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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-NINTH SESSION

**H. F. No. 3458**

03/21/2016 Authored by Erickson, Lueck and Metsa

The bill was read for the first time and referred to the Committee on Mining and Outdoor Recreation Policy

03/24/2016 Adoption of Report: Amended and re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance

04/11/2016 Adoption of Report: Amended and re-referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to outdoor recreation; economic development; establishing a Lake Mille  
1.3 Lacs area economic relief program; authorizing special property tax abatement  
1.4 aid; authorizing state general levy refund; appropriating money.

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

1.6 Section 1. **LAKE MILLE LACS AREA ECONOMIC RELIEF PROGRAM.**

1.7 Subdivision 1. **Relief program established.** Mille Lacs County must develop and  
1.8 operate a Lake Mille Lacs area economic relief program to assist businesses adversely  
1.9 affected by a decline in walleye fishing on Lake Mille Lacs.

1.10 Subd. 2. **Available relief.** (a) The economic relief program established under this  
1.11 section may include:

1.12 (1) grants;

1.13 (2) interest-free or forgivable loans, if they do not exceed \$100,000 per business  
1.14 per year; or

1.15 (3) tourism promotion.

1.16 (b) For the economic relief program established under this section, Mille Lacs  
1.17 County may establish grant and loan application requirements, duration and terms, and  
1.18 repayment requirements.

1.19 (c) Mille Lacs County must make grant and loan approval decisions according to  
1.20 criteria and procedures established by the county in consultation with the commissioner of  
1.21 employment and economic development.

1.22 Subd. 3. **Qualification requirements.** To qualify for assistance under this section, a  
1.23 business must:

2.1 (1) be located within one of the following cities and townships surrounding Lake  
2.2 Mille Lacs:

2.3 (i) in Crow Wing County, the city of Garrison, township of Garrison, or township  
2.4 of Roosevelt;

2.5 (ii) in Aitkin County, the township of Hazelton, township of Wealthwood, township  
2.6 of Malmo, or township of Lakeside; or

2.7 (iii) in Mille Lacs County, the city of Isle, city of Wahkon, city of Onamia, township  
2.8 of East Side, township of Isle Harbor, township of South Harbor, or township of Kathio;

2.9 (2) document a reduction in gross receipts in any two-year period since 2010; and

2.10 (3) be a business in one of the following industries, as defined within the  
2.11 North American Industry Classification System: accommodation, restaurants, bars,  
2.12 amusement and recreation, food and beverages retail, sporting goods, miscellaneous retail,  
2.13 general retail, museums, historical sites, health and personal care, gas station, general  
2.14 merchandise, business and professional membership, movies, or nonstore retailer, as  
2.15 determined by Mille Lacs County in consultation with the commissioner of employment  
2.16 and economic development.

2.17 Subd. 4. **Audit.** The commissioner of employment and economic development must  
2.18 audit Mille Lacs County's compliance with the provisions of this section, and Mille Lacs  
2.19 County must comply with all requests made by the commissioner under this subdivision.

2.20 **EFFECTIVE DATE.** This section is effective July 1, 2016, and expires June 30,  
2.21 2017.

2.22 **Sec. 2. LAKE MILLE LACS AREA PROPERTY TAX ABATEMENT.**

2.23 Subdivision 1. **Abatements authorized.** (a) Notwithstanding Minnesota Statutes,  
2.24 section 375.192, the county boards of Aitkin, Crow Wing, and Mille Lacs Counties may  
2.25 grant an abatement of net tax for taxes payable in 2016 provided that:

2.26 (1) the property is classified as 1c, 3a (excluding utility real and personal property),  
2.27 4c(1), 4c(10), or 4c(11);

2.28 (2) on or before December 31, 2016, the taxpayer submits a written application to  
2.29 the county assessor in the county in which abatement is sought; and

2.30 (3) the taxpayer meets qualification requirements established in section 1,  
2.31 subdivision 3.

2.32 (b) If an application for abatement is made under this section after payment of all  
2.33 or a portion of the taxes being abated, the portion already paid may be refunded to the  
2.34 taxpayer by the county as soon as practical.

3.1 (c) Notwithstanding the provisions of Minnesota Statutes, section 276.112, a portion  
3.2 of the state general tax equal to the amount of tax abated by a county under this section is  
3.3 not required to be transmitted to the commissioner of revenue.

3.4 Subd. 2. **Appeals.** An appeal may not be taken to the Tax Court from any order  
3.5 of the county board made pursuant to the exercise of the discretionary authority granted  
3.6 in this section.

3.7 Subd. 3. **Audit.** The commissioner of revenue must audit a county granting  
3.8 abatements under this section for compliance with the provisions of this section, and a  
3.9 county must comply with all requests made by the commissioner under this subdivision.

3.10 **EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and  
3.11 expires for taxes payable in 2017 and thereafter, except that the prohibition on appeals in  
3.12 subdivision 2, and the auditing provision in subdivision 3, remain in effect through 2018.

3.13 Sec. 3. **STATE GENERAL LEVY IN ECONOMIC RELIEF AREA.**

3.14 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms  
3.15 have the meanings given.

3.16 (b) "Eligible property" means a property having a classification of class 1c, 3a  
3.17 (excluding utility real and personal property), 4c(1), 4c(10), or 4c(11) under Minnesota  
3.18 Statutes, section 273.13.

3.19 (c) "Economic relief area" means the area described under section 1, subdivision  
3.20 3, clause (1).

3.21 (d) "State general levy" refers to the levy under Minnesota Statutes, section 275.025.

3.22 Subd. 2. **Refund of state general levy for taxes payable in 2016.** (a) Any eligible  
3.23 property that is located within the economic relief area is eligible for a refund of the state  
3.24 general levy levied upon it for taxes payable in 2016. A taxpayer eligible for a refund  
3.25 under this section must file an application with the county in which the eligible property  
3.26 is located on a form prescribed by the county. Applications must be filed on or before  
3.27 December 31, 2016, and refunds must be paid by the county within 30 days of receipt of  
3.28 application. Refunds must only be issued on behalf of properties whose state general levy  
3.29 for taxes payable in 2016 has been fully paid.

3.30 (b) Notwithstanding the provisions of Minnesota Statutes, section 276.112, any  
3.31 state general tax refunded under this section is not required to be transmitted to the  
3.32 commissioner of revenue.

3.33 **EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and expires  
3.34 for taxes payable in 2017 and thereafter.

4.1       Sec. 4. **APPROPRIATION; LAKE MILLE LACS AREA ECONOMIC RELIEF**  
4.2 **PROGRAM.**

4.3       \$5,000,000 in fiscal year 2017 is appropriated from the general fund to the  
4.4 commissioner of employment and economic development for a grant to Mille Lacs County  
4.5 to develop and operate the Lake Mille Lacs area economic relief program established in  
4.6 section 1. This is a onetime appropriation.