

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

**S.F. No. 3392**

(SENATE AUTHORS: DAHMS and Weber)

DATE  
02/12/2024

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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; sales and use; providing a refundable exemption for  
1.3 construction materials for certain projects in the Canby Independent School District.

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

1.5 Section 1. CANBY INDEPENDENT SCHOOL DISTRICT; REFUNDABLE SALES  
1.6 AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

1.7 Subdivision 1. Exemption; refund. (a) Materials and supplies used or consumed in and  
1.8 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
1.9 or remodeling of the following projects in the elementary and high schools in Independent  
1.10 School District No. 891, Canby, are exempt from sales and use tax imposed under Minnesota  
1.11 Statutes, chapter 297A, if materials, supplies, and equipment are purchased after December  
1.12 31, 2023, and before January 1, 2026:

1.13 (1) a new gymnasium with improved community access;

1.14 (2) career technical education space addition;

1.15 (3) HVAC upgrades;

1.16 (4) a new eight-lane track;

1.17 (5) athletic field improvements and upgrades;

1.18 (6) stadium seating and press box renovations;

1.19 (7) secure entrance upgrades for both schools with associated administrative office  
1.20 relocations;

1.21 (8) renovations to existing locker rooms;

2.1 (9) classroom renovations;

2.2 (10) site drainage; and

2.3 (11) other associated renovations.

2.4 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
2.5 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
2.6 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

2.7 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
2.8 is appropriated from the general fund to the commissioner of revenue.

2.9 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
2.10 made after December 31, 2023, and before January 1, 2026.

2.11 Sec. 2. **TRACY AREA INDEPENDENT SCHOOL DISTRICT; REFUNDABLE**  
2.12 **SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

2.13 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
2.14 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
2.15 or remodeling of Tracy Elementary, Tracy High School, and Tracy Kids World in  
2.16 Independent School District No. 2904, Tracy, are exempt from sales and use tax imposed  
2.17 under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased  
2.18 after December 31, 2022, and before January 1, 2025.

2.19 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
2.20 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
2.21 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

2.22 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
2.23 is appropriated from the general fund to the commissioner of revenue.

2.24 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
2.25 made after December 31, 2022, and before January 1, 2025.