

**PROPERTY TAX
Various Provisions
Articles 2, 4, 6**

March 19, 2025

**Property Taxes and Local Aids Only --
See Separate Analysis for State Taxes**

	Yes	No
DOR Administrative Costs/Savings	X	

Department of Revenue

Analysis of H.F. 2274 (Gomez) as amended by H2274A1 and H2274A2

Fund Impact				
<u>F.Y. 2025</u>	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>	<u>F.Y. 2028</u>	<u>F.Y. 2029</u>
(000's)				
<u>Article 2: Property Taxes and Local Government Aids</u>				
Purely Public Charity Housing Exemption	\$0	(\$10)	(\$10)	(\$10)
Cooperative Distribution Systems Exemption	\$0	(\$40)	(\$40)	(\$40)
Grand Portage Band Exemption				
School Bond Credit Interaction	\$0	\$0	negligible	negligible
Property Tax Refund Interaction	\$0	\$0	(negligible)	(negligible)
Leech Lake Band Exemption	\$0	\$0	(\$10)	(\$10)
Community Land Trusts Valuation	\$0	\$210	\$210	\$210
Advanced PTR for Seniors Credit	\$0	\$0	\$0	\$0
DOR Administrative Appropriation	\$0	(\$197)	(\$197)	(\$197)
Land Bank Property Abatement	\$0	(\$10)	(\$10)	(\$20)
Local Homeless Prevention Aid Program Extended	\$0	\$0	\$0	\$0
LGA Penalty Forgiveness – Stewart	(\$88)	\$0	\$0	\$0
Red Lake Nation Tribal College Exemption	(\$122)	\$0	\$0	\$0
<u>Article 4: Tax Increment Financing</u>				
Ramsey TIF	\$0	\$0	\$0	\$0
Maple Grove TIF	\$0	\$0	\$0	\$0
St. Paul TIF	\$0	\$0	\$0	\$0
Brooklyn Center TIF	\$0	\$0	\$0	\$0

Brooklyn Park TIF		\$0	\$0	\$0	\$0
Eden Prairie TIF		\$0	\$0	\$0	\$0
Minnetonka TIF		\$0	\$0	\$0	\$0
Moorhead TIF		\$0	\$0	\$0	\$0
Plymouth TIF		\$0	\$0	\$0	\$0
St. Cloud TIF		\$0	\$0	\$0	\$0

Article 6: Miscellaneous

Land Value Taxation Districts Allowed		\$0	unknown	unknown	unknown
Anoka SWCD Grant		(\$50)	\$0	\$0	\$0
South St. Paul Grant	(\$100)	\$0	\$0	\$0	\$0
Minneapolis Emeral Ash Borer Assistance		(\$800)	\$0	\$0	\$0
Cancel Laws 2023 Minneapolis Grants	\$10,000	\$0	\$0	\$0	\$0
Minneapolis Grants	(\$10,000)	\$0	\$0	\$0	\$0
Browerville Roof Collapse Grant		(blank)	\$0	\$0	\$0
General Fund Total	(\$188)	(\$972)	(\$47)	(\$57)	(\$67)

Various Effective Dates

REVENUE ANALYSIS DETAIL

Article 2: Property Taxes and Local Government Aids

Purely Public Charity Housing Exemption (Section 1)

The effective date is beginning with taxes payable in 2026.

Under current law, property owned by a qualifying institution of purely public charity is exempt from property taxes if the property is used for the charitable purpose of the qualifying organization.

In its opinion filed March 27, 2024, the Minnesota Supreme Court upheld the Minnesota Tax Court decision that affordable housing properties owned by Alliance Housing Incorporated or North Penn Supportive Housing LLC (collectively referred to as Alliance) are eligible for a property tax exemption because:

- 1) they are owned by an eligible charitable organization, and
- 2) the use of the property corresponds with Alliance's tax-exempt charitable purpose.

The court's decision impacts all future exemption applications for similar properties beginning with assessment year 2025. However, under a separate provision of current law (Minnesota Statutes 273.19 subd. 1), tax-exempt property held under a lease for a term of at least one year is considered, for all purposes of taxation, as the property of the person holding the lease. Therefore, the tenants of eligible Alliance properties (and other similar properties that apply for exemption) will now be liable for personal property taxes beginning with taxes payable in 2026.

Under the proposal, rental housing property owned by an eligible charitable organization would not be exempt from property taxes unless the property is used in furtherance of the tax-exempt charitable purpose of the organization. However, property used solely to provide rental housing on the basis of income characteristics would not be eligible for the exemption.

- It is assumed that all Alliance properties included in the court case have applied for exemption but that other affordable housing properties will not apply for exemption during the forecast period.

Under current law:

- The property taxes on court-exempted Alliance properties will be paid by the tenants rather than by the property owners.
- However, occupied units on these properties will no longer receive the class 4d low-income rental housing classification because the tenants, as the new taxpayers, do not *provide* low-income rental housing.
- As a result, the net tax capacity (NTC) class rate for taxes payable in 2026 will be the apartment class rate of 1.25%, rather than the class 4d rate of 0.25%, which will increase the NTC taxes for tenants by a factor of five (relative to what Alliance would have paid).

Under the proposal:

- Alliance, and not its tenants, would be liable for property taxes on the court-exempted properties.
- Beginning with taxes payable in 2026, these properties would be taxable as class 4d property and not apartment property, which would lower the NTC taxes by a factor of five. This would shift property taxes away from the Alliance properties and onto all other property, including homesteads, increasing state-paid homeowner property tax refunds by \$10,000 in FY 2027.

Under both current law and the proposal:

- The tenants will be eligible for the renter's credit beginning with 2026 income tax returns (filed in FY 2027 and based on rent paid in 2026).

Cooperative Distribution Systems Exemption (Sections 2, 9-10)

The effective date is beginning with assessment year 2025.

Under current law, Rural Electric Association (REA) cooperatives pay a tax of \$10 for each 100 members in lieu of all personal property taxes on distribution lines – and attachments and appurtenances of those distribution lines – located in a rural area.

Under the proposal, this sentence in statute:

“The tax, when paid, shall be in lieu of all personal property taxes, state, county, or local, upon *distribution lines and the attachments and appurtenances thereto of such associations*, located in rural areas.”

would be replaced with the following clarification:

“The tax, when paid, shall be in lieu of all personal property taxes, state, county, or local, upon that part of the association's distribution system, not including substations, or transmission or generation equipment, located in rural areas.”

- The \$10-per-100-members tax is already being paid by REA cooperatives, meaning the proposal would, in effect, create an exemption for the newly eligible personal property.
- Under the proposal, metering and streetlighting equipment would be eligible for exemption from property taxes.
- For taxes payable in 2026, the exemption would shift an estimated \$750,000 in local property taxes away from cooperative personal property and onto all other property, including homesteads, increasing state-paid homeowner property tax refunds by \$40,000 in FY 2027.
- The exemption from the commercial-industrial state general tax would have no impact on state revenues in payable year 2026 and thereafter, because the tax rate would be adjusted to yield the amount of revenue required by statute.

Grand Portage Band Exemption (Section 3)

The effective date is beginning with assessment year 2026.

The proposal would create a property tax exemption for property that:

- (1) was classified as class 2b for taxes payable in 2024;
- (2) is located in a county with a population greater than 5,580 but less than 5,620 (according to the 2020 federal census);
- (3) is located in an unorganized territory with a population less than 800 (according to the 2020 federal census); and
- (4) was on January 2, 2023, and is for the current assessment, owned by a federally recognized Indian Tribe located within the state of Minnesota.

- Property in Cook County owned by the Grand Portage Band of Chippewa would be eligible for the proposed exemption.
- Beginning with taxes payable in 2027, the eligible parcels would no longer receive the School Building Bond Credit, resulting in a savings to the state general fund of less than \$5,000 in FY 2028.
- Beginning with taxes payable in 2027, the exemption would shift property taxes away from the eligible parcels and onto all other properties, including homesteads, increasing state-paid homeowner property tax refunds by less than \$5,000 in FY 2028.

Leech Lake Band Exemption (Section 4)

The effective date is beginning with assessment year 2026.

The proposal would create a property tax exemption for property that:

- (1) was classified as class 3a for taxes payable in 2024;
- (2) is located in a city of the first class with a population greater than 400,000 (as of the 2020 federal census);
- (3) was on January 2, 2023, and is for the current assessment, owned by a federally recognized Indian Tribe that is located within the state of Minnesota; and
- (4) is used exclusively for Tribal purposes or institutions of purely public charity.

Eligible property would be limited to one parcel that does not exceed 40,000 square feet. Property used for single-family housing, market-rate apartments, agriculture, or forestry would not qualify for the exemption.

- Property in Minneapolis owned by the Leech Lake Band of Ojibwe would be eligible for the proposed exemption.
- Beginning with taxes payable in 2027, the exemption would shift property taxes away from the eligible parcel and onto all other properties, including homesteads, increasing homeowner property tax refunds by \$10,000 in FY 2028.
- For taxes payable in 2027 and thereafter, the exemption from the commercial-industrial state general tax would have no impact on state revenues, because the tax rate would be adjusted to yield the amount of revenue required by statute.

Homestead Community Land Trust Valuation Modified (Section 5)

The effective date is beginning with assessment year 2025.

Under current law, class 4d(2) homestead community land trust properties must have their market value determined using the normal approach to value without regard to any restrictions that apply because the unit is a community land trust property.

The proposal would eliminate the requirement that class 4d(2) homestead community land trust properties be valued using the normal approach to value, meaning that assessors could take into account restrictions that apply to the property.

- For taxes payable 2025, there are approximately 700 parcels statewide classified as 4d(2) homestead community land trust. The total market value of all class 4d(2) property is \$166 million.
- Under the proposal, assessors may reduce the market value of homestead community land trust properties. It is assumed that all qualifying properties would have their market values lowered under the proposal.
- The proposal would shift property taxes away from class 4d(2) properties whose market values were lowered and onto all other properties, including other homesteads. As a result of property taxes shifting onto homesteads, property tax refunds paid by the state would increase by \$40,000 beginning in fiscal year 2027.
- As a result of the decrease in property taxes for class 4d(2) properties with lower market values, property tax refunds paid by the state would decrease by \$250,000 beginning in fiscal year 2027.
- The impact on property tax refunds is net of these interactions.

Advance Homestead Credit for Seniors Established (Sections 6-8, 11-17, 26)

The effective date is beginning with advance payment elections after December 31, 2025 for credits applied to property taxes payable in 2027.

The proposal would create a new property credit: the advance homestead credit for seniors. The credit would be for a homestead property whose owner is an eligible senior that elects to receive the credit when filing a claim for the homestead credit refund. Property owners would need to attest that they intend to continue to occupy their homestead in the following year when the credit is applied and file a claim for the homestead credit refund for the year they received the credit.

The credit would equal 50 percent of the amount of homestead credit refund the property owner received in the previous year. The credit would apply to the first half payment of property taxes. If the property's credit amount exceeds the first half payment amount, the credit would be reduced so the final first half payment amount is \$0. Property owners who choose to receive this credit would have their homestead credit refund reduced by the amount of the credit. If their credit is more than their homestead credit refund, they would have to repay the commissioner the difference.

The commissioner of revenue would calculate and certify the advance homestead credit amounts to county auditors by January 2 each year. County auditors would apply the credit to each qualifying property and certify to the commissioner any reductions to the credit. The commissioner would then reimburse local jurisdictions for the credit on October 31 of the taxes payable year, except for reimbursements related to tax increments, which would be reimbursed on December 26.

Reimbursements to school districts would be the same timing as other credits under current law.

The proposal would appropriate \$197,000 beginning in fiscal year 2027 from the general fund to the commissioner of revenue to administer the advance homestead credit for seniors.

- Under the proposal, there would be no change in the property tax refund amount to senior homeowners. Rather, a portion of the refund would be provided as a credit on the property tax statement.
- The state would reimburse local jurisdictions for the credit. Those reimbursement payments would occur in the same year as the current refund payments, so there is no assumed fiscal year shift in state general fund expenditures.
- It is unknown how many senior homeowners would apply to receive the proposed advance credit on their property tax statement for taxes payable in 2027 and beyond.
- Based on the February 2025 forecast, it is projected that approximately 275,000 senior homeowners will file for a homestead property tax refund and receive a total of \$398 million for FY 2027. If all senior property tax refund filers elected to receive the 50% advance credit for the following year, the total credit would be approximately \$199 million.
- The administrative appropriation to the commissioner of revenue would cost the general fund \$197,000 beginning in FY 2027.

Land Bank Property Abatement (Sections 18-21)

The effective date is the day following final enactment.

The proposal defines a "land bank organization" as a non-profit organization that, at least in part, acquires, holds, or manages vacant, blighted, foreclosed, or tax-forfeited property for future development, redevelopment, or disposal.

Under current law, an abatement of property taxes may be granted for the purpose of local economic development if the abatement meets one of eight criteria that clearly define the public benefit. Under the proposal, the public benefit criteria would be expanded to include:

- (ix) provide for the development of affordable housing to households at or below 80 percent of area median income; or
- (x) allow the property to be held by a land bank organization for future development.

Under the proposal, abatements granted on the basis of either (ix) or (x) above would be limited to a period of no more than five years. In addition, an abatement must be repaid with interest if the land for which the abatement was granted is used for a purpose other than the purpose given by the land bank organization prior to redevelopment.

- It is assumed that the only organization with eligible property is Land Bank Twin Cities.
- Under current law, all political subdivisions are required to add back to their current year levies the total estimated amount of all current year economic development abatements.
- Under the proposal, property taxes would shift from the parcels eligible for an abatement onto all other properties in those local jurisdictions, including homesteads.
- Because the levies set in one calendar year are collected as property taxes in the following calendar year, the property tax shift would occur in the year following the abatement.
- Based on data provided by Land Bank Twin Cities, approximately \$0.5 million in property taxes will be due in 2025 on property eligible for an abatement under the proposal.
- It is assumed that approximately half of Land Bank Twin Cities parcels would receive an abatement for taxes payable in 2025.
- Under this assumption, approximately \$0.25 million in property taxes would shift onto other properties beginning with taxes payable in 2026, resulting in a cost to the general fund of \$10,000 beginning in FY 2027 due to increased homeowner property tax refunds.

Local Homeless Prevention Aid Extended, Report Modified (Sections 22-23, 27)

The effective date is beginning with aids payable 2025.

Under current law, counties receive \$17.6 million annually for homeless prevention aid and tribal governments receive \$2.4 million. The aid program is set to expire after aids payable 2028.

The proposal would eliminate the expiration date of the aid program and make it permanent for aids payable in 2029 and thereafter.

The proposal would prohibit the use of aid from being used to cover the costs of removing individuals living at the encampment or clearing the encampment site of any personal property. The proposal would also end the biannual report on the aid program after the 2029 update.

- Removing the expiration date for the aid program would provide a permanent appropriation of \$20 million for homeless prevention aid beginning in fiscal year 2030, which is outside the current forecast window.

LGA Penalty Forgiveness – City of Stewart (Section 24)

The effective date is day following final enactment.

The bill would allow the city of Stewart to receive payment for the portion of its 2023 Local Government Aid (LGA) payment withheld for failing to meet financial reporting requirements with the state auditor. The city must have filed its financial reports for 2022 by June 1, 2025.

A onetime appropriation from the general fund is provided in fiscal year 2025 for a payment of \$87,501.50 to be made by June 30, 2025.

- Under current law, unpaid LGA payments cancel to the state general fund.
- The bill provides a onetime appropriation for payment of the withheld amount at a cost to the state general fund.
- The city of Stewart would receive a payment of \$87,501.50 in FY 2025.

Red Lake Nation Tribal College Exemption (Section 25)

The effective date is the day following final enactment.

Under the proposal, property located in the city of Minneapolis and acquired by Red Lake Nation College Without Borders, LLC in either August 2021 or September 2021 would be exempt from property taxes payable in 2022, and from the portion of property taxes payable in 2021 due after the property was acquired.

The county auditor would certify by August 1, 2025, the amount to be paid by the commissioner of revenue for the retroactive exemption, and the commissioner of revenue would make the payment to the county by August 15, 2025. All prior year penalties, interest, and costs would be canceled.

- Two parcels acquired by Red Lake Nation College in 2021 would be eligible for the retroactive exemption.
- As part of a private college, both parcels are currently exempt from property taxes.
- Approximately \$122,000 in delinquent taxes are due on the eligible parcels for taxes payable in 2021 and 2022, including approximately \$24,000 of state general tax.
- Under the proposal, the state general tax amount would not be collected, and the state would pay the remaining \$98,000 to Hennepin County in FY 2026.
- Approximately \$50,000 in penalties, interest, and costs are currently due on the eligible parcels. Under the proposal, this amount would be canceled.

Article 4: Tax Increment Financing

Ramsey TIF (Section 1)

The effective date is following local approval.

Under current law, special rules apply for a redevelopment tax increment financing (TIF) district in the city of Ramsey relating to the Northstar Transit Station.

The proposal would add another special rule for the TIF district: it would extend the time in which the city is allowed to adopt interfund loan resolutions. Under current law, an interfund loan or advance must be authorized by resolution no later than 60 days after money is transferred,

advanced, or spent, whichever is earlier. The proposal would extend that deadline to December 31, 2025.

- The proposed changes to this special TIF provision may have an impact on the local tax base and tax rate in the future and may result in a small change in property tax refunds paid by the state.

Maple Grove TIF (Section 2)

The effective date is following local approval.

Under current law, the city of Maple Grove was allowed to establish tax increment financing (TIF) districts within a defined project area that were subject to special rules as established by the legislature in 2014 and revised in 2017. The project area includes rights-of-way for all present and future highway interchanges abutting the project area.

The proposal would expand the definition of the project area to include rights-of-way for all present and future highway interchanges serving the project area. Some of the special rules that apply to these districts are also modified:

- The five-year rule for development activity to commence is extended from eight years to 13 years.
- The number of years increments from a soil deficiency district may be collected is extended from 20 years to 25 years.
- The proposed changes to this special TIF provision may have an impact on the local tax base and tax rate in the future and may result in a small change in property tax refunds paid by the state.

St. Paul TIF (Section 3)

The effective date is following local approval.

Under current law, special rules apply to the Ford Site Redevelopment Tax Increment Financing (TIF) District in the City of St. Paul, including being allowed to waive increments for up to four years and setting a different certification date if increments are waived.

The proposal would add another special rule for the Ford Site Redevelopment TIF District: it would extend the five-year rule for development activity to commence to ten years.

- The proposed changes to this special TIF provision may have an impact on the local tax base and tax rate in the future and may result in a small change in property tax refunds paid by the state.

Brooklyn Center TIF (Section 4)

The effective date is following local approval.

The proposal would allow the city of Brooklyn Center or its economic development authority to establish one or more redevelopment tax increment financing (TIF) districts within a defined area. Any districts established under this authority would have special rules that apply, such as excluding it from requirements for establishing a redevelopment district and allowing increment to be spent on

development of the property in the defined area. The authority to establish a TIF district under this authority expires December 31, 2030.

- The proposed changes to this special TIF provision may have an impact on the local tax base and tax rate in the future and may result in a small change in property tax refunds paid by the state.

Brooklyn Park TIF (Sections 5-7)

The effective date is following local approval.

The proposal would allow the city of Brooklyn Park or its economic development authority to establish one or more redevelopment tax increment financing (TIF) districts in three locations: the Village Creek Area, the 610/Zane Area, and the Biotech Area. Each location has its own defined area within which a TIF district may be created. Any districts established under this authority would have special rules that apply that would exclude it from requirements for establishing a redevelopment district, allow increment to be spent on development of the property in the defined area, and extend the five-year rule for development activity to commence to ten years. The authority to request certification of any district under this proposal expires December 31, 2030.

- The proposed changes to this special TIF provision may have an impact on the local tax base and tax rate in the future and may result in a small change in property tax refunds paid by the state.

Eden Prairie TIF (Section 8)

The effective date is following local approval.

The proposal would allow the city of Eden Prairie or its economic development authority to establish one or more redevelopment tax increment financing (TIF) districts within a defined area. Any districts established under this authority would have special rules that apply that would exclude it from requirements for establishing a redevelopment district and allowing increment to be spent on development of the property in the defined area. The authority to approve a TIF plan and establish a TIF district under this proposal expires December 31, 2025.

- The proposed changes to this special TIF provision may have an impact on the local tax base and tax rate in the future and may result in a small change in property tax refunds paid by the state.

Edina TIF (Sections 9-10)

The effective date is following local approval.

The proposal would extend the five-year rule for development activity to commence to ten years for two tax increment financing (TIF) districts in the city of Edina: 72nd & France 2 and 70th & France. The proposal would also allow the city of Edina or its housing and redevelopment authority to extend the duration of the 72nd & France 2 TIF District by five years and the 70th & France TIF District by ten years.

- The proposed changes to this special TIF provision may have an impact on the local tax base and tax rate in the future and may result in a small change in property tax refunds paid by the state.

Minnetonka TIF (Section 11)

The effective date is following local approval.

The proposal would extend the five-year rule for development activity to commence to ten years for the renewal and renovation tax increment financing (TIF) district established in 2021 by the city of Minnetonka and its Economic Development Authority.

- The proposed changes to this special TIF provision may have an impact on the local tax base and tax rate in the future and may result in a small change in property tax refunds paid by the state.

Moorhead TIF (Section 12)

The effective date is following local approval.

Under current law, the five-year rule essentially requires development activity for a TIF district to be finished within a five-year period after the certification of the district. After this period has expired, increments may only be spent to pay off obligations that were incurred during the five-year period or for permitted expenditures under pooling. The six-year rule requires districts to be decertified when sufficient increment has been received to pay for these obligations.

The proposal would extend the five-year rule to ten years and the six-year rule to eleven years for Tax Increment Financing (TIF) District No. 31 in the city of Moorhead.

- The proposed changes to this special TIF provision may have an impact on the local tax base and tax rate in the future and may result in a small change in property tax refunds paid by the state.

Plymouth TIF (Section 13)

The effective date is following local approval.

The proposal would allow the city of Plymouth to establish one or more redevelopment tax increment financing (TIF) districts within a defined area. Any districts established under this authority would have special rules that apply, such as excluding it from requirements for establishing a redevelopment district, allowing increment to be spent on development of the property in the defined area, and extending the five-year rule for development activity to commence to ten years. The authority to establish a TIF district under this authority expires December 31, 2030.

- The proposed changes to this special TIF provision may have an impact on the local tax base and tax rate in the future and may result in a small change in property tax refunds paid by the state.

St. Cloud TIF (Section 14)

The effective date is following local approval.

The proposal would allow the city of St. Cloud or its economic development authority to establish one or more redevelopment tax increment financing (TIF) districts within a defined area. Any districts established under this authority would have special rules that apply, such as excluding it from requirements for establishing a redevelopment district, allowing expenditures incurred to develop the property to count toward the share of increment that must be spent for blight correction, and allowing increment to be spent on reconstruction, expansion, or new construction of adjacent public infrastructure. The authority to establish a TIF district under this authority expires December 31, 2030.

- The proposed changes to this special TIF provision may have an impact on the local tax base and tax rate in the future and may result in a small change in property tax refunds paid by the state.

Article 6: Miscellaneous

Land Value Taxation Districts Allowed (Sections 2-6)

The effective date is beginning with taxes payable 2026.

Under current law property taxes are allocated based on the value of land and improvements of a parcel. Improvements may include things like structures and buildings. The proposal would allow cities to create land-value taxation districts in which property taxes would be reallocated using one or more of four methods, including two based solely on land values that would exclude improvements to the parcel.

- Under the proposal it is unknown how many land-value taxations districts would be created.
- The creation of land-value taxation districts may shift taxes away from some parcels and onto others within a district. Depending on the shifting, it is possible the property tax changes may increase or decrease state general fund costs for property tax refunds beginning in fiscal year 2027.

Anoka Soil and Water Conservation District Grant (Section 7)

The effective date is the day following final enactment.

The proposal would provide a one-time appropriation of \$50,000 from the state general fund for a grant to the Anoka Soil and Water Conservation District.

- The one-time appropriation will result in a cost to the state general fund of \$50,000 in fiscal year 2026.

South St. Paul Grant (Section 8)

The effective date is the day following final enactment.

The proposal would provide a \$100,000 grant to the city of South St. Paul in fiscal year 2025. The grant must be used to pay for planning and development costs within the city.

- The one-time appropriation would result in a cost to the state general fund of \$100,000 in fiscal year 2025.

Minneapolis Emerald Ash Borer Assistance Provided (Section 9)

The effective date is July 1, 2025.

The proposal would create a one-time \$800,000 aid to Minneapolis to reimburse eligible homeowners for costs incurred for treating or removing trees infested with emerald ash borer since 2020. The state would distribute aid on July 1, 2025. The aid would be used in eligible regions of Minneapolis with supplemental demographic index score in the 70th percentile or higher. The city would be required to report the use of funds.

- The one-time appropriation would increase state general fund costs by \$800,000 in fiscal year 2026.

Minneapolis Grants Modified (Section 10)

The effective date is the day following final enactment.

The proposal would cancel a \$10 million appropriation from the 2023 tax bill and reappropriate the funds for fiscal year 2025. Of the total \$10 million appropriation, \$8 million must be spent on businesses located on Lake Street in Minneapolis and \$2 million must be spent on the design of a water distribution facility in Hennepin County.

- The cancellation of the 2023 tax bill appropriation and new one-time appropriation would result in a net zero cost to the state general fund in fiscal year 2025.

Browerville Roof Collapse Grant (Section 10)

The effective date is July 1, 2025.

The proposal would provide a one-time appropriation from the state general fund for a grant to the Browerville public schools. The funds must be used for renovating a building damaged in a 2023 roof collapse.

- The one-time appropriation would result in a cost to the state general fund in fiscal year 2026. The appropriation amount is blank.

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