, 2025. Of the amount appropriated \$10,000,000 must be used by the city to facilitate completion of the Windom HyLife Affordable Housing Development; \$2,000,000 must be used by the city for repayment of loans issued to the city from the Public Facilities Authority for wastewater improvements related to the HyLife Foods Windom processing plant; and \$1,000,000 must be used by the city for recruitment efforts including locating and securing a purchaser of the HyLife Foods Windom processing plant. The appropriations are contingent upon certification from the city that Hylife Foods has not entered into a contract to transfer ownership of the Hylife Foods Windom processing plant. Certification from the city to the commissioner of revenue must be made on or before July 1, 2023.

Effective Date: Effective the day following final enactment.

Appropriation; Windom School District

Regular Session 2023, Chapter 64, Article 15, Section 34

Uncodified provision.

This section provides for a one-time appropriation from the general fund to the Department of Education in fiscal year 2024 for Independent School District No. 177, Windom. This one-time supplemental aid equals the greater of zero or the product of: \$10,000, and the difference between the October 1, 2022, pupil enrollment count and the October 1, 2023, pupil enrollment count. The amount calculated under this paragraph must not exceed \$1,000,000. All of the aid must be paid in the current year.

Effective Date: Effective the day following final enactment.

Classification Rates for Assessment Year 2024

Class	Description	Tiers	Class Rate	State General Rate
1a	Residential Homestead	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
1b	Homestead of Persons who are Blind/Disabled [classified as 1a or 2a] [classified as 1a or 2a]	First \$50,000	0.45%	N/A
		\$50,000 - \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
1c	Homestead Resort	First \$600,000	0.50%	N/A
		\$600,000 - \$2,300,000	1.00%	N/A
		Over \$2,300,000	1.25%	1.25%
1d	Housing for Seasonal Workers	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
2a	Agricultural Homestead - House, Garage, 1 Acre (HGA)	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
2a/2b	Agricultural Homestead - First Tier	\$3,500,000	0.50%	N/A
2a/2b	Farm Entities Remaining First Tier	Unused First Tier	0.50%	N/A
2a	Agricultural - Non-Homestead or Excess First Tier		1.00%	N/A
2b	Rural Vacant Land		1.00%	N/A
2c	Managed Forest Land		0.65%	N/A
2d	Private Airport		1.00%	N/A
2e	Commercial Aggregate Deposit		1.00%	N/A
3a	Commercial/Industrial/Utility (<i>not including utility machinery</i>)	First \$150,000	1.50%	N/A
		Over \$150,000	2.00%	2.00%
		Electric Generation Public Utility Machinery	2.00%	N/A
		All Other Public Utility Machinery	2.00%	2.00%
	Transmission Line Right-of-Way	2.00%	2.00%	
4a	Residential Non-Homestead 4+ Units		1.25%	N/A
4b(1)	Residential Non-Homestead 1-3 Units		1.25%	N/A
4b(2)	Unclassified Manufactured Home		1.25%	N/A
4b(3)	Agricultural Non-Homestead Residence (2-3 units)		1.25%	N/A
4b(4)	Unimproved Residential Land		1.25%	N/A
4bb(1)	Residential Non-Homestead Single Unit	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
4bb(2)	Agricultural Non-Homestead Single Unit - (HGA)	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
4bb(3)	Condominium Storage Unit	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
4c(1)	Seasonal Residential Recreational Commercial (resort)	First \$500,000	1.00%	1.00%
		Over \$500,000	1.25%	1.25%
4c(2)	Qualifying Golf Course		1.25%	N/A
4c(3)(i)	Non-Profit Community Service Org. (non-revenue) Congressionally Chartered Veterans Organization (non-revenue)		1.50%	N/A
			1.00%	N/A
4c(3)(ii)	Non-Profit Community Service Org. (donations) Congressionally Chartered Veterans Organization (donations)		1.50%	1.50%
			1.00%	1.00%
4c(4)	Post-Secondary Student Housing		1.00%	N/A
4c(5)(i)	Manufactured Home Park		1.25%	N/A
4c(5)(ii)	Manufactured Home Park (>50% owner-occupied)		0.75%	N/A
4c(5)(ii)	Manufactured Home Park (50% or less owner-occupied)		1.00%	N/A
4c(5)(iii)	Class I Manufactured Home Park		1.00%	N/A
4c(6)	Metro Non-Profit Recreational Property		1.25%	N/A
4c(7)	Certain Non-Comm. Aircraft Hangars and Land (leased land)		1.50%	N/A
4c(8)	Certain Non-Comm. Aircraft Hangars and Land (private land)		1.50%	N/A
4c(9)	Bed & Breakfast		1.25%	N/A
4c(10)	Seasonal Restaurant on a Lake		1.25%	N/A
4c(11)	Marina	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
4c(12)	Seasonal Residential Recreational Non-Commercial	First \$76,000	1.00%	0.40%
		\$76,000 - \$500,000	1.00%	1.00%
		Over \$500,000	1.25%	1.25%
4d(1)	Low Income Rental Housing (Per Unit)		0.25%	N/A
4d(2)	Homestead Community Land Trust (Per Unit)		0.75%	N/A
5(1)	Unmined Iron Ore and Low-Grade Iron-Bearing Formations		2.00%	2.00%
5(2)	All Other Property		2.00%	N/A

