

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 2336

(SENATE AUTHORS: HAUSCHILD)

DATE
03/01/2023

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Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; property taxes; providing for refunds of the calendar year 2022
1.3 fiscal disparities contribution tax for certain commercial-industrial properties;
1.4 appropriating money.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. COOK AND LAKE COUNTY PROPERTY TAX REFUNDS; CALENDAR
1.7 YEAR 2022.

1.8 Subdivision 1. Definitions. (a) Unless otherwise indicated, the definitions under
1.9 Minnesota Statutes, section 276A.01, apply to this section.

1.10 (b) "Areawide tax rate" means the areawide tax rate determined under Minnesota Statutes,
1.11 section 276A.06, subdivision 5.

1.12 (c) "Contribution percentage" means the proportion of the net tax capacity of a property
1.13 that is subject to the areawide tax rate.

1.14 (d) "Eligible county" means Cook County or Lake County.

1.15 (e) "Eligible property" means a commercial-industrial property located in an eligible
1.16 county.

1.17 Subd. 2. Refund amount. (a) The refund amount for each eligible property equals the
1.18 greater of zero or the result of the following calculation:

1.19 (1) the total property tax payable for the property in calendar year 2022; minus

1.20 (2) the total property tax payable for the property in calendar year 2022 computed as if
1.21 the contribution percentage applicable to the property for taxes payable in 2022 were equal

2.1 to the contribution percentage applicable to commercial-industrial property in that
2.2 municipality for taxes payable in 2020; minus

2.3 (3) ten percent of the total property tax payable for the property in calendar year 2022.

2.4 (b) For the purposes of this subdivision, "total property tax" does not include amounts
2.5 attributable to special assessments. For a property that is split-classified, total property tax
2.6 means the tax attributable to the portion of the property classified as commercial-industrial.
2.7 Only the portion of a property classified as commercial-industrial is eligible for a refund
2.8 under this section.

2.9 Subd. 3. **Administration of refunds.** (a) No later than September 1, 2023, the auditor
2.10 of each eligible county must calculate the refund amount under subdivision 2 for each
2.11 eligible property in that county. The auditor must certify the refund amounts for each taxpayer
2.12 with eligible property in the county to the county treasurer and to the commissioner of
2.13 revenue, in the form and manner determined by the commissioner.

2.14 (b) No later than October 1, 2023, the commissioner of revenue must pay each eligible
2.15 county an amount equal to the total amount of refunds certified for that county under
2.16 paragraph (a).

2.17 (c) No later than November 1, 2023, the treasurer of each eligible county must issue a
2.18 refund of the amounts certified under paragraph (a) to each taxpayer with eligible property
2.19 in that county.

2.20 (d) Notwithstanding paragraphs (b) and (c), if the appropriation is insufficient to pay
2.21 the full amount of the refunds calculated and certified under paragraph (a), the commissioner
2.22 of revenue must recalculate prorated refund amounts for each eligible property and the
2.23 refund issued to taxpayers in each county must be the prorated amount.

2.24 Subd. 4. **Appropriation.** A sum sufficient to make the payments required of the
2.25 commissioner of revenue under this section, not to exceed \$2,000,000, is appropriated in
2.26 fiscal year 2024 from the general fund to the commissioner of revenue. This is a onetime
2.27 appropriation.

2.28 **EFFECTIVE DATE.** This section is effective July 1, 2023.