

April 14, 2026

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 4986 (Rest) As Proposed to be Amended (SCS4986A-5)

Effective the day following final enactment.

Hennepin County has imposed a sales and use tax of 0.15% since 2007 and a 0.5% transit tax since 2017. The proceeds from the 0.15% tax are used to pay costs of collecting the tax, pay bond costs, maintain reserves, pay for operating costs of the ballpark authority, and make expenditures and grants for youth activities and amateur sports and the extension of library hours.

The bill authorizes Hennepin County to increase the sales and use tax from 0.15% to 0.25%. The proceeds from the tax could additionally be used to make expenditures and grants to certain Hennepin County health care facilities, or fund capital improvements of the ballpark or public infrastructure within the development area.

The county must also distribute \$21 million of funds annually to a private, nonprofit hospital located in Hennepin County that is designated by the commissioner of health as a level I trauma hospital and provides statewide ground and air emergency medical transportation services. These funds would be used to cover the hospital’s uncompensated care charges.

The bill would expand the Minnesota Ballpark Authority’s capital improvement reserve fund to also allow amounts for public infrastructure within the development area. The bill would increase annual payments to the fund from \$2 million to \$9 million. The Minnesota Twins’ share of these annual payments would increase from approximately \$1 million to \$6.526 million. The payments would increase annually according to an inflation index determined by the county. From the fund, the bill would increase the maximum annual amount of any grant for capital improvement reserves from \$1 million to \$9 million.

Hennepin County must spend remaining funds on other county healthcare and public health related purposes specified in the bill.

The bill would deem the Minnesota Ballpark Authority a qualifying government for purposes of its investment authority and would authorize the county to issue revenue bonds to finance all or a portion of these ballpark costs.

The bill would have no direct impact on state taxes. Hennepin County’s sales and use tax generated approximately \$50 million of revenue in calendar year 2025. If the rate had been 0.25% in calendar year 2025 the tax would’ve generated approximately \$84 million.

Minnesota Department of Revenue
Tax Research Division
<https://www.revenue.state.mn.us/revenue-analyses>