

This Document can be made available
in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 3953

02/19/2024 Authored by Brand and Anderson, P. H.,
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; property; allowing an exemption for certain leased land;
1.3 amending Minnesota Statutes 2022, section 272.01, subdivision 2.

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

1.5 Section 1. Minnesota Statutes 2022, section 272.01, subdivision 2, is amended to read:

1.6 Subd. 2. **Exempt property used by private entity for profit.** (a) When any real or
1.7 personal property which is exempt from ad valorem taxes, and taxes in lieu thereof, is leased,
1.8 loaned, or otherwise made available and used by a private individual, association, or
1.9 corporation in connection with a business conducted for profit, there shall be imposed a
1.10 tax, for the privilege of so using or possessing such real or personal property, in the same
1.11 amount and to the same extent as though the lessee or user was the owner of such property.

1.12 (b) The tax imposed by this subdivision shall not apply to:

1.13 (1) property leased or used as a concession in or relative to the use in whole or part of
1.14 a public park, market, fairgrounds, port authority, economic development authority
1.15 established under chapter 469, municipal auditorium, municipal parking facility, municipal
1.16 museum, or municipal stadium;

1.17 (2) property of an airport owned by a city, town, county, or group thereof which is:

1.18 (i) leased to or used by any person or entity including a fixed base operator; and

1.19 (ii) used as a hangar for the storage or repair of aircraft or to provide aviation goods,
1.20 services, or facilities to the airport or general public;

1.21 the exception from taxation provided in this clause does not apply to:

2.1 (i) property located at an airport owned or operated by the Metropolitan Airports
2.2 Commission or by a city of over 50,000 population according to the most recent federal
2.3 census or such a city's airport authority; or

2.4 (ii) hangars leased by a private individual, association, or corporation in connection with
2.5 a business conducted for profit other than an aviation-related business;

2.6 (3) property constituting or used as a public pedestrian ramp or concourse in connection
2.7 with a public airport;

2.8 (4) property constituting or used as a passenger check-in area or ticket sale counter,
2.9 boarding area, or luggage claim area in connection with a public airport but not the airports
2.10 owned or operated by the Metropolitan Airports Commission or cities of over 50,000
2.11 population or an airport authority therein. Real estate owned by a municipality in connection
2.12 with the operation of a public airport and leased or used for agricultural purposes is not
2.13 exempt;

2.14 (5) property leased, loaned, or otherwise made available to a private individual,
2.15 corporation, or association under a cooperative farming agreement made pursuant to section
2.16 97A.135; ~~or~~

2.17 (6) property leased, loaned, or otherwise made available to a private individual,
2.18 corporation, or association under section 272.68, subdivision 4; or

2.19 (7) property owned by a nonprofit conservation organization that is leased, loaned, or
2.20 otherwise made available to a private individual, corporation, or association for grazing
2.21 activities that further the nonprofit conservation organization's conservation objectives for
2.22 the property.

2.23 (c) Taxes imposed by this subdivision are payable as in the case of personal property
2.24 taxes and shall be assessed to the lessees or users of real or personal property in the same
2.25 manner as taxes assessed to owners of real or personal property, except that such taxes shall
2.26 not become a lien against the property. When due, the taxes shall constitute a debt due from
2.27 the lessee or user to the state, township, city, county, and school district for which the taxes
2.28 were assessed and shall be collected in the same manner as personal property taxes. If
2.29 property subject to the tax imposed by this subdivision is leased or used jointly by two or
2.30 more persons, each lessee or user shall be jointly and severally liable for payment of the
2.31 tax.

2.32 (d) The tax on real property of the federal government, the state or any of its political
2.33 subdivisions that is leased, loaned, or otherwise made available to a private individual,

3.1 association, or corporation and becomes taxable under this subdivision or other provision
3.2 of law must be assessed and collected as a personal property assessment. The taxes do not
3.3 become a lien against the real property.

3.4 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
3.5 in 2025.