

2023 PROPERTY TAXES LEGISLATIVE BULLETIN



Appeals, Legal Services, and Disclosure Division
600 N. Robert St.
St. Paul, MN 55146-2220

FINAL

Watershed districts; general fund. Minn. Stat. § 103D.905, subd. 3, was amended to increase the maximum general fund levy authority for watershed districts. The amendment increases the levy limit to the lesser of: (1) 0.096 percent of the estimated market value of the district; or (2) \$500,000. Effective beginning with assessment year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 3, § 1.

Solar energy generating systems. Minn. Stat. § 272.02, subd. 24, was amended to require that real property be classified as class 3a (commercial/industrial) if the property contains more than one solar energy generating system that cannot be combined with the nameplate capacity of another solar energy generating system for purposes of the solar production tax but is in aggregate over one megawatt. Effective beginning with assessment year 2024. 2023 Minn. Laws, Ch. 64, Art. 3, § 2.

Agricultural historical society property. Minn. Stat. § 272.02, subd. 49, was amended to remove obsolete language related to the requirement that an exemption application for agricultural historical society property for assessment year 2019 only, be filed with the county assessor by July 1, 2019. Effective August 1, 2023. 2023 Minn. Laws, Ch. 25, § 150.

Certain property owned by an Indian tribe. Minn. Stat. § 272.02, subd. 98, was amended by adding a new clause (c) that extends by ten years a property tax exemption for certain Tribal-owned property in Minneapolis. The amendment also exempts the property from the requirement that the property owner reapply for the exemption every three years but requires all books and records relating to the ownership or use of the property be available to the assessor upon request. Effective beginning with property taxes payable in 2023 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 3, § 3.

Certain property owned by an Indian tribe. Minn. Stat. § 272.02, subd. 102, was amended to remove obsolete language related to the requirement that an application for property exempted under this subdivision for assessment year 2019 only, be filed with the county assessor by July 1, 2019. Effective August 1, 2023. 2023 Minn. Laws, Ch. 25, § 151.

Licensed child care facility. Minn. Stat. § 272.02, subd. 103, was amended to remove obsolete language related to the requirement that an exemption application for a licensed child care facility for assessment year 2019 only, be filed with the county assessor by July 1, 2019.

Effective August 1, 2023. 2023 Minn. Laws, Ch. 25, § 152.

Elderly living facility. Minn. Stat. § 272.02, subd. 105, was enacted to establish a new property tax exemption for Saint Ann’s Senior Residence in Duluth and any other elderly living facility that meets certain enumerated requirements. For assessment year 2022 only, an exemption application must be filed with the county assessor by June 15, 2023. Effective beginning with taxes payable in 2023. 2023 Minn. Laws, Ch. 64, Art. 3, § 4.

Community land trusts. Minn. Stat. § 273.11, subd. 12, was amended to establish that community land trust property that is owned and used as a homestead by the occupant can qualify for the newly established class 4d(2) classification codified in Minn. Stat. § 273.13, subd. 25(e)(2). Effective beginning with assessment year 2024. 2023 Minn. Laws, Ch. 64, Art. 3, § 5.

First tier valuation limit on agricultural homestead property. Minn. Stat. § 273.11, subd. 23, was amended to increase the first-tier valuation limit for agricultural homestead property from \$1,140,000 to \$3,500,000 for assessment year 2024. Beginning with assessment year 2025, the limit will be annually adjusted by the commissioner of revenue. Effective beginning with assessment year 2024. 2023 Minn. Laws, Ch. 64, Art. 3, § 6.

Property no longer eligible for deferment; Green Acres. Minn. Stat. § 273.111, was amended by adding subd. 3b, to establish that property that received Green Acres tax deferment for assessment year 2012 and would have continued to receive the deferment for assessment years 2013 to 2023 but for an eminent domain action that reduced the total acreage to less than ten acres, may reapply, and if deemed eligible, continue to receive the deferment of property taxes until the property no longer qualifies as agricultural land, or the property is voluntarily withdrawn or sold, transferred, or subdivided. The amendment also requires the filing of an application for deferment by May 1 of the year prior to the year the taxes are payable. Effective beginning with assessment year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 3, § 7.

Low income rental property. Minn. Stat. § 273.128, subd. 1, was amended by adding clause (b) to require that a property owner that receives 4d(1) classification use property tax savings for property maintenance, property security, improvements to the property, rent stabilization, or increases to the property’s replacement reserve account. The amendment also requires property owners to annually reapply and demonstrate compliance to the Housing Finance Agency. Effective beginning with assessment year 2024. 2023 Minn. Laws, Ch. 64, Art. 3, § 15.

Class 4d; approval. Minn. Stat. § 273.128, subd. 1a, was enacted to require a property owner to receive approval by the governing body of the city or town where the property is located before applying to the Housing Finance Agency for initial class 4d(1) classification, for property that was not, in whole or in part, classified as class 4d(1) prior to assessment year 2024. A property owner that received approval under this section and received the required certification from the Housing Finance Agency, is not required to seek approval prior to applying in each subsequent year. Approval under this section is not needed if a property is located in a city or town in which the net tax capacity of class 4d(1) property did not exceed two percent of the jurisdiction’s total net tax capacity in the prior assessment year. Effective beginning with assessment year 2024. 2023 Minn. Laws, Ch. 64, Art. 3, § 16.

Class 4d; application. Minn. Stat. § 273.128, subd. 2, was amended to include newly enacted section 273.128, subd. 1a, to the application to the Housing Finance Agency for class 4d(1) certification. Effective beginning with assessment year 2024. 2023 Minn. Laws, Ch. 64, Art. 3, § 17.

Class 4d; class rate. Minn. Stat. § 273.13, subd. 25, was amended by adding clause (e) to establish a new class 4d(2), which includes a unit owned and used by the occupant as a homestead that meets the requirements for community land trust property, provided that the community land trust certifies to the assessor by December 31 of the assessment year that: (1) the community land trust owns the real property on which the unit is located, and (2) the unit owner is a member in good standing of the community land trust. The amendment also reclassifies property previously classified as 4d low-income rental properties to 4d(1) property and sets the classification rate for 4d(1) properties at 0.25%, and sets the classification rate for 4d(2) properties at .75%. Effective beginning with assessment year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 3, § 18.

Homestead of veteran with a disability or family caregiver; market value exclusion. Minn. Stat. § 273.13, subd. 34, was amended to permit surviving spouses of veterans who died before receiving the 100 percent permanent disability exclusion to apply for the exclusion any time after the death of the veteran, regardless of when the veteran died, and allows a surviving spouse to reapply for the exclusion if the spouse previously received the exclusion, but the exclusion expired prior to assessment year 2019 when the eligibility period for surviving spouses was changed to a potential lifetime benefit. Effective beginning with assessment year 2023. 2023 Minn. Laws, Ch. 64, Art. 3, § 19.

Homestead market value exclusion. Minn. Stat. § 273.13, subd. 35, was amended to increase the minimum and maximum market value thresholds for the homestead market value exclusion. The exclusion equals 40% of the first \$95,000 of market value. For homesteads valued between \$95,000 and \$517,200, the exclusion equals \$38,000 minus 9% of the value over \$95,000. Homesteads valued at \$517,200 or more are not eligible to receive the exclusion. This section also allows certain community land trust property to receive the exclusion. Effective for assessment year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 3, § 20.

Class 1b homestead declaration 2009 and thereafter. Minn. Stat. § 273.1315, subd. 2, was amended to provide that individual taxpayer identification numbers are considered private data in individuals when included on declarations for class 1b homestead classification. Effective retroactively for homestead applications filed in 2023 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 3, § 21.

Credit amount. Minn. Stat. § 273.1387, subd. 2, was amended to remove obsolete language related to the percentage of the property's eligible net tax capacity as an input into the formula to calculate the credit for property taxes payable in and before 2023 and makes a technical correction to the subdivision's language to incorporate that part of the deleted language that the percentage for 2024 and thereafter is set at 70%. Effective August 1, 2023. 2023 Minn. Laws, Ch. 25, § 153.

Mineral interest. Minn. Stat. § 273.165, subd. 1, was amended to correct the reference to Minn. Stat. §§ 93.52 to 93.551. Effective August 1, 2023. 2023 Minn. Laws, Ch. 25, § 154.

Notice of proposed property taxes. Minn. Stat. § 275.065, subd. 3, was amended to require that the notice of proposed property tax statement include the website of each local jurisdiction listed on the statement. Effective beginning with property taxes payable in 2024. 2023 Minn. Laws, Ch. 64, Art. 3, § 22.

Notice of proposed property taxes required supplemental information. Minn. Stat. § 275.065, subd. 3b, was amended to modify the content of the supplemental information to be included with the notice of proposed property taxes. The supplemental information must include for the county, each city in the county, and each school district in the county, the certified levy amount for the current taxes payable year, the proposed levy for taxes payable the following year, and the percentage increase or decrease between the two amounts. Effective beginning with property taxes payable in 2024. 2023 Minn. Laws, Ch. 64, Art. 3, § 23.

Costs. Minn. Stat. § 275.065, subd. 4, was amended to allow counties the option to require local jurisdictions to reimburse the county for costs related to preparing and mailing the proposed property tax statement that are not reimbursed by the Department of Revenue. Effective beginning with property taxes payable in 2024. 2023 Minn. Laws, Ch. 64, Art. 3, § 24.

Service Requirements. Minn. Stat. § 278.01, subd. 1, was amended to modify the requirements for serving a petition challenging the assessment and/or valuation of property in a district court, or the Minnesota Tax Court. Effective May 25, 2023. 2023 Minn. Laws, Ch. 64, Art. 15, § 7.

Rate; delinquent property taxes. Minn. Stat. § 279.03, subd. 1a, was amended to remove the ten percent minimum interest rate on delinquent property taxes and to allow a county board by resolution to set a lower interest rate on delinquent property taxes than the annual interest rate calculated under Minn. Stat. § 270C.40, subd. 5. Effective for property taxes, penalties, and costs determined to be delinquent on or after January 1, 2024. 2023 Minn. Laws, Ch. 64, Art. 15, § 8.

Interest rate. Minn. Stat. § 282.261, subd. 2, was amended to allow a county board, or a county auditor if the county board has delegated its authority over tax-forfeited lands, to charge a lower interest rate on the unpaid balances of repurchase plans than the interest rate charged on delinquent taxes set forth in Minn. Stat. § 279.03, subd. 1a. Effective January 1, 2024. 2023 Minn. Laws, Ch. 64, Art. 15, § 9.

Homestead. Minn. Stat. § 290A.03, subd. 6, was amended to allow community land trust property classified as 4d(2) to qualify for property tax refunds. Effective for refund claims based on taxes payable in 2025 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 3, § 25.

Senior citizens' property tax deferral program. Minn. Stat. §§ 290B.03, subd. 1, 290B.04, subds. 3 and 4, and 290B.05, subd. 1, were amended to modify two eligibility requirements for participation in the senior citizens' property tax deferral program. The amendments: (1) increase, from \$60,000 to \$96,000, the maximum household income allowed; and (2) reduce, from 15

years to 5 years, the homestead ownership and occupancy requirement. Effective for applications for deferral of taxes payable in 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 3, §§ 26, 27, 28, and 29.

Anoka County; public safety improvements and equipment levy. Minn. Stat. § 383E.21 was amended to extend, by ten years, the authority for Anoka County to levy for public safety improvements and equipment and to provide that the county shall separately certify to the county auditor any property tax levied under this authority. Effective the day after Anoka County complies with Minn. Stat. § 645.021, subds. 2 and 3. 2023 Minn. Laws, Ch. 64, Art. 3, § 30.

PROPERTY TAX AIDS

Payment; school districts. Minn. Stat. § 273.1392 was amended to provide electric generation transition aid payments under section 477A.24 to school districts to be certified to the Department of Education by the Department of Revenue. Effective July 1, 2024. 2023 Minn. Laws, Ch. 64, Art. 4, § 1.

Homeowners; homestead credit refund. Minn. Stat. § 290A.04, subd. 2, was amended to increase the homestead credit refund by updating the Household Income ranges for inflation and lowering the copay amounts. This new law lowers the homeowner copay percentages for all income ranges by 3 percentage points. Effective May 25, 2023. Minn. Laws 2023, Ch. 64, Art. 4, § 2

Inflation adjustment. Minn. Stat. § 290A.04, subd. 4, was amended to update the cross reference to subdivision 2. The statutory year is updated to 2023. Effective May 25, 2023. Minn. Laws 2023, Ch. 64, Art. 4, § 3

Metropolitan fiscal disparities program. Minn. Stat. § 473F.02, subds. 2 and 8, were amended to align the definitions of “area” and “municipalities” in the metropolitan fiscal disparities program with the definitions of area and “municipalities under the jurisdiction of the Metropolitan Council. Effective for taxes payable 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 3, §§ 31 and 32.

Population age 65 and over. Minn. Stat. §§ 477A.011 and 477A.0124, subd. 2(e), were amended to recodify the definition from the county program aid section for general use in the revised local government aid formula. Effective beginning for aids payable in 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 4, §§ 4 and 9.

Transformed population. Minn. Stat. § 477A.011 was amended by adding subd. 3c, to provide a definition for “transformed population” to mean the logarithm to the base 10 of the population. Effective for aids payable in 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 4, § 5.

City revenue need. Minn. Stat. § 477A.011, subd. 34, was amended to modify the calculation of revenue need for small, medium, and large cities. The amendment adjusts the base year for the annual inflation adjustment for revenue need. For a large city with a population of at least 10,000, the amendment updates the formula constant and the formula coefficient on the pre-1940

housing independent variable and introduces three new independent variables: city age index (as defined in new Minn. Stat. § 477A.011, subd. 46), commercial industrial utility percentage (as defined in new Minn. Stat. § 477A.011, subd. 47), and peak population decline (already used in the current-law medium city formula). Removes the sparsity adjustment from the calculation. For a medium city with a population between 2,500 and 10,000, updates the formula constant and the formula coefficient on the pre-1940 housing and peak population decline independent variables, and introduces one new independent variable: commercial industrial utility percentage. Removes the sparsity adjustment from the calculation. For a small city with a population less than 2,500, updates the formula constant and substitutes “transformed population” (as defined in new Minn. Stat. § 477A.011, subd. 3c) for population in the small city formula. Eliminates the current law cap on small city per-capita revenue need. Effective for aids payable in 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 4, § 6.

City age index. Minn. Stat. § 477A.011 was amended to add subd. 46, to provide a definition for “city age index” used in the calculation of a city’s revenue need under Minn. Stat. § 477A.011, subd. 34. “city age index” is defined as the percentage of the population of the city that is age 65 or older. Effective for aids payable in 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 4, § 7.

Commercial industrial utility percentage. Minn. Stat. § 477A.011 was amended to add subd. 47, to provide a definition for “commercial industrial utility percentage” used in the calculation of a city’s revenue need under Minn. Stat. § 477A.011, subd. 34. Under the amendment “commercial industrial utility percentage means the percentage of the total estimated market value of real and personal property in the city that is class 3 property under section 273.13. Effective for aids payable in 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 4, § 8.

Definitions; applicable to county program aid. Minn. Stat. § 477A.0124, subd. 2, was amended to define “Group A offenses” and “adjusted offenses” for the purposes of the county program aid formula. The amendment aligns Minnesota’s statute with how the Federal Bureau of Investigation and Bureau of Criminal Apprehension currently classify crimes as “group A” and “group B” offenses. Minn. Stat. § 477A.0124, subd. 3, was amended to use the county’s “adjusted offenses” calculation from Minn. Stat. § 0124, subd. 2(j), as an input into the calculation of the county’s aid. Effective for aids payable in 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 4, §§ 9 and 10.

City formula aid. Minn. Stat. § 477A.013, subd. 8, was amended to make a conforming change to the elimination of aid adjustments previously required under Minn. Stat. § 477A.013, subd. 13, as an input into the calculation of the local government aid formula. Effective for aids payable in 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 4, § 11.

City aid distribution. Minn. Stat. § 477A.013, subd. 9, was amended to make a conforming change to the elimination in the local government aid formula of the aid adjustments in Minn. Stat. § 477A.013, subd. 13, which was repealed by 2023 Minn. Laws Ch. 64, Art. 4, § 33. Strikes other obsolete language. Effective for aids payable in 2024 and thereafter. 2023 Minn. Laws Ch. 64, Art. 4, § 12.

Calculations and payments; adjustments to computational factors. Minn. Stat. § 477A.014,

subd. 1, was amended to conform to the elimination of the aid adjustments in Minn. Stat. § 477A.013, subd. 13, in the calculation of the local government aid amounts and removes unneeded and obsolete language. Clarifies the commissioner’s authority to adjust computational factors in cases of city annexations. Effective July 1, 2023. 2023 Minn. Laws, Ch. 64, Art. 4, § 13.

Payment dates. Minn. Stat. § 477A.015, was amended to require the commissioner, for aids payable in 2025, to pay local government aid payable as follows: 9.402 percent on March 20, 2025; 40.598 percent on July 20, 2025; and 50 percent on December 26, 2025. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws Ch. 64, Art. 4, § 14.

Cities; aid amount. Minn. Stat. § 477A.03, subd. 2a, was amended to remove obsolete language related to aids payable in years 2016 through 2020. Establishes that for aid payable in 2024 and later, the total amount of annual local government aid is \$644,398,012, an increase of \$80 million the annual aid amounts payable in 2021 through 2023. Effective for aids payable in 2024 and thereafter. 2023 Minn. Laws Ch. 64, Art. 4, § 15.

Counties; aid amount. Minn. Stat. § 477A.03, subd. 2b, was amended to remove obsolete language related to aids payable in years 2018 through 2020. Establishes that for aid payable in 2024 and later, the total amount of county program aid is \$344.7 million (rounded), an increase of \$80 million over the annual aid amounts in 2021 through 2023. Effective for aids payable in 2024 and thereafter. 2023 Minn. Laws Ch. 64, Art. 4, § 16.

Types of land; payments in lieu of taxes (“PILT”). Minn. Stat. § 477A.12, subd. 1, was amended to increase, from \$2 to \$3, the payment per acre for county-administered and commissioner-administered other natural resource land and establishes two new PILT payments. Both new payments are based on the total acreage of PILT land within the county. Counties where the total number of PILT acreage is equal to or greater than 25% of the total land in the county will receive an additional 18 cents per acre. Counties where the total number of PILT acreage is greater than 10% but less than 25% of the total land will receive an additional 8 cents per acre. Effective beginning with aids payable in 2024. 2023 Minn. Laws Ch. 64, Art. 4, § 17.

Determination of appraised value. Minn. Stat. § 477A.12, subd. 3, requires natural resources land to be appraised every 6 years after its original acquisition and was amended to provide that the re-appraised value of natural resources land shall not be less than the most recent appraised value. Effective beginning with aids payable in 2024. 2023 Minn. Laws Ch. 64, Art. 4, § 18.

Adjustment; PILT payment rates. Minn. Stat. § 477A.12 was amended by adding subd. 4, which provides that the commissioner of revenue shall annually adjust for inflation each payment rate in Minn. Stat. § 477A.12, subd. 1(1) to (10), which are used for calculating PILT payments. Effective beginning with aids payable in 2024. 2023 Minn. Laws Ch. 64, Art. 4, § 19.

Soil and water conservation district aid. Minn. Stat. § 477A.23 was enacted to establish a state aid program to annually provide money to soil and water conservation districts (SWCD). Allocates aid by a statutory formula. Requires the Board of Water and Soil Resources to annually certify the districts that will receive a payment. Appropriates \$15 million annually for aids

payable in 2023 and 2024, and \$12 million annually for aids payable in 2025 and later. Requires that the board of each SWCD use the aid payments in accordance with Minn. Stat. Ch. 103C and other duties and services of a SWCD prescribed by statute. to Effective beginning with aids payable in 2023 and thereafter. 2023 Minn. Laws Ch. 64, Art. 4, § 20.

Electric generation transition aid. Minn. Stat. § 477A.24 was enacted to establish a transition aid program for local governments whose local tax base is reduced because a public utility retires one or more electric generating units at an electric generating plant. Provides a formula for the Commissioner to calculate the aid attributable to the retirement of a single electric generating unit, including units previously retired and made retroactively eligible to generate aid. Effective for aids payable in 2024 and thereafter. 2023 Minn. Laws Ch. 64, Art. 4, § 21.

Local homeless prevention aid. Minn. Stat. § 477A.30 was amended to add Tribal governments to the distribution of local homeless prevention aid. Appropriates \$20 million annually, \$2.4 million is for distribution to Tribal governments and \$17.6 million to counties. Effective beginning with aids payable in 2023 and thereafter. 2023 Minn. Laws Ch. 64, Art. 4, § 22.

Mahnomen property tax reimbursement aid. Minn. Stat. § 477A.31 was enacted to establish an annual aid program for local governments in Mahnomen County due to the loss of property tax revenue related to the Shooting Star Casino. Annually, Mahnomen County is to receive \$1,010,000; the city of Mahnomen \$210,000; and Mahnomen school district \$410,000. Effective for aid payable in 2024 and thereafter. With the codification of Minn. Stat. § 477A.31, the Mahnomen aid program established by 2006 Minn. Laws, Ch. 256, Art. 11, § 3 as amended by 2008 Minn. Laws, Ch. 154, Art. 1, § 1 and 2013 Minn. Laws, Ch. 143, Art. 2, § 33 expires for aid payable in 2023. 2023 Minn. Laws, Ch. 64, Art. 4, §§ 23 and 26.

Local Affordable Housing Aid. Minn. Stat. § 477A.35 was enacted to establish an annual aid program to help local metropolitan city and county governments develop and preserve affordable housing and to keep families from losing housing and to help those already homeless find housing. The state aid would be paid to metropolitan counties and cities (with populations of at least 10,000). Counties and cities receiving money from the aid program would need to spend this funding on qualifying projects. The aid program would be funded by a new 0.25% metropolitan region sales and use tax. 50% of the tax revenue from the new sales tax would go to counties and 25% to cities. Each county would receive 3.0% of the total county appropriation plus their statewide share of cost-burdened households. Each eligible city would receive funding based on their statewide share of cost-burdened households. Effective beginning with aids payable in 2024. Minn. Laws, Ch. 37, Art. 5, § 3.

Statewide local housing aid. Minn. Stat. § 477A.36 was enacted to establish a new statewide local housing aid program for counties, Tribal nations, and tier I cities. The commissioner of revenue annually calculates each eligible government's share of the annual aid amount pursuant to section 477A.36's formula. Annually appropriates \$6.8 million for counties; \$2 million to tier I cities; and \$1.2 million to Tribal nations. For aids payable in 2024 and 2025 only, increases the annual appropriation to each listed government entity. Establishes a grant program for tier II cities. The grant program is administered by the Minnesota Housing Financing Agency (MHFA) and allows MHFA to award grants of at least \$25,000. All aid and grant payments must be spent

on a qualifying project. Effective beginning with aids payable in 2023. Minn. Laws, Ch. 64, Art. 4, § 24.

Tribal Nation aid. Minn. Stat. § 477A.40 was enacted to establish a new aid program to the 11 federally recognized Indian Tribes located in Minnesota. Annually appropriates \$35 million to the program. A Tribal Nation that elects to participate in the program may file an application by January 15 and must certify its total number of enrolled members by March 1 of the aid payable year. Provides a formula for calculating the aid payments, which are to be made by December 27. Effective beginning with aids payable in 2024. Minn. Laws, Ch. 64, Art. 4, § 25.

Apportionment reduction; excess police aid. Minn. Stat. § 477C.03, subd. 3, was amended to make a technical correction in clause (d) to refer to the police state aid holding account in the general fund. Effective August 1, 2023. 2023 Minn. Laws, Ch. 25, § 184.

2023 public safety aid. An uncodified provision establishes an aid program to distribute one-time public safety aid among qualifying local governments and Tribal governments in calendar year 2023. Requires that the aid recipient use the proceeds to provide public safety, including various listed programs and activities. Prohibits the aid from being used for certain purchases or costs. Provides a formula to calculate the aid amounts. Appropriates \$300 million in fiscal year 2024; 30 percent of the appropriation is for aid to counties and Tribal governments and 70 percent of the appropriation is for aid to cities and qualifying towns. Requires the commissioner of revenue to certify the amounts by September 1, 2023, and pay the amounts by December 26, 2023. Effective for aids payable in 2023. Minn. Laws, Ch. 64, Art. 4, § 27.

2021 aid penalty forgiveness. An uncodified provision appropriates money to pay previously withheld aid amounts to the Cities of Echo and Morton. The aid payments were originally withheld because the cities did not timely complete the required annual financial reporting required by law. To receive the previously withheld payments, the state auditor must certify to the commissioner of revenue that it received the annual reporting forms for 2020 by June 1, 2023. Effective May 25, 2023. Minn. Laws, Ch. 64, Art. 4, § 28.

Study of state-owned lakeshore. An uncodified provision requires the commissioner of revenue, in consultation with the Department of Natural Resources and counties, to produce a report on valuation methods used to value the acreage and shoreline within all commissioner-administered and county-administered other natural resources land as defined by Minn. Stat. § 477A.11, subd. 4. Provides the content of the report and that it must be produced by January 31, 2025. Effective May 25, 2023. Minn. Laws, Ch. 64, Art. 4, § 29.

Onetime Increase in the Property Tax Homestead Credit and Renter's Credit Refund. An uncodified provision was created for property tax refund claims based on taxes payable in 2023 and rent paid in 2022, to increase the property tax refund otherwise payable under section 290A.04, subd. 2 and 2a respectively by 20.572 percent. The commissioner is not required to provide notification of appeal right involving the adjustments to the refunds, however, taxpayers retain all rights to appeal adjustments under this section. Effective only for refunds based on rent paid in 2022 and property taxes payable in 2023. Minn. Laws 2023, Ch. 64, Art. 4, § 30

Onetime Increase in the Property Tax Additional Refund for Property Taxes Payable in 2023. An uncodified provision was created increasing the refunds based on property taxes payable in 2023 such that the percentage change needed to qualify for the additional refund is reduced from 12 percent to six percent, and the maximum refund allowed is increased from \$2,500 to \$1,000. Effective for refunds based on property taxes payable in 2023 only. Minn. Laws 2023, Ch. 64, Art. 4, § 31.

Appropriation; Class 4d(1) low-income rental property 2025 and 2026 transition aid. An uncodified provision establishing transition aid in 2025 and 2026 only for cities in which the net tax capacity of 4d(1) property exceeds two percent of the total net tax capacity in assessment year 2023. Provides that the transition aid is calculated as a function of the city's pay 2024 tax rate and an approximation of the reduction in 4d(1) net tax capacity attributable to the classification rate and tier consolidation changes effective beginning in assessment year 2024. Directs the commissioner to pay transition aid concurrent with local government aid payments in 2025 and 2026. Effective for aids payable in 2025 and 2026 only. Minn. Laws, Ch. 64, Art. 4, § 32.

Northwest Minnesota Multi-County Housing and Redevelopment Authority. An uncodified provision extends, by ten years, the authority for the Northwest Minnesota Multi-county Housing and Redevelopment Authority to levy up to 25% of the statutory permitted amount without needing approval by the governing bodies of participating jurisdictions. Effective the day after the governing body of the Northwest Minnesota Multi-County Housing and Redevelopment Authority complies with Minn. Stat. § 645.021. 2023 Minn. Laws, Ch. 64, Art. 3, § 33.

Property tax exemption; Independent School District No. 745, Albany. An uncodified provision provides that certain hospital property purchased by Independent School District No. 745 is exempt from property taxes payable in 2023. The county assessor must provide the school district with an exemption application that must be returned by August 1, 2023. An amount necessary to make payment to the county for the property taxes attributable to the exemption is appropriated from the general fund, and the county must distribute payment to each local jurisdiction in proportion to the amount of tax levied on the property for taxes payable in 2023. Effective May 25, 2023. 2023 Minn. Laws, Ch. 64, Art. 3, § 34.

Repealer. Repeals Minn. Stat. §§ 477A.011, subs. 30a, 38, 42, and 45; 477A.013, subd. 13; and 477A.16, subs. 1, 2, and 3. These statutes contain the definitions of the LGA independent variables and the sparsity adjustments that are no longer used under the newly enacted LGA formula, the city aid adjustments in the LGA formula, and the utility valuation transition aid program. Effective for aids payable in 2024 and thereafter. Minn. Laws, Ch. 64, Art. 4, § 33.

TAX INCREMENT FINANCING

Office of the State Auditor; Tax Increment Financing (TIF). A number of changes were made to Minn. Stat. Ch. 469 to modify various statutory provisions regarding TIF that impact the Office of the State Auditor. Generally effective May 25, 2023. 2023 Minn. Laws, Ch. 64, Art. 9.

Small city; economic development districts. Minn. Stat. § 469.174, subd. 27, was amended to

change the definition of a ‘small city’ by reducing, from 10 miles to 5 miles, the distance required between qualifying cities. Effective for districts for which the request for certification was made after July 1, 2023. 2023 Minn. Laws, Ch. 64, Art. 8 § 1.

City of Hopkins; district extension. 2003 Minn. Laws, Ch. 127, Art. 10, § 31, subd. 1, as amended by 2008 Minn. Laws, Ch. 366, Art. 5, § 21, and 2019 Minn. Laws, First Special Session Ch. 6, Art 7, § 1, was amended to increase, from 20% to 25%, permitted pooling for housing or redevelopment activities, and increases, from 25% to 28%, the district’s total permitted pooling for TIF District No. 2-11. Effective upon city approval and filing requirements. 2023 Minn. Laws, Ch. 64, Art. 8 § 2.

City of Bloomington; five-year rule. 2008 Minn. Laws, Ch. 366, Art. 5, § 26, as amended by 2013 Minn. Laws, Ch. 143, Art 9, § 11, and 2019 Minn. Laws, First Special Session, Ch. 6, Art 7, § 2, was amended to increase the time period for the district to undertake activities from 21 to 26 years for the Port Authority of the City of Bloomington TIF District 1-I, Bloomington Central Station. It also extends the requirements under section 469.1763 subd. 4 to the 27th year and extends the duration limits of the district for a period through December 31, 2044. Effective the day after compliance with approval by the city, county, and school district in Minn. Stat. § 645.021, subs. 2 and 3. 2023 Minn. Laws, Ch. 64, Art. 8 § 3.

City of St. Paul; authorization. 2008 Minn. Laws, Ch. 366, Art. 5, § 36, subd. 1, and 2008 Minn. Laws, Ch. 366, Art. 5, § 36, subd. 3, as amended by 2014 Minn. Laws, Ch. 150, Art. 5, § 5m were amended to authorize a 10-year district duration extension and authorizes increment, beginning with taxes payable in 2024, to be spent to facilitate capital improvements within the city’s RiverCentre complex, including, but not limited to, the St. Paul RiverCentre, Xcel Energy Center, Roy Wilkins Auditorium, St. Paul RiverCentre Parking Ramp, and adjacent city-controlled areas. Effective the day after compliance with city approval except that the district duration extension is effective upon approval by the city, county, and school district in Minn. Stat. § 469.1782, subd. 2, and 645.021, subs. 2 and 3. 2023 Minn. Laws, Ch. 64, Art. 8 §§ 4 and 5.

City of Savage; special rules. 2014 Minn. Laws, Ch. 308, Art. 6, § 12, subd. 2, was amended to extend the five-year rule by an additional four years and allows four additional years to enlarge the geographic area of TIF District #11. Effective upon city approval and filing requirements. 2023 Minn. Laws, Ch. 64, Art. 8 § 6.

City of Duluth; establishment. 2019 Minn. Laws, First Special Session, Ch. 6, Art. 7, § 7, was amended to modify special law enacted in 2019 by allowing the city to establish one additional district within a defined area and authorizing a five-year district duration extension. Effective the day after compliance with approval by the city, county, and school district in Minn. Stat. § 645.021, subs. 2 and 3. 2023 Minn. Laws, Ch. 64, Art. 8 § 7.

City of Ramsey; five-year extension. 2021 Minn. Laws, First Special Session, Ch. 14, Art. 19, § 10, was amended to authorize an additional three-year extension of the 5 and 6-year rules for TIF

District No. 14. Effective the day after compliance with approval by the city, county, and school district in Minn. Stat. § 645.021, subs. 2 and 3. Minn. Laws, Ch. 64, Art. 8 § 8.

City of Chatfield; economic development authorization. An uncodified provision authorizes the city of Chatfield to establish an economic development district to construct a multilevel hotel provided that the first floor of the hotel does not exceed 15,000 square feet. The ‘first floor’ is defined as the floor at street level where the public is permitted to enter and exit. Effective the day after compliance with approval by the city, county, and school district in Minn. Stat. § 645.021, subs. 2 and 3. 2023 Minn. Laws, Ch. 64, Art. 8 § 9.

City of Duluth; special rules. An uncodified provision authorizes the city to establish multiple redevelopment districts within a defined area. If established, the districts are exempt from the ‘blight’ test, and the requirement that 90% of increment collected from the district be spent on blight correction. Effective the day after compliance with approval by the city, county, and school district in Minn. Stat. § 645.021, subs. 2 and 3. 2023 Minn. Laws, Ch. 64, Art. 8 § 10.

City of Fridley; transfer of increment. An uncodified provision authorizes the city to transfer increment from TIF District No. 20 to the city’s Housing and Redevelopment Authority. Only authorized ‘pooling’ increment may be transferred. If transferred, increment may only be used for certain purposes. Transferred increment is subject to annual reporting requirements, and by February 1, 2025, and 2027, the city must issue detailed reports to the legislature. The authority to transfer increment expires December 31, 2027. Effective the day after compliance with approval by the city, county, and school district in Minn. Stat. § 645.021, subs. 2 and 3. 2023 Minn. Laws, Ch. 64, Art. 8 § 11.

City of Plymouth; establishment. An uncodified provision authorizes the city to establish not more than two redevelopment districts within a defined area. The districts are exempt from the ‘blight’ test and the requirement that 90% of increment collected from the district be spent on blight correction, and not more than 75% of increment generated from the district may be expended on improvements to Chankahda Trail. The authority to certify districts pursuant to this special law expires December 31, 2030. Effective the day after compliance with approval by the city, county, and school district in Minn. Stat. § 645.021, subs. 2 and 3. 2023 Minn. Laws, Ch. 64, Art. 8 § 12.

City of Shakopee; special rules authorization. An uncodified provision authorizes the city of Shakopee to create tax increment financing districts (until December 31, 2026) under special rules in a defined area of the city. Before establishing districts, the city must make certain findings. The authority can create any TIF district in the area, other than an economic development or housing district, and if established, the five-year rule is extended to eight years, and the permitted polling percentage is increased from 20 to 80 percent. In addition, a new “soils deficiency district” can be established under specified conditions. Effective the day after compliance with approval by the city, county, and school district in Minn. Stat. § 645.021, subs. 2 and 3. 2023 Minn. Laws, Ch. 64, Art. 8 § 13.

City of West St. Paul; special rules. An uncodified provision authorizes the city to establish redevelopment districts within a defined area. If established, the districts are exempt from the ‘blight’ test, and the requirement that 90% of increment collected from the district be spent on blight correction. Effective the day after compliance with approval by the city, county, and school district in Minn. Stat. § 645.021, subds. 2 and 3. 2023 Minn. Laws, Ch. 64, Art. 8 § 14.

City of Woodbury; expenditures allowed; duration extension. An uncodified provision authorizes the city of Woodbury to extend, by five years, the duration of TIF District No. 13, and allows increment generated from the district to be spent on the maintenance and facility and infrastructure upgrades to Central Park. Effective the day after compliance with approval by the city, county, and school district in Minn. Stat. § 645.021, subds. 2 and 3, except that the duration extension is effective upon approval by the city, county, and school district. 2023 Minn. Laws, Ch. 64, Art. 8 § 15.

CANNABIS

Class 3. Minn. Stat. § 273.13, subd. 24, was amended to establish that real property used for raising, cultivating, processing, or storage of taxable cannabis plants, cannabis flowers, and cannabis products for sale is classified as commercial and industrial property. Effective beginning with assessment year 2024. 2023 Minn. Laws, Ch. 63, Art 2, § 4.

Commercial-industrial tax capacity. Minn. Stat. § 275.05, subd. 2, was amended to ensure that real property used for raising, cultivating, processing, or storage of taxable cannabis plants, cannabis flowers, and cannabis products for sale is treated as commercial and industrial property for purposes of the state general tax levy. Effective beginning with assessment year 2024 and thereafter. 2023 Minn. Laws, Ch. 63, Art 2, § 5.

Local government cannabis aid. Minn. Stat. § 477A.31 was enacted to establish an annual general purpose aid program, for counties and cities. Beginning with aid payable in 2024, the total aid available statewide equals the balance in the local government cannabis aid account in the special revenue fund as of the close of the previous fiscal year. Of the aid available for distribution to counties, 20% is distributed equally to all counties, and 80% is distributed proportionally based on the number cannabis businesses in each county as compared to the number of cannabis businesses in all counties. The aid payable to cities is distributed proportionally based on the number of cannabis businesses located in each city as compared to the number of cannabis businesses in all cities. Effective July 1, 2023. 2023 Minn. Laws, Ch. 63, Art 2, § 28.

INDIVIDUAL TAX IDENTIFICATION NUMBER (ITIN)

Leasehold cooperatives. Minn. Stat. § 273.124, subd. 6, was amended to require a cooperative association to provide the county assessor with the Social Security numbers or individual taxpayer identification numbers of its members claiming homestead treatment. Effective retroactively for homestead applications filed in 2023 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 3, § 8.

Homestead application. Minn. Stat. § 273.124, subd. 13, was amended to allow property owners applying for homestead classification to provide either a Social Security number or an individual taxpayer identification number for owners, spouses, or relatives that occupy the property. Effective retroactively for homestead applications filed in 2023 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 3, § 9.

Occupant list. Minn. Stat. § 273.124, subd. 13a, was amended to require that, at the request of the commissioner of revenue, each county must provide the commissioner a list that includes the Social Security number or individual taxpayer identification number of each occupant of homestead property who is the property owner, property owner's spouse, qualifying relative, or spouse of a qualifying relative. Effective for homestead data provided to the commissioner of revenue in 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 3, § 10.

Property lists. Minn. Stat. § Minn. Stat. § 273.124, subd. 13c, was amended to provide that lists of non-homestead properties the commissioner of revenue asks the counties to provide may contain Social Security number or individual taxpayer identification number of the property owners. Effective for homestead data provided to the commissioner of revenue in 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 3, § 11.

Homestead data. Minn. Stat. § 273.14, subd. 13d, was amended to require that each county provide the commissioner of revenue with the Social Security number or individual taxpayer identification number of each occupant of homestead property. Effective for homestead data provided to the commissioner of revenue in 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 3, § 12.

Agricultural homesteads; special provisions. Minn. Stat. § 273.124, subd. 14, was amended to require individuals actively farming agricultural land to provide a Social Security number or individual taxpayer identification number on their agricultural homestead application. Effective retroactively for homestead applications filed in 2023 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 3, § 13.

Private or nonpublic data. Minn. Stat. § 273.1245, subd. 1, was amended to add individual taxpayer identification numbers to the list of private or nonpublic data when submitted to a county for homestead purposes. Effective retroactively for homestead applications filed in 2023 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 3, § 14.