

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

**S.F. No. 4803**

(SENATE AUTHORS: WEBER and Dahms)

DATE  
03/11/2024

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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 refundable exemptions for various  
1.3 independent school district construction projects.

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

1.5 Section 1. ADRIAN 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 following projects in Independent School District No. 511,  
1.9 Adrian, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A,  
1.10 if the materials, supplies, and equipment are purchased after March 31, 2024, and before  
1.11 September 1, 2025:

1.12 (1) secondary building roofing;

1.13 (2) elementary building roofing;

1.14 (3) playground replacement;

1.15 (4) construction of a retaining wall; and

1.16 (5) maintenance, including but not limited to plumbing repairs and replacements, bleacher  
1.17 repairs, and window replacements.

1.18 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
1.19 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
1.20 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

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

2.3 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 2.4 made after March 31, 2024, and before September 1, 2025.

2.5 Sec. 2. **ELLSWORTH INDEPENDENT SCHOOL DISTRICT; REFUNDABLE**  
 2.6 **SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

2.7 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 2.8 equipment incorporated into the following projects in Independent School District No. 514,  
 2.9 Ellsworth, are exempt from sales and use tax imposed under Minnesota Statutes, chapter  
 2.10 297A, if the materials, supplies, and equipment are purchased after December 31, 2024,  
 2.11 and before ..... :

2.12 (1) replacement of a boiler system with a heating and cooling HVAC system;

2.13 (2) replacement of windows in the elementary wing;

2.14 (3) replacement of the gym roof and shop roof;

2.15 (4) replacement of fuel oil with propane for the new HVAC system;

2.16 (5) installation of a new electrical system for the new HVAC system;

2.17 (6) building tuckpointing; and

2.18 (7) renovation of the bus garage.

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, 2024, and before .....

2.26 Sec. 3. **HERON LAKE-OKABENA INDEPENDENT SCHOOL DISTRICT;**  
 2.27 **REFUNDABLE SALES AND USE TAX EXEMPTION FOR CONSTRUCTION**  
 2.28 **MATERIALS.**

2.29 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 2.30 equipment incorporated into the construction of school building updates including roof

3.1 replacement, concrete work, tuckpointing, windows, flooring, and pool filter replacement  
 3.2 in Independent School District No. 330, Heron Lake-Okabena, are exempt from sales and  
 3.3 use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and  
 3.4 equipment are purchased after May 31, 2024, and before September 1, 2024.

3.5 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 3.6 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 3.7 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

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

3.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.11 Sec. 4. **HILLS-BEAVER CREEK INDEPENDENT SCHOOL DISTRICT;**  
 3.12 **REFUNDABLE SALES AND USE TAX EXEMPTION FOR CONSTRUCTION**  
 3.13 **MATERIALS.**

3.14 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 3.15 equipment incorporated into the construction of a new elementary school and parking lot,  
 3.16 and repairs to a gymnasium, locker rooms, a vehicle garage, and a bus garage building in  
 3.17 Independent School District No. 671, Hills-Beaver Creek, are exempt from sales and use  
 3.18 tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and  
 3.19 equipment are purchased after February 29, 2024, and before June 1, 2025.

3.20 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 3.21 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 3.22 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

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

3.25 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 3.26 made after February 29, 2024, and before June 1, 2025.

3.27 Sec. 5. **MARTIN COUNTY WEST INDEPENDENT SCHOOL DISTRICT;**  
 3.28 **REFUNDABLE SALES AND USE TAX EXEMPTION FOR CONSTRUCTION**  
 3.29 **MATERIALS.**

3.30 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 3.31 equipment incorporated into the construction of a new prekindergarten through grade 12  
 3.32 school building in Independent School District No. 2448, Martin County West, are exempt

4.1 from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials,  
4.2 supplies, and equipment are purchased after September 30, 2025, and before April 1, 2027.

4.3 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
4.4 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
4.5 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

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

4.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.9 Sec. 6. **ROUND LAKE-BREWSTER INDEPENDENT SCHOOL DISTRICT;**  
4.10 **REFUNDABLE SALES AND USE TAX EXEMPTION FOR CONSTRUCTION**  
4.11 **MATERIALS.**

4.12 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
4.13 equipment incorporated into the construction of a three-story school building project in  
4.14 Independent School District No. 2907, Round Lake-Brewster, are exempt from sales and  
4.15 use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and  
4.16 equipment are purchased after January 1, 2024, and before September 1, 2026.

4.17 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
4.18 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
4.19 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

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

4.22 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
4.23 made after January 1, 2024, and before September 1, 2026.

4.24 Sec. 7. **RUSSELL TYLER RUTHTON INDEPENDENT SCHOOL DISTRICT;**  
4.25 **REFUNDABLE SALES AND USE TAX EXEMPTION FOR CONSTRUCTION**  
4.26 **MATERIALS.**

4.27 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
4.28 equipment incorporated into the construction of a prekindergarten through grade 12 school  
4.29 building and athletic field in Independent School District No. 2902, Russel Tyler Ruthton,  
4.30 are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the  
4.31 materials, supplies, and equipment are purchased after December 31, 2019, and before  
4.32 January 1, 2024.

5.1 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 5.2 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 5.3 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

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

5.6 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 5.7 made after December 31, 2019, and before January 1, 2024.

5.8 Sec. 8. **WINDOM INDEPENDENT SCHOOL DISTRICT; REFUNDABLE SALES**  
 5.9 **AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

5.10 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 5.11 equipment incorporated into the construction of facility roofing projects and HVAC upgrades  
 5.12 in Independent School District No. 177, Windom, are exempt from sales and use tax imposed  
 5.13 under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are  
 5.14 purchased after ....., and before .....

5.15 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 5.16 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 5.17 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

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

5.20 **EFFECTIVE DATE.** This section is effective .....

5.21 Sec. 9. **WORTHINGTON INDEPENDENT SCHOOL DISTRICT; REFUNDABLE**  
 5.22 **SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

5.23 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 5.24 equipment incorporated into the following projects in Independent School District No. 518,  
 5.25 Worthington, are exempt from sales and use tax imposed under Minnesota Statutes, chapter  
 5.26 297A, if the materials, supplies, and equipment are purchased after ....., 2021, and before  
 5.27 January 1, 2029:

5.28 (1) construction of a new grades 3 through 5 intermediate school building;

5.29 (2) construction of a new community education building to serve early childhood, adult  
 5.30 basic education, and the Nobles County Integration Collaborative programs;

6.1 (3) construction of a new storage facility to serve the Worthington Intermediate School,  
6.2 Worthington Learning Center and Gymnastics facility, and Worthington Community  
6.3 Education building;

6.4 (4) reconstruction and replacement of the parking lot at the Worthington Middle School;

6.5 (5) construction of an addition to the Worthington High School and remodeling of  
6.6 existing space and expansion of core areas;

6.7 (6) construction of a new two-sheet ice arena with associated event space;

6.8 (7) installation of a turf football field at the Worthington Middle School; and

6.9 (8) demolition of the former West Elementary building and construction of sports fields  
6.10 with associated parking.

6.11 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
6.12 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
6.13 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

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

6.16 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
6.17 made after ....., 2021, and before January 1, 2029.