# CHAPTER 272

# TAXATION, GENERAL PROVISIONS

**272.001** MS 2006 [Renumbered 15.001]

## 272.01 PROPERTY SUBJECT TO TAXATION.

Subdivision 1. **Generally taxable.** All real and personal property in this state is taxable, except Indian lands and such other property as is by law exempt from taxation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) The tax on real property of the federal government, the state or any of its political subdivisions that is leased, loaned, or otherwise made available to a private individual, association, or corporation and becomes taxable under this subdivision or other provision of law must be assessed and collected as a personal property assessment. The taxes do not become a lien against the real property.

Subd. 3. **Exceptions.** The provisions of subdivision 2 shall not apply to:

(a) Federal property for which payments are made in lieu of taxes in amounts equivalent to taxes which might otherwise be lawfully assessed;

(b) Real estate exempt from ad valorem taxes and taxes in lieu thereof which is leased, loaned, or otherwise made available to telephone companies or electric, light and power companies upon which personal property consisting of transmission and distribution lines is situated and assessed pursuant to sections 273.37, 273.38, 273.40 and 273.41, or upon which are situated the communication lines of express, railway, or telephone companies, or pipelines used for the transmission and distribution of petroleum products, or the equipment items of a cable communications company subject to sections 238.35 to 238.42;

(c) Property presently owned by any educational institution chartered by the territorial legislature;

(d) Indian lands;

(e) Property of any corporation organized as a tribal corporation under the Indian Reorganization Act of June 18, 1934, (Statutes at Large, volume 48, page 984);

(f) Real property owned by the state and leased pursuant to section 161.23 or 161.431, and acts amendatory thereto;

(g) Real property owned by a seaway port authority on June 1, 1967, upon which there has been constructed docks, warehouses, tank farms, administrative and maintenance buildings, railroad and ship terminal facilities and other maritime and transportation facilities or those directly related thereto, together with facilities for the handling of passengers and baggage and for the handling of freight and bulk liquids, and personal property owned by a seaway port authority used or usable in connection therewith, when said property is leased to a private individual, association or corporation, but only when such lease provides that the said facilities are available to the public for the loading and unloading of passengers and their baggage and the handling, storage, care, shipment, and delivery of merchandise, freight and baggage and other maritime and transportation activities and functions directly related thereto, but not including property used for grain elevator facilities; it being the declared policy of this state that such property when so leased is

public property used exclusively for a public purpose, notwithstanding the one-year limitation in the provisions of section 273.19;

(h) Notwithstanding the provisions of clause (g), when the annual rental received by a seaway port authority in any calendar year for such leased property exceeds an amount reasonably required for administrative expense of the authority per year, plus promotional expense for the authority not to exceed the sum of $100,000 per year, to be expended when and in the manner decided upon by the commissioners, plus an amount sufficient to pay all installments of principal and interest due, or to become due, during such calendar year and the next succeeding year on any revenue bonds issued by the authority, plus 25 percent of the gross annual rental to be retained by the authority for improvement, development, or other contingencies, the authority shall make a payment in lieu of real and personal property taxes of a reasonable portion of the remaining annual rental to the county treasurer of the county in which such seaway port authority is principally located. Any such payments to the county treasurer shall be disbursed by the treasurer on the same basis as real estate taxes are divided among the various governmental units, but if such port authority shall have received funds from the state of Minnesota and funds from any city and county pursuant to Laws 1957, chapters 648, 831, and 849 and acts amendatory thereof, then such disbursement by the county treasurer shall be on the same basis as real estate taxes are divided among the various governmental units, except that the portion of such payments which would otherwise go to other taxing units shall be divided equally among the state of Minnesota and said county and city.

Subd. 4. **Severability.** In the event that any of the provisions of subdivision 3 render this act unconstitutional, that portion of subdivision 3 shall be severable and of no effect.

**History:** *(1974) RL s 794; Ex1959 c 1 s 1; Ex1959 c 85 s 1; 1961 c 361 s 1; 1965 c 622 s 1; 1967 c 865 s 1; 1973 c 123 art 5 s 7; 1980 c 607 art 2 s 5; 1Sp1981 c 1 art 2 s 2; 1986 c 399 art 2 s 3; 1986 c 400 s 3; 1986 c 444; 1Sp1986 c 3 art 2 s 41; 1987 c 268 art 8 s 1,2; 1988 c 698 s 4; 1988 c 719 art 6 s 2; 1989 c 239 s 1; 1989 c 277 art 2 s 14; 1991 c 350 art 1 s 17; 1992 c 464 art 1 s 32; 1993 c 375 art 5 s 2; 2005 c 151 art 5 s 4; 2007 c 138 s 10; 2013 c 143 art 17 s 5; 2014 c 308 art 9 s 20,21*

## 272.011 STATE-OWNED PROPERTY USED FOR HOUSING OFFICERS OR EMPLOYEES.

Notwithstanding the provisions of section 272.02 or any other law to the contrary, any real property or portion thereof owned by the state and under the control of the state or any department, agency or institution thereof and regularly utilized as living accommodations for any officer or employee of the state or any department, agency or institution thereof shall be subject to assessment and taxation on the same basis as privately owned property of a like nature.

**History:** *1973 c 509 s 1*

## 272.02 EXEMPT PROPERTY.

Subdivision 1. MS 2012 [Repealed, 2014 c 308 art 9 s 94]

Subd. 1a. MS 2012 [Repealed, 2014 c 308 art 9 s 94]

Subd. 2. **Public burying grounds.** All public burying grounds are exempt.

Subd. 3. **Public schoolhouses.** All public schoolhouses are exempt.

Subd. 4. **Public hospitals.** All public hospitals are exempt.

Subd. 5. **Education institutions.** All academies, colleges, and universities, and all seminaries of learning are exempt.

Subd. 6. **Church property.** All churches, church property, and houses of worship are exempt.

Subd. 7. **Institutions of public charity.** (a) Institutions of purely public charity that are exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code are exempt if they meet the requirements of this subdivision. In determining whether real property is exempt under this subdivision, the following factors must be considered:

(1) whether the stated purpose of the undertaking is to be helpful to others without immediate expectation of material reward;

(2) whether the institution of public charity is supported by material donations, gifts, or government grants for services to the public in whole or in part;

(3) whether a material number of the recipients of the charity receive benefits or services at reduced or no cost, or whether the organization provides services to the public that alleviate burdens or responsibilities that would otherwise be borne by the government;

(4) whether the income received, including material gifts and donations, produces a profit to the charitable institution that is not distributed to private interests;

(5) whether the beneficiaries of the charity are restricted or unrestricted, and, if restricted, whether the class of persons to whom the charity is made available is one having a reasonable relationship to the charitable objectives; and

(6) whether dividends, in form or substance, or assets upon dissolution, are not available to private interests.

A charitable organization must satisfy the factors in clauses (1) to (6) for its property to be exempt under this subdivision, unless there is a reasonable justification for failing to meet the factors in clause (2), (3), or (5), and the organization provides to the assessor the factual basis for that justification. If there is reasonable justification for failing to meet the factors in clause (2), (3), or (5), an organization is a purely public charity under this subdivision without meeting those factors. After an exemption is properly granted under this subdivision, it will remain in effect unless there is a material change in facts.

(b) For purposes of this subdivision, a grant is a written instrument or electronic document defining a legal relationship between a granting agency and a grantee when the principal purpose of the relationship is to transfer cash or something of value to the grantee to support a public purpose authorized by law in a general manner instead of acquiring by professional or technical contract, purchase, lease, or barter property or services for the direct benefit or use of the granting agency.

(c) In determining whether rental housing property qualifies for exemption under this subdivision, the following are not gifts or donations to the owner of the rental housing:

(1) rent assistance provided by the government to or on behalf of tenants; and

(2) financing assistance or tax credits provided by the government to the owner on condition that specific units or a specific quantity of units be set aside for persons or families with certain income characteristics.

Subd. 8. **Property used for public purposes.** All public property exclusively used for any public purpose is exempt.

Subd. 9. **Personal property; exceptions.** Except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

(a) personal property which is part of (1) an electric generating, transmission, or distribution system; (2) a pipeline system transporting or distributing products; or (3) mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;

(b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;

(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) manufactured homes and sectional structures, including storage sheds, decks, and similar removable improvements constructed on the site of a manufactured home, sectional structure, park trailer or travel trailer as provided in section 273.125, subdivision 8, paragraph (f); and

(f) flight property as defined in section 270.071.

Subd. 10. **Personal property used for pollution control.** Personal property used primarily for the abatement and control of air, water, or land pollution is exempt to the extent that it is so used, and real property is exempt if it is used primarily for abatement and control of air, water, or land pollution as part of an agricultural operation, as a part of a centralized treatment and recovery facility operating under a permit issued by the Minnesota Pollution Control Agency pursuant to chapters 115 and 116 and Minnesota Rules, parts 7001.0500 to 7001.0730, and 7045.0020 to 7045.1030, as a wastewater treatment facility and for the treatment, recovery, and stabilization of metals, oils, chemicals, water, sludges, or inorganic materials from hazardous industrial wastes, or as part of an electric generation system. For purposes of this subdivision, personal property includes ponderous machinery and equipment used in a business or production activity that at common law is considered real property.

Any taxpayer requesting exemption of all or a portion of any real property or any equipment or device, or part thereof, operated primarily for the control or abatement of air, water, or land pollution shall file an application with the commissioner of revenue. The commissioner shall develop an electronic means to notify interested parties when electric power generation facilities have filed an application. The commissioner shall prescribe the content, format, and manner of the application pursuant to section 270C.30, except that a "law administered by the commissioner" includes the property tax laws. If an application is made by electronic means, the taxpayer's signature is defined pursuant to section 270C.304, except that a "law administered by the commissioner" includes the property tax laws. The Minnesota Pollution Control Agency shall upon request of the commissioner furnish information and advice to the commissioner.

The information and advice furnished by the Minnesota Pollution Control Agency must include statements as to whether the equipment, device, or real property meets a standard, rule, criteria, guideline, policy, or order of the Minnesota Pollution Control Agency, and whether the equipment, device, or real property is installed or operated in accordance with it. On determining that property qualifies for exemption, the commissioner shall issue an order exempting the property from taxation. The commissioner shall develop an electronic means to notify interested parties when the commissioner has issued an order exempting

property from taxation under this subdivision. The equipment, device, or real property shall continue to be exempt from taxation as long as the order issued by the commissioner remains in effect.

Subd. 11. **Wetlands.** Wetlands are exempt. For purposes of this subdivision, "wetlands" means: (i) land described in section 103G.005, subdivision 15a; (ii) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice; or (iii) land in a wetland preservation area under sections 103F.612 to 103F.616. "Wetlands" under clauses (i) and (ii) include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands, but do not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

Subd. 12. **Native prairie.** Native prairie lands are exempt. The commissioner of the Department of Natural Resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this subdivision. Upon receipt of an application for the exemption provided in this subdivision for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this subdivision shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

Subd. 13. **Emergency shelters for victims of domestic abuse.** Property used in a continuous program to provide emergency shelter for victims of domestic abuse is exempt, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code, notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

Subd. 14. **Property of senior citizens' groups; local option.** If approved by the governing body of the municipality in which the property is located, property not exceeding one acre is exempt if it is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility, or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

Subd. 15. **Property used to generate hydroelectric or hydromechanical power.** Notwithstanding the provisions of subdivision 39, and sections 272.01, subdivision 2, and 273.19, subdivision 1, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the federal government, the state, or a local governmental unit and developed and operated pursuant to section 103G.535 is exempt from property tax for all years during which the site is developed and operated under the terms of a lease or agreement authorized by section 103G.535.

Subd. 16. **Satellite broadcasting facilities.** The following property is exempt if approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the Federal Communications Commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the Federal Communications Commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by this subdivision shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 38. Before approving a tax exemption pursuant to this subdivision, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body or 30 days have passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

Subd. 17. **Hot water heat; generation and distribution property.** Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures, is exempt.

Subd. 18. **State leased lands.** Notwithstanding section 273.19, state lands that are leased from the Department of Natural Resources under section 92.46 are exempt.

Subd. 19. **Property used to distribute electricity to farmers.** Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail, are exempt.

Subd. 20. **Transitional housing facilities.** Transitional housing facilities are exempt. "Transitional housing facility" means a facility that meets the following requirements: (i) provides temporary housing to individuals, couples, or families; (ii) has the purpose of reuniting families and enabling parents or individuals to obtain self-sufficiency, advance their education, get job training, or become employed in jobs that provide a living wage; (iii) provides support services such as child care, work readiness training, and career development counseling; and a self-sufficiency program with periodic monitoring of each resident's progress in completing the program's goals; (iv) provides services to a resident of the facility for at least three months but no longer than three years, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years; (v) is owned and operated or under lease from a unit of government or governmental agency under a property disposition program and operated by one or more organizations exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota Housing Finance Agency under the provisions of either Title II of the National Housing Act, as amended, or the Minnesota Housing Finance Agency Law of 1971, chapter 462A, or rules promulgated by the agency pursuant to it, and

notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

Subd. 21. **Property used to provide computing resources to University of Minnesota.** Real and personal property, including leasehold or other personal property interests, is exempt if it is owned and operated by a corporation of which more than 50 percent of the total voting power of the stock of the corporation is owned collectively by: (i) the Board of Regents of the University of Minnesota, (ii) the University of Minnesota Foundation, an organization exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code, and (iii) a corporation organized under chapter 317A, which by its articles of incorporation is prohibited from providing pecuniary gain to any person or entity other than the regents of the University of Minnesota; which property is used primarily to manage or provide goods, services, or facilities utilizing or relating to large-scale advanced scientific computing resources to the regents of the University of Minnesota and others.

Subd. 22. **Wind energy conversion systems.** All real and personal property of a wind energy conversion system as defined in section 272.029, subdivision 2, is exempt from property tax except that the land on which the property is located remains taxable. If approved by the county where the property is located, the value of the land on which the wind energy conversion system is located shall be valued in the same manner as similar land that has not been improved with a wind energy conversion system. The land shall be classified based on the most probable use of the property if it were not improved with a wind energy conversion system.

Subd. 23. MS 2016 [Repealed, 1Sp2017 c 1 art 2 s 43]

Subd. 24. **Solar energy generating systems.** Personal property consisting of solar energy generating systems, as defined in section 272.0295, is exempt. If the real property upon which a solar energy generating system is located is used primarily for solar energy production subject to the production tax under section 272.0295, the real property shall be classified as class 3a. If the real property upon which a solar energy generating system is located is not used primarily for solar energy production subject to the production tax under section 272.0295, the real property shall be classified without regard to the system. If real property contains more than one solar energy generating system that cannot be combined with the nameplate capacity of another solar energy generating system for the purposes of the production tax under section 272.0295, but is in aggregate over one megawatt, then the real property upon which the systems are located shall be classified as class 3a.

Subd. 25. **Ice arenas; baseball parks.** (a) Real and personal property is exempt if it is owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used for an ice arena or ice rink, and used primarily for youth and high school programs.

(b) Real property is exempt if it is owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), and primarily used as a baseball park by amateur baseball players.

Subd. 26. MS 2002 [Repealed, 1Sp2003 c 21 art 4 s 13]

Subd. 27. **Superior National Forest; recreational property for use by veterans with a disability.** Real and personal property is exempt if it is located in the Superior National Forest, and owned or leased and operated by a nonprofit organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code and primarily used to provide recreational opportunities for veterans with a disability and their families.

Subd. 28. **Manure pits.** Manure pits and appurtenances, which may include slatted floors and pipes, installed or operated in accordance with a permit, order, or certificate of compliance issued by the Minnesota Pollution Control Agency are exempt. The exemption shall continue for as long as the permit, order, or certificate issued by the Minnesota Pollution Control Agency remains in effect.

Subd. 29. **Cogeneration systems; certain property.** Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of a facility containing a cogeneration system as described in section 216B.166, subdivision 2, paragraph (a), is exempt if the cogeneration system has met the following criteria: (i) the system utilizes natural gas as a primary fuel and the cogenerated steam initially replaces steam generated from existing thermal boilers utilizing coal; (ii) the facility developer is selected as a result of a procurement process ordered by the Public Utilities Commission; and (iii) construction of the facility is commenced after July 1, 1994, and before July 1, 1997.

Subd. 30. **Government property; lease or installment purchases.** Real property acquired by a home rule charter city, statutory city, county, town, or school district under a lease purchase agreement or an installment purchase contract during the term of the lease purchase agreement is exempt as long as and to the extent that the property is used by the city, county, town, or school district and devoted to a public use and to the extent it is not subleased to any private individual, entity, association, or corporation in connection with a business or enterprise operated for profit.

Subd. 31. **Business incubator property.** Property owned by a nonprofit charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal Revenue Code that is intended to be used as a business incubator in a high-unemployment county, is exempt. As used in this subdivision, a "business incubator" is a facility used for the development of nonretail businesses, offering access to equipment, space, services, and advice to the tenant businesses, for the purpose of encouraging economic development, diversification, and job creation in the area served by the organization, and "high-unemployment county" is a county that had an average annual unemployment rate of 7.9 percent or greater in 1997. Property that qualifies for the exemption under this subdivision is limited to no more than two contiguous parcels and structures that do not exceed in the aggregate 40,000 square feet. This exemption expires after taxes payable in 2016.

Subd. 32. **Wastewater treatment systems.** Notwithstanding any other law to the contrary, real property that meets the following criteria is exempt:

(i) constitutes a wastewater treatment system that (a) is constructed by a municipality using public funds, (b) operates under a state disposal system permit issued by the Minnesota Pollution Control Agency pursuant to chapters 115 and 116 and Minnesota Rules, chapter 700l, and (c) applies its effluent to land used as part of an agricultural operation;

(ii) is located within a municipality of a population of less than 10,000;

(iii) is used for treatment of effluent from a private potato processing facility; and

(iv) is owned by a municipality and operated by a private entity under agreement with that municipality.

Subd. 33. **Electric generation facility personal property.** Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of a simple-cycle combustion-turbine electric generation facility that exceeds 250 megawatts of installed capacity and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(i) not be owned by a public utility as defined in section 216B.02, subdivision 4;

(ii) utilize natural gas as a primary fuel;

(iii) be located within 20 miles of the intersection of an existing 42-inch (outside diameter) natural gas pipeline and a 345-kilovolt high-voltage electric transmission line; and

(iv) be designed to provide peaking, emergency backup, or contingency services, and have received a certificate of need pursuant to section 216B.243 demonstrating demand for its capacity.

Construction of the facility must be commenced after July 1, 1999, and before July 1, 2003. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

Subd. 34. MS 2010 [Repealed, 2011 c 112 art 7 s 9]

Subd. 35. **Treatment of property of certain limited liability companies.** For purposes of the exemptions granted by subdivisions 1 to 33, property owned or operated by a limited liability company consisting of a sole member shall be treated as if owned or operated by that member.

Subd. 36. **Certain school district property not exempt.** Property owned, leased or used by any public elementary or secondary school district for a home, residence or lodging house for any teacher, instructor, or administrator, and any property owned by any public school district which is leased to any person or organization for a nonpublic purpose for one year or more pursuant to section 123B.51, subdivision 4, shall not be included in the exemption provided in subdivisions 1 to 33.

Subd. 37. **Certain hospital property not exempt.** Property owned or leased by, or loaned to, a hospital and used principally by such hospital as a recreational or rest area for employees, administrators, or medical personnel shall not be included in the exemption provided in subdivisions 1 to 33.

Subd. 38. **Conversion to exempt or taxable uses.** (a) Any property, except property taxed as personal property under section 273.125, that is exempt from taxation on January 2 of any year which, due to sale or other reason, loses its exemption prior to July 1 of any year, shall be placed on the current assessment rolls for that year.

The valuation shall be determined with respect to its value on January 2 of such year. The classification shall be based upon the use to which the property was put by the purchaser, or in the event the purchaser has not utilized the property by July 1, the intended use of the property, determined by the county assessor, based upon all relevant facts.

(b) Property, except property taxed as personal property under section 273.125, that is subject to tax on January 2 that is acquired before July 1 of the year is exempt for that assessment year if the property is to be used for an exempt purpose under subdivisions 2 to 8.

(c) Property which forfeits to the state for nonpayment of real estate taxes on or before December 31 in an assessment year, shall be removed from the assessment rolls for that assessment year. Forfeited property that is repurchased, or sold at a public or private sale, on or before December 31 of an assessment year shall be placed on the assessment rolls for that year's assessment.

Subd. 39. **Economic development; public purpose.** The holding of property by a political subdivision of the state for later resale for economic development purposes shall be considered a public purpose in accordance with subdivision 8 for a period not to exceed nine years, except that:

(1) for property located in a city of 20,000 population or under that is located outside of the metropolitan area as defined in section 473.121, subdivision 2, the period must not exceed 15 years; and

(2) for any property that was acquired on or after January 1, 2000, and on or before December 31, 2010, and is located in a city, the period must not exceed 15 years.

The holding of property by a political subdivision of the state for later resale (1) which is purchased or held for housing purposes, or (2) which meets the conditions described in section 469.174, subdivision 10, shall be considered a public purpose in accordance with subdivision 8.

The governing body of the political subdivision which acquires property which is subject to this subdivision shall after the purchase of the property certify to the city or county assessor whether the property is held for economic development purposes or housing purposes, or whether it meets the conditions of section 469.174, subdivision 10. If the property is acquired for economic development purposes and buildings or other improvements are constructed after acquisition of the property, and if more than one-half of the floor space of the buildings or improvements which is available for lease to or use by a private individual, corporation, or other entity is leased to or otherwise used by a private individual, corporation, or other entity the provisions of this subdivision shall not apply to the property. This subdivision shall not create an exemption from section 272.01, subdivision 2; 272.68; 273.19; or 469.040, subdivision 3; or other provision of law providing for the taxation of or for payments in lieu of taxes for publicly held property which is leased, loaned, or otherwise made available and used by a private person.

Subd. 40. MS 2000 [Repealed, 2002 c 377 art 10 s 32]

Subd. 41. **Pollution abatement property.** Property, including real property, qualifies as exempt pollution abatement property under subdivision 10, if the following conditions are satisfied.

(a)(1) The property is part of a refuse-derived fuel facility converted from a coal burning electric generation facility and the property consists of:

(i) boiler modifications necessary to efficient handling and burning of refuse-derived fuel and transfer of the heat produced by combustion of the fuel;

(ii) ash handling and storage systems, such as vacuum-pneumatic equipment, conveyors, crushers, and storage buildings to remove, convey, process, and temporarily store bottom and fly ash from the burning of refuse-derived fuel;

(iii) control systems, such as computers, to control the operation of equipment described in clauses (i) to (iv) and other pollution abatement equipment; and

(iv) equipment to monitor emissions into the air and combustion efficiency; or

(2) the property is a solid waste resource recovery mass burn facility.

(b) The facility was constructed and will be operated under a contractual arrangement providing for payment, in whole or part, of the property tax on the property by a political subdivision of the state.

Subd. 42. **Property leased to schools.** (a) Property that is leased or rented to a school district is exempt from taxation if it meets the following requirements:

(1) the lease must be for a period of at least 12 consecutive months;

(2) the terms of the lease must require the school district to pay a nominal consideration for use of the building;

(3) the school district must use the property to provide direct instruction in any grade from kindergarten through grade 12; special education for disabled children; adult basic education as described in section 124D.52; preschool and early childhood family education; or community education programs, including provision of administrative services directly related to the educational program at that site; and

(4) the lease must provide that the school district has the exclusive use of the property during the lease period.

(b) Property that is leased or rented to a charter school formed and operated under chapter 124E is exempt from taxation if it meets all of the following requirements:

(1) the lease is for a period of at least 12 consecutive months;

(2) the property is owned by (i) a nonprofit corporation or association exempt from federal income tax under section 501(c)(2) or (3) of the Internal Revenue Code; (ii) a public school district, college, or university; (iii) a private academy, college, university, or seminary of learning; (iv) a church; or (v) the state or a political subdivision of the state;

(3) the charter school must use the property to provide (i) direct instruction in any grade from kindergarten through grade 12; (ii) special education for disabled children; or (iii) administrative services directly related to the educational program at that site; and

(4) except for lease provisions that allow for the shared use of the property by (i) the charter school and another public or private school; (ii) the charter school and a church; or (iii) the charter school and the state or a political subdivision of the state, the lease must provide that the charter school has the exclusive right to use the property during the lease period.

Subd. 43. MS 2012 [Repealed, 2014 c 308 art 9 s 94]

Subd. 44. **Electric generation facility personal property.** Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of a simple-cycle combustion-turbine electric generation facility that exceeds 250 megawatts of installed capacity and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) utilize natural gas as a primary fuel;

(2) be located within 20 miles of parallel existing 16-inch and 12-inch (outside diameter) natural gas pipelines and a 345-kilovolt high-voltage electric transmission line; and

(3) be designed to provide peaking, emergency backup, or contingency services, and have received a certificate of need under section 216B.243 demonstrating demand for its capacity.

Construction of the facility must be commenced after January 1, 2000, and before January 1, 2004. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

Subd. 45. **Biomass electrical generation facility; personal property.** Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of an electrical generating facility that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) be designed to utilize biomass as established in section 216B.2424 as a primary fuel source; and

(2) be constructed for the purpose of generating power at the facility that will be sold pursuant to a contract approved by the Public Utilities Commission in accordance with the biomass mandate imposed under section 216B.2424.

Construction of the facility must be commenced after January 1, 2000, and before December 31, 2005. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or facility.

Subd. 46. **Residential buildings on temporary sites.** A newly constructed building that is situated on real property is exempt if it is:

(1) intended for future residential occupancy;

(2) on a temporary foundation and intended to be moved;

(3) not used as a model or for any other business purposes;

(4) not connected to any utilities; and

(5) located on land that will not be sold with the building.

The exemption under this subdivision is allowable for only one assessment year after the date of the initial construction of the building.

Subd. 47. **Poultry litter biomass generation facility; personal property.** Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of an electrical generating facility that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) be designed to utilize poultry litter as a primary fuel source; and

(2) be constructed for the purpose of generating power at the facility that will be sold pursuant to a contract approved by the Public Utilities Commission in accordance with the biomass mandate imposed under section 216B.2424.

Construction of the facility must be commenced after January 1, 2003, and before December 31, 2005. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

Subd. 48. MS 2012 [Repealed, 2014 c 308 art 9 s 94]

Subd. 49. **Agricultural historical society property.** Property is exempt from taxation if it is owned by a nonprofit charitable or educational organization that qualifies for exemption under section 501(c)(3) of the Internal Revenue Code and meets the following criteria:

(1) the property is primarily used for storing and exhibiting tools, equipment, and artifacts useful in providing an understanding of local or regional agricultural history. Primary use is determined each year based on the number of days the property is used solely for storage and exhibition purposes;

(2) the property is limited to a maximum of 40 acres per owner per county, but includes the land and any taxable structures, fixtures, and equipment on the land;

(3) the property is not used for a revenue-producing activity for more than ten days in each calendar year; and

(4) the property is not used for residential purposes on either a temporary or permanent basis.

Subd. 50. MS 2004 [Repealed, 2006 c 257 s 23]

Subd. 51. MS 2012 [Repealed, 2014 c 308 art 9 s 94]

Subd. 52. **Electric generation facility; personal property.** Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of a simple-cycle combustion-turbine electric generation facility of more than 40 megawatts and less than 50 megawatts of installed capacity and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) utilize natural gas as a primary fuel;

(2) be located within two miles of parallel existing 36-inch natural gas pipelines and an existing 115-kilovolt high-voltage electric transmission line;

(3) be designed to provide peaking, emergency backup, or contingency services; and

(4) satisfy a resource deficiency identified in an approved integrated resource plan filed under section 216B.2422.

Construction of the facility must be commenced after January 1, 2001, and before January 1, 2005. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

Subd. 53. MS 2012 [Repealed, 2014 c 308 art 9 s 94]

Subd. 54. **Small biomass electric generation facility; personal property.** (a) Subject to paragraph (b), notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of an electrical generating facility that meets the requirements of this subdivision is exempt. At the time of construction the facility must:

(1) have a generation capacity of less than 25 megawatts;

(2) provide process heating needs in addition to electrical generation; and

(3) utilize agricultural by-products from the malting process and other biomass fuels as its primary fuel source.

Construction of the facility must be commenced after January 1, 2002, and before January 1, 2008. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or facility.

(b) The exemption under this subdivision is contingent on approval by the governing bodies of the municipality and county in which the electric generation facility is located.

Subd. 55. **Electric generation facility; personal property.** Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of an electric generating facility that meets the requirements of this subdivision is exempt. At the time of construction, the facility must (i) be eligible to be designated as an innovative energy project under section 216B.1694, except that, notwithstanding anything to the contrary in section 216B.1694, a project may include gas-fired generating facilities that are adaptable for subsequent incorporation into a facility that uses coal as a primary fuel, provided that this exception applies only to the eligibility for exemption under this section, (ii) be within a tax relief area as defined in section 273.134, (iii) have access to existing railroad infrastructure within less than three miles, (iv) have received by resolution approval from the governing body of the county and township or city in

which the proposed facility is to be located for the exemption of personal property under this subdivision, and (v) be designed to host at least 500 megawatts of electrical generation.

Construction of the first 100 megawatts of the facility must be commenced after January 1, 2006, and before January 1, 2012. Construction of up to an additional 750 megawatts of generation must be commenced before January 1, 2015. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility. To qualify for an exemption under this subdivision, the owner of the electric generation facility must have an agreement with the host county, township or city, and school district, for payment in lieu of personal property taxes to the host county, township or city, and school district.

Subd. 56. **Electric generation facility; personal property.** (a) Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of a combined-cycle combustion-turbine electric generation facility that exceeds 300 megawatts of installed capacity and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) be designed to utilize natural gas as a primary fuel;

(2) not be owned by a public utility as defined in section 216B.02, subdivision 4;

(3) be located within five miles of an existing natural gas pipeline and within four miles of an existing electrical transmission substation;

(4) be located outside the metropolitan area as defined under section 473.121, subdivision 2; and

(5) be designed to provide energy and ancillary services and have received a certificate of need under section 216B.243.

(b) Construction of the facility must be commenced after January 1, 2004, and before January 1, 2007, except that property eligible for this exemption includes any expansion of the facility that also meets the requirements of paragraph (a), clauses (1) to (5), without regard to the date that construction of the expansion commences. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

Subd. 57. **Comprehensive Health Association.** All property owned by the Comprehensive Health Association is exempt to the extent provided in section 62E.10, subdivision 1.

Subd. 58. **Private cemeteries.** All property owned by private cemeteries is exempt to the extent provided in section 307.09.

Subd. 59. **Western Lake Superior Sanitary Board.** All property owned, leased, controlled, used, or occupied for public, governmental, and municipal purposes by the Western Lake Superior Sanitary Board is exempt to the extent provided in section 458D.23.

Subd. 60. **Unfinished sale or rental projects.** Unfinished sale or rental projects are exempt to the extent provided in section 469.155, subdivision 17.

Subd. 61. **Pedestrian systems; public parking structures.** The pedestrian skyway system, underground pedestrian concourse, the people mover system, and publicly owned parking structures are exempt to the extent provided in section 469.127.

Subd. 62. **Municipal recreation facilities.** All property acquired and used by a city is exempt to the extent provided in section 471.191, subdivision 4.

Subd. 63. MS 2012 [Repealed, 2014 c 258 s 4]

Subd. 64. **Job opportunity building zone property.** (a) Improvements to real property, and personal property, classified under section 273.13, subdivision 24, and located within a job opportunity building zone, designated under section 469.314, are exempt from ad valorem taxes levied under chapter 275.

(b) Improvements to real property, and tangible personal property, of an agricultural production facility located within an agricultural processing facility zone, designated under section 469.314, is exempt from ad valorem taxes levied under chapter 275.

(c) For property to qualify for exemption under paragraph (a), the occupant must be a qualified business, as defined in section 469.310.

(d) The exemption applies beginning for the first assessment year after designation of the job opportunity building zone by the commissioner of employment and economic development. The exemption applies to each assessment year that begins during the duration of the job opportunity building zone. To be exempt, the property must be occupied by July 1 of the assessment year by a qualified business that has signed the business subsidy agreement and relocation agreement, if required, by July 1 of the assessment year. This exemption does not apply to:

(1) the levy under section 475.61 or similar levy provisions under any other law to pay general obligation bonds; or

(2) other school district levies included in the debt service levy of the district under section 123B.55.

(e) Except for property of a business that was exempt under this subdivision for taxes payable in 2008, a business must notify the county assessor in writing of eligibility under this subdivision by July 1 in order to begin receiving the exemption under this subdivision for taxes payable in the following year. The business need not annually notify the county assessor of its continued exemption under this subdivision, but must notify the county assessor immediately if the exemption no longer applies.

Subd. 65. MS 2004 [Repealed, 1Sp2005 c 3 art 7 s 20]

Subd. 66. **Elderly living facility.** An elderly living facility is exempt from taxation if it meets all of the following requirements:

(1) the facility is located in a city of the first class with a population of more than 350,000;

(2) the facility is owned and operated by a nonprofit corporation organized under chapter 317A;

(3) the construction of the facility was commenced after January 1, 2002, and before June 1, 2003;

(4) the facility consists of two buildings, which are connected to a church that is exempt from taxation under subdivision 6;

(5) the land for the facility was donated to the nonprofit corporation by the church to which the facility is connected;

(6) the residents of the facility must be (i) at least 62 years of age or (ii) disabled;

(7) the facility operates an on-site congregate dining program in which participation by residents is mandatory, and provides assisted living or similar social and physical support services for residents; and

(8) at least 30 percent of the units in the facility are occupied by persons whose annual income does not exceed 50 percent of median family income for the area.

The property is exempt under this subdivision for taxes levied in each year or partial year of the term of the facility's initial permanent financing or 25 years, whichever is later.

Subd. 67. MS 2012 [Repealed, 2014 c 308 art 9 s 94]

Subd. 68. **Electric generation facility; personal property.** (a) Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of a simple-cycle combustion-turbine electric generation facility that exceeds 290 megawatts of installed capacity and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) be designed to utilize natural gas as a primary fuel;

(2) not be owned by a public utility as defined in section 216B.02, subdivision 4;

(3) be located within 15 miles of an existing natural gas pipeline and within five miles of an existing electrical transmission substation;

(4) be located outside the metropolitan area as defined under section 473.121, subdivision 2;

(5) be designed to provide peaking capacity energy and ancillary services and have satisfied all of the requirements under section 216B.243; and

(6) have received, by resolution, the approval from the governing body of the county, city, and school district in which the proposed facility is to be located for the exemption of personal property under this subdivision.

(b) Construction of the facility must be commenced after January 1, 2005, and before January 1, 2009. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

Subd. 69. **Electric generation facility personal property.** (a) Notwithstanding subdivision 9, clause (a), and section 453.54, subdivision 20, attached machinery and other personal property which is part of an electric generation facility that exceeds 150 megawatts of installed capacity and meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) be designed to utilize natural gas as a primary fuel;

(2) be owned and operated by a municipal power agency as defined in section 453.52, subdivision 8;

(3) have received the certificate of need under section 216B.243;

(4) be located outside the metropolitan area as defined under section 473.121, subdivision 2; and

(5) be designed to be a combined-cycle facility, although initially the facility will be operated as a simple-cycle combustion turbine.

(b) To qualify under this subdivision, an agreement must be negotiated between the municipal power agency and the host city, for a payment in lieu of property taxes to the host city.

(c) Construction of the facility must be commenced after January 1, 2004, and before January 1, 2006. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

Subd. 70. **Electric generation facility; personal property.** Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of an existing simple-cycle, combustion-turbine electric generation facility that exceeds 300 megawatts of installed capacity and that meets the requirements of this subdivision is exempt. At the time of the construction, the facility must:

(1) be designed to utilize natural gas as a primary fuel;

(2) be owned by a public utility as defined in section 216B.02, subdivision 4, and be located at or interconnected with an existing generating plant of the utility;

(3) be designed to provide peaking, emergency backup, or contingency services;

(4) satisfy a resource need identified in an approved integrated resource plan filed under section 216B.2422; and

(5) have received, by resolution, the approval from the governing body of the county and the city for the exemption of personal property under this subdivision.

Construction of the facility expansion must be commenced after January 1, 2004, and before January 1, 2005. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

Subd. 71. **Electric generation facility; personal property.** (a) Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of a simple-cycle combustion-turbine electric generation facility that exceeds 150 megawatts of installed capacity and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) utilize natural gas as a primary fuel;

(2) be owned by an electric generation and transmission cooperative;

(3) be located within five miles of parallel existing 12-inch and 16-inch natural gas pipelines and a 69-kilovolt high-voltage electric transmission line;

(4) be designed to provide peaking, emergency backup, or contingency services;

(5) have received a certificate of need under section 216B.243 demonstrating demand for its capacity; and

(6) have received by resolution the approval from the governing body of the county and township in which the proposed facility is to be located for the exemption of personal property under this subdivision.

(b) Construction of the facility must be commenced after July 1, 2005, and before January 1, 2009. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

Subd. 72. MS 2012 [Repealed, 2014 c 308 art 9 s 94]

Subd. 73. **Property subject to taconite production tax or gross proceeds tax.** (a) Real and personal property described in section 298.25 is exempt to the extent the tax on taconite and iron sulphides under section 298.24 is described in section 298.25 as being in lieu of other taxes on such property. This exemption applies for taxes payable in each year that the tax under section 298.24 is payable with respect to such property.

(b) Deposits of mineral, metal, or energy resources the mining of which is subject to taxation or the minimum payment under section 298.015 are exempt.

Subd. 74. **Religious corporations.** Personal and real property that a religious corporation, formed under section 317A.909, necessarily uses for a religious purpose is exempt to the extent provided in section 317A.909, subdivision 3.

Subd. 75. **Children's homes.** Personal and real property owned by a corporation formed under section 317A.907 is exempt to the extent provided in section 317A.907, subdivision 7.

Subd. 76. **Housing and redevelopment authority and tribal housing authority property.** Property owned by a housing and redevelopment authority described in chapter 469, or by a designated housing authority described in section 469.040, subdivision 5, is exempt to the extent provided in chapter 469.

Subd. 77. **Property of housing and redevelopment authorities.** Property of projects of housing and redevelopment authorities are exempt to the extent permitted by section 469.042, subdivision 1.

Subd. 78. **Property of regional rail authority.** Property of a regional rail authority as defined in chapter 398A is exempt to the extent permitted by section 398A.05.

Subd. 79. **Spirit Mountain Recreation Area Authority.** Property owned by the Spirit Mountain Recreation Area Authority is exempt from taxation to the extent provided in Laws 1973, chapter 327, section 6.

Subd. 80. **Installed capacity defined.** For purposes of this section, the term "installed capacity" means generator nameplate capacity.

Subd. 81. **Certain recreational property for veterans with a disability.** Real and personal property is exempt if it is located in a county in the metropolitan area with a population of less than 500,000 according to the 2000 federal census, and owned or leased and operated by a nonprofit organization, and primarily used to provide recreational opportunities for veterans with a disability and their families.

Subd. 82. MS 2012 [Repealed, 2014 c 308 art 9 s 94]

Subd. 83. MS 2010 [Repealed, 2012 c 294 art 2 s 43]

Subd. 84. **Electric generation facility; personal property.** Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of a 10.3 megawatt run-of-the-river hydroelectric generation facility and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) utilize between 12 and 16 turbine generators at a dam site existing on March 31, 1994;

(2) be located on land within 3,000 feet of a 13.8 kilovolt distribution substation; and

(3) be eligible to receive a renewable energy production incentive payment under section 216C.41.

Construction of the facility must be commenced after April 30, 2006, and before January 1, 2011. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

Subd. 85. **Modular homes used as models by dealers.** (a) A modular home is exempt if it:

(1) is owned by a modular home dealer and is located on land owned or leased by that dealer;

(2) is a single-family model home;

(3) is not available for sale and is used exclusively as a model;

(4) is not permanently connected to any utilities except electricity; and

(5) is situated on a temporary foundation.

(b) The exemption under this subdivision is allowable for up to five assessment years after the date it becomes located on the property, provided that the modular home continues to meet all of the criteria under this subdivision each year. The owner of a modular model home must notify the county assessor within 60 days that it has been constructed or located on the property and must again notify the assessor if the modular home ceases to meet any of the criteria. If more than one modular home is constructed or situated on a property, the owner must notify the assessor within 60 days for each of the models placed on the property.

(c) For purposes of this subdivision, a "modular home" means a building or structural unit that has been in whole or substantial part manufactured or constructed at an off-site location to be wholly or partially assembled on site as a single-family dwelling. Construction of the modular home must comply with applicable standards adopted in Minnesota Rules authorized under chapter 16B. A modular home does not include a structure subject to the requirements of the National Manufactured Home Construction and Safety Standards Act of 1974 or prefabricated buildings, as defined in section 327.31, subdivision 6.

Subd. 86. **Apprenticeship training facilities.** All or a portion of a building used exclusively for a state-approved apprenticeship program through the Department of Labor and Industry is exempt if:

(1) it is owned by a nonprofit organization or a nonprofit trust, and operated by a nonprofit organization or a nonprofit trust;

(2) the program participants receive no compensation; and

(3) it is located:

(i) in the Minneapolis and St. Paul standard metropolitan statistical area as determined by the 2000 federal census;

(ii) in a city outside the Minneapolis and St. Paul standard metropolitan statistical area that has a population of 7,400 or greater according to the most recent federal census; or

(iii) in a township that has a population greater than 1,400 but less than 3,000 determined by the 2000 federal census and the building was previously used by a school and was exempt for taxes payable in 2010.

Use of the property for advanced skills training of incumbent workers does not disqualify the property for the exemption under this subdivision. This exemption includes up to five acres of the land on which the building is located and associated parking areas on that land, except that if the building meets the requirements of clause (3), item (iii), then the exemption includes up to ten acres of land on which the building is located and associated parking areas on that land. If a parking area associated with the facility is used for the purposes of the facility and for other purposes, a portion of the parking area shall be exempt in proportion to the square footage of the facility used for purposes of apprenticeship training.

Subd. 87. **Monosloped roofs for feedlots and manure storage areas.** A monosloped, single-pitched roof installed over a feedlot or manure storage area to prevent runoff is exempt.

Subd. 88. **Fergus Falls historical zone.** (a) Property located in the area of the campus of the former state regional treatment center in the city of Fergus Falls, including the five buildings and associated land that were acquired by the city prior to January 1, 2007, is exempt from ad valorem taxes levied under chapter 275.

(b) The exemption applies for 15 calendar years from the date specified by resolution of the governing body of the city of Fergus Falls. For the final three assessment years of the duration limit, the exemption applies to the following percentages of estimated market value of the property:

(1) for the third to the last assessment year of the duration, 75 percent;

(2) for the second to the last assessment year of the duration, 50 percent; and

(3) for the last assessment year of the duration, 25 percent.

Subd. 89. **Electric generation facility; personal property.** (a) Notwithstanding subdivision 9, paragraph (a), attached machinery and other personal property which is part of a simple-cycle combustion-turbine electric generation facility that exceeds 150 megawatts of installed capacity and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) utilize natural gas as a primary fuel;

(2) be owned by an electric generation and transmission cooperative;

(3) be located within one mile of an existing 16-inch natural gas pipeline and a 69-kilovolt and a 230-kilovolt high-voltage electric transmission line;

(4) be designed to provide peaking, emergency backup, or contingency services;

(5) have received a certificate of need under section 216B.243 demonstrating demand for its capacity; and

(6) have received by resolution the approval from the governing bodies of the county and the city in which the proposed facility is to be located for the exemption of personal property under this subdivision.

(b) Construction of the facility must be commenced after January 1, 2008, and before January 1, 2012. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

Subd. 90. **Nursing homes.** A nursing home licensed under section 144A.02 or a boarding care home certified as a nursing facility under title 19 of the Social Security Act that is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code is exempt from property taxation if the nursing home or boarding care home either:

(1) is certified to participate in the medical assistance program under title 19 of the Social Security Act; or

(2) certifies to the commissioner of revenue that it does not discharge residents due to the inability to pay.

Subd. 91. **Railroad wye connections.** Any real or personal property of a railroad wye connection, including the track, ties, ballast, switch gear, and related improvements, is exempt if it meets all of the following:

(1) is publicly owned;

(2) is funded, in whole or in part, by state grants;

(3) is located within the metropolitan area as defined in section 473.121, subdivision 2;

(4) includes a single track segment that is no longer than 2,500 feet in length;

(5) connects intersecting rail lines; and

(6) is constructed after January 1, 2009.

Subd. 92. **Electric generation facility; personal property.** (a) Notwithstanding subdivision 9, clause (a), attached machinery and other personal property that is part of an electric generation facility that exceeds 150 megawatts of installed capacity, does not exceed 780 megawatts of summer capacity, and meets the requirements of this subdivision is exempt. At the start of construction, the facility must:

(1) be designed to utilize natural gas as a primary fuel;

(2) be owned by an entity other than a public utility as defined in section 216B.02, subdivision 4;

(3) be located within five miles of two or more interstate natural gas pipelines;

(4) be located within one mile of an existing electrical transmission substation with operating alternating current voltages of 115 kV, 345 kV, and 500 kV;

(5) be designed to provide electrical capacity, energy, and ancillary services;

(6) have satisfied all of the requirements under section 216B.243;

(7) have executed an interconnection agreement with the Midwest Independent System Operator that does not require the acquisition of more than one mile of new electric transmission right-of-way within the county where the facility is located, and does not provide for any other new routes or corridors for future electric transmission lines in the county where the facility is located;

(8) be located in a county with an essential services and transmission services ordinance;

(9) have signed a development agreement with the county board in the county in which the facility is located. The development agreement must be adopted by a two-thirds vote of the county board, and must contain provisions ensuring:

(i) the facility is designed to use effluent from a wastewater treatment facility as its preferred water source if it includes any combined-cycle units, and will not seek an exemption from legislative approval under section 103G.265, subdivision 3, paragraph (b); and

(ii) all processed wastewater discharge will be colocated with the outfall of a wastewater treatment facility;

(10) have signed a development agreement with the township board in the township in which the facility is located containing provisions ensuring that noise and visual impacts of the facility are mitigated. The development agreement must be adopted by a two-thirds vote of the township board; and

(11) have an agreement with the host county, township, and school district for payment in lieu of personal property taxes to the host county, township, and school district for a total amount not to exceed $600,000

per year for the operating life of the facility. Any amount distributed to the school district is not subject to the deductions under section 126C.21.

(b) Construction of the facility must begin after March 1, 2010, and before March 1, 2014. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the facility.

Subd. 93. **Electric generation facility; personal property.** Notwithstanding subdivision 9, clause (a), attached machinery and other personal property that is part of a simple-cycle electric generation facility of more than 40 megawatts and less than 125 megawatts of installed capacity and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) utilize natural gas as a primary fuel;

(2) be located within two miles of parallel existing 36-inch natural gas pipelines and an existing 115-kilovolt high-voltage electric transmission line;

(3) be designed to provide peaking, emergency backup, or contingency services;

(4) satisfy a resource deficiency identified in an approved integrated resource plan filed under section 216B.2422; and

(5) have an agreement with the host county, township, and school district for payment in lieu of personal property taxes to the host county, township, and school district for the operating life of the facility. Any amount distributed to the school district is not subject to the deductions under section 126C.21.

Construction of the facility must be commenced after January 1, 2015, and before January 1, 2019. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

Subd. 94. **Elderly living facility.** (a) The first $5,000,000 in market value of an elderly living facility is exempt from taxation if it meets all of the following requirements:

(1) the facility consists of no more than 75 living units;

(2) the facility is located in a city of the first class with a population of more than 350,000;

(3) the facility is owned and operated by a nonprofit corporation organized under chapter 317A;

(4) the owner of the facility is an affiliate of entities that own and operate assisted living and skilled nursing facilities that:

(i) are located across a street from the facility;

(ii) are adjacent to a church that is exempt from taxation under subdivision 6;

(iii) include a congregate dining program; and

(iv) provide assisted living or similar social and physical support;

(5) the residents of the facility must:

(i) be at least 62 years of age; or

(ii) have a disability;

(6) at least 30 percent of the units in the facility are occupied by persons whose annual income does not exceed 50 percent of median family income for the area; and

(7) before taxes payable in 2010, the facility has received approval of street vacation and land use applications from the city in which it is to be located.

(b) In this subdivision, "affiliate" means any entity directly or indirectly controlling or controlled by or under direct or indirect common control with an entity, and "control" means the power to direct management and policies through membership or ownership of voting securities.

(c) The exemption provided in this subdivision applies to taxes levied in each year or partial year of the term of the facility's initial permanent financing or 25 years, whichever is later.

Subd. 95. **St. Louis County fairgrounds.** Land and buildings used exclusively for county or community fairgrounds as provided in section 383C.164.

Subd. 96. **Electric generation facility; personal property.** (a) Notwithstanding subdivision 9, clause (a), and section 453.54, subdivision 20, attached machinery and other personal property that is part of a multiple reciprocating engine electric generation facility that adds more than 20 and less than 30 megawatts of installed capacity at a site where there is presently more than ten megawatts and fewer than 15 megawatts of installed capacity and that meets the requirements of this subdivision is exempt from taxation and from payments in lieu of taxation. At the time of construction, the facility must:

(1) be designed to utilize natural gas as a primary fuel;

(2) be owned and operated by a municipal power agency as defined in section 453.52, subdivision 8;

(3) be located within one mile of an existing natural gas pipeline;

(4) be designed to have black start capability and to furnish emergency backup power service to the city in which it is located;

(5) satisfy a resource deficiency identified in an approved integrated resource plan filed under section 216B.2422; and

(6) have received, by resolution, the approval of the governing bodies of the city and county in which it is located for the exemption of personal property provided by this subdivision.

(b) Construction of the facility must be commenced after December 31, 2011, and before January 1, 2015. Property eligible for this exemption does not include (i) electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility; or (ii) property located on the site on July 20, 2011.

Subd. 97. **Property used in business of mining subject to gross proceeds tax.** The following property used in the business of mining that is subject to the gross proceeds tax under section 298.015 is exempt:

(1) deposits of ores, metals, and minerals and the lands in which they are contained;

(2) all real and personal property used in mining, quarrying, producing, or refining ores, minerals, or metals, including lands occupied by or used in connection with the mining, quarrying, production, or ore refining facilities; and

(3) concentrate.

This exemption applies for each year that a person subject to tax under section 298.015 uses the property for mining, quarrying, producing, or refining ores, metals, or minerals.

Subd. 98. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

(1) was classified as 3a under section 273.13, subdivision 24, for taxes payable in 2013;

(2) is located in a city of the first class with a population greater than 300,000 as of the 2010 federal census;

(3) was on January 2, 2012, and is for the current assessment owned by a federally recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota; and

(4) is used exclusively for tribal purposes or institutions of purely public charity as defined in subdivision 7.

(b) For purposes of this subdivision, a "tribal purpose" means a public purpose as defined in subdivision 8 and includes noncommercial tribal government activities. Property that qualifies for the exemption under this subdivision is limited to no more than two contiguous parcels and structures that do not exceed in the aggregate 20,000 square feet. Property acquired for single-family housing, market-rate apartments, agriculture, or forestry does not qualify for this exemption. This subdivision expires with taxes payable in 2034.

(c) Property exempt under this section is exempt from the requirements of section 272.025. Upon the written request of an assessor, all books and records relating to the ownership or use of the property which are reasonably necessary to verify that the property qualifies for exemption shall be made available to the assessor.

Subd. 99. **Electric generation facility; personal property.** (a) Notwithstanding subdivision 9, clause (a), and section 453.54, subdivision 20, attached machinery and other personal property which is part of an electric generation facility that exceeds five megawatts of installed capacity and meets the requirements of this subdivision is exempt. At the time of construction, the facility must be:

(1) designed to utilize natural gas as a primary fuel;

(2) owned and operated by a municipal power agency as defined in section 453.52, subdivision 8;

(3) designed to utilize reciprocating engines paired with generators to produce electrical power;

(4) located within the service territory of a municipal power agency's electrical municipal utility that serves load exclusively in a metropolitan county as defined in section 473.121, subdivision 4; and

(5) designed to connect directly with a municipality's substation.

(b) Construction of the facility must be commenced after June 1, 2013, and before June 1, 2017. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

Subd. 100. **Electric generation facility; personal property.** (a) Notwithstanding subdivision 9, clause (a), attached machinery and other personal property that is part of an electric generation facility with more than 35 megawatts and less than 40 megawatts of installed capacity and that meets the requirements of this subdivision is exempt from taxation and payments in lieu of taxation. The facility must:

(1) be designed to utilize natural gas as a primary fuel;

(2) be owned and operated by a municipal power agency as defined in section 453.52, subdivision 8;

(3) be located within 800 feet of an existing natural gas pipeline;

(4) satisfy a resource deficiency identified in an approved integrated resource plan filed under section 216B.2422;

(5) be located outside the metropolitan area as defined under section 473.121, subdivision 2; and

(6) have received, by resolution, the approval of the governing bodies of the city and county in which it is located for the exemption of personal property provided by this subdivision.

(b) Construction of the facility must have been commenced after January 1, 2015, and before January 1, 2017. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

Subd. 101. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

(1) is located in a city of the first class with a population less than 100,000 as of the 2010 federal census;

(2) was on January 1, 2016, and is for the current assessment, owned by a federally recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota; and

(3) is used exclusively as a medical clinic.

(b) Property that qualifies for the exemption under this subdivision is limited to no more than two contiguous parcels and structures that do not exceed, in the aggregate, 30,000 square feet. Property acquired for single-family housing, market-rate apartments, agriculture, or forestry does not qualify for this exemption. The exemption created by this subdivision expires with taxes payable in 2028.

Subd. 102. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

(1) is located in a city of the first class with a population of more than 380,000 as of the 2010 federal census;

(2) was on January 1, 2016, and is for the current assessment, owned by a federally recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota; and

(3) is used exclusively as a pharmacy, as defined in section 151.01, subdivision 2.

(b) Property that qualifies for the exemption under this subdivision is limited to parcels and structures that do not exceed, in the aggregate, 4,000 square feet. Property acquired for single-family housing, market-rate apartments, agriculture, or forestry does not qualify for this exemption.

The exemption created by this subdivision expires with taxes payable in 2029.

Subd. 103. **Licensed child care facility.** Property used as a licensed child care facility that accepts families participating in the child care assistance program under chapter 142E, and that is owned and operated by a nonprofit charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal Revenue Code, is exempt. For the purposes of this subdivision, "licensed child care facility" means a child care center licensed under Minnesota Rules, chapter 9503, or a facility used to provide licensed family day care or group family day care as defined under Minnesota Rules, chapter 9502.

Subd. 104. **Certain property owned by an Indian Tribe.** (a) Property is exempt that:

(1) is located in a county with a population greater than 28,000 but less than 29,000 as of the 2010 federal census;

(2) was on January 2, 2018, and is for the current assessment owned by a federally recognized Indian Tribe or its instrumentality, that is located in Minnesota;

(3) was on January 2, 2018, erroneously treated as exempt under subdivision 7; and

(4) is used for the same purpose as the property was used on January 2, 2018.

(b) The owner of property exempt under paragraph (a) may apply to the county for a refund of any state general tax paid for property taxes payable in 2020 and 2021. The county may prescribe the form and manner of the application. The county auditor must certify to the commissioner of revenue the amount needed for refunds under this section, which the commissioner must pay to the county. An amount necessary for refunds under this paragraph is appropriated from the general fund to the commissioner of revenue in fiscal year 2022. This paragraph expires June 30, 2022.

Subd. 105. **Elderly living facility.** An elderly living facility is exempt from taxation if it meets all of the following requirements:

(1) the facility is located in a city of the first class with a population of fewer than 110,000;

(2) the facility is owned and operated by a nonprofit organization with tax exempt status under section 501(c)(3) of the Internal Revenue Code;

(3) construction of the facility was completed between January 1, 1963, and January 1, 1964;

(4) the facility is an assisted living facility licensed by the state of Minnesota;

(5) residents of the facility must be (i) at least 55 years of age, or (ii) disabled; and

(6) at least 30 percent of the units in the facility are occupied by persons whose annual income does not exceed 50 percent of the median family income for the area.

For assessment year 2022 only, an exemption application under this section must be filed with the county assessor by June 15, 2023.

**History:** *(1975, 1976) RL s 795; 1911 c 242 s 1; 1913 c 259 s 1; 1925 c 171 s 1; 1935 c 385 s 1; Ex1936 c 66 s 1; 1943 c 41 s 1; 1945 c 44 s 1; 1951 c 639 s 1; 1959 c 610 s 1; 1961 c 481 s 1; 1965 c 514 s 1; Ex1967 c 32 art 4 s 2; art 10 s 1; 1969 c 1064 s 1; 1971 c 25 s 55; 1971 c 570 s 1,2; 1971 c 790 s 1; 1971 c 794 s 3; 1971 c 821 s 1; Ex1971 c 31 art 22 s 3; 1973 c 123 art 5 s 7; 1973 c 582 s 3; 1973 c 650 art 24 s 1; 1974 c 316 s 1; 1974 c 545 s 1; 1975 c 199 s 2; 1975 c 352 s 1; 1979 c 303 art 2 s 5,6; art 7 s 12; 1980 c 432 s 1; 1980 c 564 art 13 s 1; 1980 c 607 art 2 s 6; 1981 c 251 s 1; 1981 c 309 s 1; 1Sp1981 c 1 art 8 s 3; art 10 s 5; 1982 c 523 art 27 s 4; 1983 c 213 s 10; 1983 c 342 art 2 s 2; art 9 s 1; 1984 c 502 art 3 s 4,5; 1984 c 548 s 1,2; 1984 c 593 s 1-4; 1984 c 655 art 1 s 45; 1985 c 248 s 70; 1985 c 300 s 4; 1Sp1985 c 14 art 3 s 3; art 4 s 30,31; art 17 s 2; 1986 c 444; 1987 c 268 art 6 s 6,7; art 8 s 3; 1987 c 291 s 205; 1988 c 719 art 6 s 3; 1989 c 209 art 2 s 31; 1989 c 277 art 2 s 15; 1Sp1989 c 1 art 3 s 2-4; art 9 s 17; 1990 c 391 art 8 s 32,33; 1990 c 604 art 3 s 7; 1991 c 265 art 5 s 11; 1991 c 291 art 1 s 10; art 12 s 4; 1991 c 315 s 2; 1991 c 354 art 4 s 6; 1992 c 464 art 1 s 33; 1992 c 511 art 2 s 9; 1993 c 375 art 3 s 7,8; art 5 s 3,4; art 8 s 14; 1994 c 416 art 1 s 9; 1994 c 513 s 1; 1994 c 614 s 3; 1994 c 647 art 4 s 39; 1995 c 264 art 3 s 4; 1996 c 462 s 43; 1997 c 31 art 3 s 1; 1997 c 191 art 1 s 9; 1997 c 231 art 2 s 7,8; 1998 c 389 art 3 s 1; 1998 c 397 art 11 s 3; 1999 c 243 art 5 s 3; 1999 c 248 s 2; 2000 c 490 art 5 s 3,4; 1Sp2001 c 5 art 3 s 16-21; art 7 s 13; 2002 c 377 art 4 s 6-11; art 10 s 4; 2002 c 397 s 1; 2003 c 127 art 2 s 5-9; art 5 s 3-9; 1Sp2003 c 4*

*s 1; 1Sp2003 c 21 art 1 s 1; art 2 s 2; art 4 s 1,2; 2005 c 43 s 1; 2005 c 56 s 1; 2005 c 151 art 3 s 1-8; art 5 s 5-13; 2005 c 152 art 2 s 2; 1Sp2005 c 3 art 1 s 3-6; art 7 s 6; art 10 s 1; 2006 c 259 art 4 s 5-9; art 13 s 1; 2007 c 146 art 4 s 10; 2008 c 154 art 2 s 3-5; art 13 s 22; 2008 c 366 art 6 s 3-6; art 11 s 1-6; art 15 s 3; 2009 c 88 art 2 s 4-11; 2010 c 216 s 5,6; 2010 c 389 art 1 s 3; 2011 c 112 art 11 s 7; 1Sp2011 c 7 art 5 s 3,4; art 7 s 1; 2012 c 294 art 2 s 5; 2013 c 59 art 3 s 3; 2013 c 143 art 4 s 12-14; art 17 s 6; 2014 c 308 art 2 s 2-4; 1Sp2015 c 3 art 4 s 10; 2016 c 158 art 1 s 156; 1Sp2017 c 1 art 2 s 3-5; art 15 s 11; art 16 s 14; 2018 c 182 art 1 s 70; 1Sp2019 c 6 art 4 s 5-7; art 24 s 1,2; 1Sp2021 c 14 art 6 s 2; 2023 c 25 s 150-152; 2023 c 64 art 3 s 2-4; art 6 s 1; 2024 c 80 art 5 s 7; 2024 c 85 s 84*

## 272.021 PROPERTY OF VOLUNTEER FIRE DEPARTMENT EXEMPT FROM TAXATION.

The property of any volunteer fire department used exclusively for the prevention of and protection from fire to the property of the community is declared to be public property used for essential public and governmental purposes, and such property of the volunteer fire department shall be exempt from all taxes and special assessments of the city, the county, the state, or any political subdivision thereof.

**History:** *1947 c 330 s 1*

## 272.0211 SLIDING SCALE MARKET VALUE EXCLUSION FOR ELECTRIC POWER GENERATION EFFICIENCY.

Subdivision 1. **Efficiency determination and certification.** An owner or operator of a new or existing electric power generation facility, excluding wind energy conversion systems, may apply to the commissioner of revenue for a market value exclusion on the property as provided for in this section. This exclusion shall apply only to the market value of the equipment of the facility, and shall not apply to the structures and the land upon which the facility is located. The commissioner of revenue shall prescribe the content, format, manner, and procedures for this application pursuant to section 270C.30, except that a "law administered by the commissioner" includes the property tax laws. If an application is made by electronic means, the taxpayer's signature is defined pursuant to section 270C.304, except that a "law administered by the commissioner" includes the property tax laws. Upon receiving the application, the commissioner of revenue shall: (1) request the commissioner of commerce to make a determination of the efficiency of the applicant's electric power generation facility; and (2) shall develop an electronic means to notify interested parties when electric power generation facilities have filed an application. The commissioner of commerce shall calculate efficiency as the ratio of useful energy outputs to energy inputs, expressed as a percentage, based on the performance of the facility's equipment during normal full load operation. The commissioner must include in this formula the energy used in any on-site preparation of materials necessary to convert the materials into the fuel used to generate electricity, such as a process to gasify petroleum coke. The commissioner shall use the Higher Heating Value (HHV) for all substances in the commissioner's efficiency calculations, except for wood for fuel in a biomass-eligible project under section 216B.2424; for these instances, the commissioner shall adjust the heating value to allow for energy consumed for evaporation of the moisture in the wood. The applicant shall provide the commissioner of commerce with whatever information the commissioner deems necessary to make the determination. Within 30 days of the receipt of the necessary information, the commissioner of commerce shall certify the findings of the efficiency determination to the commissioner of revenue and to the applicant. The commissioner of commerce shall determine the efficiency of the facility and certify the findings of that determination to the commissioner of revenue every two years thereafter from the date of the original certification.

Subd. 2. **Sliding scale exclusion.** Based upon the efficiency determination provided by the commissioner of commerce as described in subdivision 1, the commissioner of revenue shall subtract eight percent of the taxable market value of the qualifying property for each percentage point that the efficiency of the specific

facility, as determined by the commissioner of commerce, is above 40 percent. The reduction in taxable market value shall be reflected in the taxable market value of the facility beginning with the assessment year immediately following the determination. The commissioner shall develop an electronic means to notify interested parties of the qualifying facilities and their respective exclusion percentages after the efficiency determination is made by the Department of Commerce. For a facility that is assessed by the county in which the facility is located, the commissioner of revenue shall certify to the assessor of that county the percentage of the taxable market value of the facility to be excluded.

Subd. 3. **Revocation.** (a) The commissioner of revenue shall revoke the market value reduction under this section, if:

(1) the applicant exercises its right under federal law to require an electric utility to purchase power generated by the facility; and

(2) the electric utility notifies the commissioner that the applicant has exercised its right to require purchase of power.

The revocation is effective beginning the first assessment year after notification of the commissioner.

(b) For purposes of this subdivision, the following terms mean:

(1) "Federal law" is the federal Public Utility Regulatory Policies Act, United States Code, title 16, section 824a-3, and regulations promulgated under that section, including Code of Federal Regulations, title 18, sections 929.303 and 929.304.

(2) "Electric utility" means an electric utility as defined in federal law described in clause (1).

Subd. 4. **Eligibility.** An owner or operator of a new or existing electric power generation facility who offers electric power generated by the facility for sale is eligible for an exclusion under this section only if:

(1) the owner or operator has received a certificate of need under section 216B.243, if required under that section;

(2) the public utilities commission finds that an agreement exists or a good faith offer has been made to sell the majority of the net power generated by the facility to an electric utility which has a demonstrated need for the power. A right of first refusal satisfies the good faith offer requirement. The commission shall have 90 days from the date the commission receives notice of the application under subdivision 1 to make this determination;

(3) the electric utility has agreed in advance not to offer the electric power for resale to a retail customer located outside of the utility's assigned service area, or, if the utility is a generation and transmission cooperative electric association, the assigned service area of its members, unless otherwise permitted by law; and

(4) for any facility that was not certified as eligible for an exclusion under subdivision 2 for property taxes payable in 2015, the facility must be converted from coal to an alternative fuel and must have a nameplate capacity prior to conversion of less than 75 megawatts.

For the purposes of this subdivision, "electric utility" means an entity whose primary business function is to operate, maintain, or control equipment or facilities for providing electric service at retail or wholesale,

and includes distribution cooperative electric associations, generation and transmission cooperative electric associations, municipal utilities, and public utilities as defined in section 216B.02, subdivision 4.

**History:** *1996 c 444 s 2; 1998 c 389 art 3 s 2; 1Sp2001 c 4 art 6 s 77; 2005 c 151 art 3 s 9,10; 2014 c 308 art 2 s 5-7; 1Sp2017 c 1 art 16 s 15*

**272.0212 BORDER DEVELOPMENT ZONE PROPERTY.**

Subdivision 1. **Exemption.** All qualified property in a zone is exempt to the extent and for a period up to the duration provided by the zone designation and under sections 469.1731 to 469.1735.

Subd. 2. **Limits on exemption.** (a) Property in a zone is not exempt under this section from the following:

(1) special assessments;

(2) ad valorem property taxes specifically levied for the payment of principal and interest on debt obligations; and

(3) all taxes levied by a school district, except school referendum levies as defined in section 126C.17.

(b) The city may limit the property tax exemption to a shorter period than the duration of the zone or to a percentage of the property taxes payable or both.

Subd. 3. **State aid.** Property exempt under this section is included in the net tax capacity for purposes of computing aids under chapter 477A.

Subd. 4. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Qualified property" means class 1, 3, 4, and 5 property as defined in section 273.13 that is located in a zone and is newly constructed after the zone was designated, including the land that contains the improvements.

(c) "Zone" means a border city development zone designated under the provisions of section 469.1731.

Subd. 5. **Finding required.** The exemption under this section is available to a parcel only if the municipality determines that the granting of the tax exemption is necessary to enable a business to expand within a zone or to attract a business to a zone.

**History:** *1998 c 389 art 12 s 1; 2002 c 377 art 7 s 1; 2004 c 228 art 3 s 4; 2005 c 152 art 2 s 3,4*

**272.0213 LEASED SEASONAL-RECREATIONAL LAND.**

(a) Qualified lands, as defined in this section, are exempt from taxation, including the tax under section 273.19. "Qualified lands" for purposes of this section means land that:

(1) is owned by a county, city, town, or the state; and

(2) is rented by the entity for noncommercial seasonal-recreational, noncommercial seasonal-recreational residential use, or class 1c commercial seasonal-recreational residential use.

(b) Lands owned by the federal government and rented for noncommercial seasonal-recreational, noncommercial seasonal-recreational residential, or class 1c commercial seasonal-recreational residential use are exempt from taxation, including the tax under section 273.19.

**History:** *2008 c 366 art 6 s 7; 2010 c 389 art 1 s 4; 1Sp2017 c 1 art 2 s 6*

**272.022** MS 1982 [Repealed, 1983 c 222 s 45]

**272.023** MS 1982 [Repealed, 1983 c 222 s 45]

**272.024** MS 1982 [Repealed, 1983 c 222 s 45]

**272.025 FILING REQUIREMENT.**

Subdivision 1. **Statement of exemption.** (a) Except in the case of property owned by the state of Minnesota or any political subdivision thereof, a taxpayer claiming an exemption from taxation on property described in section 272.02 must file a statement of exemption with the assessor of the assessment district in which the property is located. By January 2, 2018, and each third year thereafter, the commissioner of revenue shall publish on its website a list of the exemptions for which a taxpayer claiming an exemption must file a statement of exemption. The commissioner's requirement that a taxpayer file a statement of exemption pursuant to this subdivision shall not be considered a rule and is not subject to the Administrative Procedure Act, chapter 14.

(b) A taxpayer claiming an exemption from taxation on property described in section 272.02, subdivision 10, must file a statement of exemption with the commissioner of revenue, on or before February 15 of each year for which the taxpayer claims an exemption.

(c) In case of sickness, absence or other disability or for good cause, the assessor or the commissioner may extend the time for filing the statement of exemption for a period not to exceed 60 days.

(d) The commissioner of revenue shall prescribe the content, format, and manner of the statement of exemption pursuant to section 270C.30, except that a "law administered by the commissioner" includes the property tax laws.

(e) If a statement is made by electronic means, the taxpayer's signature is defined pursuant to section 270C.304, except that a "law administered by the commissioner" includes the property tax laws.

Subd. 2. **Verification.** Upon the written request of the assessor, the taxpayer filing a statement of exemption shall make available to the assessor all books and records relating to the ownership or use of property which are reasonably necessary to verify that the property qualifies for exemption.

Subd. 3. **Filing dates.** (a) The statement required by subdivision 1, paragraph (a), must be filed with the assessor by February 1 of the assessment year, however, any taxpayer who has filed the statement required by subdivision 1 more than 12 months prior to February 1, 1983, or February 1 of each third year after 1983, shall file a statement by February 1, 1983, and by February 1 of each third year thereafter.

(b) For churches and houses of worship, and property solely used for educational purposes by academies, colleges, universities, or seminaries of learning, no statement is required after the statement filed for the assessment year in which the exemption began.

(c) This section does not apply to existing churches and houses of worship, and property solely used for educational purposes by academies, colleges, universities, or seminaries of learning that were exempt for taxes payable in 2011.

Subd. 4. **Knowing violation.** No property subject to the requirements of this section shall be exempt from taxation under section 272.02 if the taxpayer claiming the exemption knowingly violates any of the provisions of this section.

**History:** *1975 c 352 s 2; 1Sp1981 c 1 art 8 s 4; 1986 c 444; 1Sp1989 c 1 art 3 s 5; 1991 c 291 art 12 s 5; 1993 c 375 art 3 s 9; 1994 c 416 art 1 s 10; 1999 c 139 art 4 s 2; 2010 c 389 art 8 s 4,5; 2014 c 308 art 9 s 22; 1Sp2017 c 1 art 16 s 16; art 20 s 2*

## 272.026 TAX STATUS OF PROPERTY MANAGED BY A HOUSING REDEVELOPMENT AUTHORITY OR PUBLIC HOUSING AGENCY.

Any property that is under the direct management and control of, but is not owned by, a housing redevelopment authority or public housing agency, and is used in a manner authorized and contemplated by sections 469.001 to 469.047, and for which the authority or agency is eligible for assistance payments under federal law, is public property used for essential public and governmental purposes, and the property and the authority or agency is exempt from all taxes and special assessments of the city, the county, the state, or any political subdivision of the state in the same manner as property referred to in section 469.040, subdivision 1. Payments in lieu of taxes for the property shall remain as provided in section 272.68 or 469.040, subdivision 3.

**History:** *1Sp1985 c 14 art 8 s 10; 1987 c 291 s 206*

## 272.027 PERSONAL PROPERTY USED TO GENERATE ELECTRICITY FOR PRODUCTION AND RESALE.

Subdivision 1. **Electricity generated to produce goods and services.** Personal property used to generate electric power is exempt from property taxation if the electric power is used to manufacture or produce goods, products, or services, other than electric power, by the owner of the electric generation plant. The exemption does not apply to property used to produce electric power for sale to others and does not apply to real property. In determining the value subject to tax, a proportionate share of the value of the generating facilities, equal to the proportion that the power sold to others bears to the total generation of the plant, is subject to the general property tax in the same manner as other property. Power generated in such a plant and exchanged for an equivalent amount of power that is used for the manufacture or production of goods, products, or services other than electric power by the owner of the generating plant is considered to be used by the owner of the plant.

Subd. 2. **Exemption for customer-owned property transferred to a utility.** (a) Tools, implements, and machinery of an electric generating facility are exempt if all the following requirements are met:

(1) the electric generating facilities were operational and met the requirements for exemption of personal property under subdivision 1 on January 2, 1999; and

(2) the generating facility is sold to a Minnesota electric utility.

(b) Any tools, implements, and machinery installed to increase generation capacity are also exempt under this section provided that the existing tools, implements, and machinery are exempt under paragraph (a).

Subd. 3. MS 2006 [Repealed, 2008 c 366 art 6 s 52]

**History:** *1995 c 264 art 3 s 5; 1999 c 243 art 5 s 4; 2014 c 308 art 9 s 23,94; 1Sp2017 c 1 art 15 s 36*

## 272.028 PAYMENT IN LIEU OF PRODUCTION TAX; WIND GENERATION FACILITIES.

A developer of a new or existing wind energy conversion system, as defined under section 272.029, subdivision 2, may negotiate with the county where the wind energy conversion system is located to establish a payment in lieu of the wind energy production tax imposed under section 272.029. The in lieu payment is to provide fees or compensation to the host jurisdictions to maintain public infrastructure and services. A host jurisdiction includes a city or town and the county in which a facility is located. The payment in lieu of the wind energy production tax may be based on production capacity, historical production, or other factors agreed upon by the parties. The payment in lieu of tax agreement must be signed by the parties and filed with the commissioner of revenue and the county recorder. Exemption from the tax under section 272.029 shall be effective for the same duration as the in lieu payments under this section are in effect.

**History:** *1Sp2001 c 5 art 3 s 22; 2002 c 377 art 4 s 12*

## 272.029 WIND ENERGY PRODUCTION TAX.

Subdivision 1. **Production tax.** A tax is imposed on the production of electricity from a wind energy conversion system installed after January 1, 1991, and used as an electric power source.

Subd. 2. **Definitions.** (a) For the purposes of this section:

(1) "wind energy conversion system" has the meaning given in section 216C.06, subdivision 19, and also includes a substation that is used and owned by one or more wind energy conversion facilities;

(2) "large scale wind energy conversion system" means a wind energy conversion system of more than 12 megawatts, as measured by the nameplate capacity of the system or as combined with other systems as provided in paragraph (b);

(3) "medium scale wind energy conversion system" means a wind energy conversion system of over two and not more than 12 megawatts, as measured by the nameplate capacity of the system or as combined with other systems as provided in paragraph (b); and

(4) "small scale wind energy conversion system" means a wind energy conversion system of two megawatts and under, as measured by the nameplate capacity of the system or as combined with other systems as provided in paragraph (b).

(b) For systems installed and contracted for after January 1, 2002, the total size of a wind energy conversion system under this subdivision shall be determined according to this paragraph. Unless the systems are interconnected with different distribution systems, the nameplate capacity of one wind energy conversion system shall be combined with the nameplate capacity of any other wind energy conversion system that is:

(1) located within five miles of the wind energy conversion system;

(2) constructed within the same 12-month period as the wind energy conversion system; and

(3) under common ownership.

In the case of a dispute, the commissioner of commerce shall determine the total size of the system, and shall draw all reasonable inferences in favor of combining the systems.

For the purposes of making a determination under this paragraph, the original construction date of an existing wind energy conversion system is not changed if the system is replaced, repaired, or otherwise maintained or altered.

(c) In making a determination under paragraph (b), the commissioner of commerce may determine that two wind energy conversion systems are under common ownership when the underlying ownership structure contains similar persons or entities, even if the ownership shares differ between the two systems. Wind energy conversion systems are not under common ownership solely because the same person or entity provided equity financing for the systems.

Subd. 3. **Rate of tax.** (a) The owner of a wind energy conversion system shall pay a tax based on the following schedule:

(1) for a large scale wind energy conversion system, .12 cents per kilowatt-hour of electricity produced by the system;

(2) for a medium scale wind energy conversion system, .036 cents per kilowatt-hour of electricity produced by the system; and

(3) for a small scale wind energy conversion system of two megawatts or less, but greater than .25 megawatts capacity, .012 cents per kilowatt-hour of electricity produced by the system.

(b) Small scale wind energy conversion systems with the capacity of .25 megawatts or less, and small scale wind energy conversion systems with a capacity of two megawatts or less that are owned by a political subdivision, are exempt from the wind energy production tax.

Subd. 4. **Reports.** (a) An owner of a wind energy conversion system subject to tax under subdivision 3 shall file a report with the commissioner of revenue annually on or before January 15 detailing the amount of electricity in kilowatt-hours that was produced by the wind energy conversion system for the previous calendar year. The commissioner shall prescribe the content, format, and manner of the report pursuant to section 270C.30, except that a "law administered by the commissioner" includes the property tax laws. The report must contain the information required by the commissioner to determine the tax due to each county under this section for the current year. If an owner of a wind energy conversion system subject to taxation under this section fails to file the report by the due date, the commissioner of revenue shall determine the tax based upon the nameplate capacity of the system multiplied by a capacity factor of 60 percent.

(b) If a report is made by electronic means, the taxpayer's signature is defined pursuant to section 270C.304, except that a "law administered by the commissioner" includes the property tax laws.

(c) On or before February 28, the commissioner of revenue shall notify the owner of the wind energy conversion systems of the tax due to each county for the current year and shall certify to the county auditor of each county in which the systems are located the tax due from each owner for the current year.

Subd. 4a. **Correction of errors.** If the commissioner of revenue determines that the amount of production tax has been erroneously calculated, the commissioner may correct the error. The commissioner must notify the owner of the wind energy conversion system of the correction and the amount of tax due to each county and must certify the correction to the county auditor of each county in which the system is located on or before April 1 of the current year. The commissioner may correct errors that are merely clerical in nature until December 31.

Subd. 5. **Payment of tax; collection.** The amount of production tax determined under subdivision 4 must be paid to the county treasurer at the time and in the manner provided for payment of property taxes under section 277.01, subdivision 3, and, if unpaid, is subject to the same enforcement, collection, and interest and penalties as delinquent personal property taxes. Except to the extent inconsistent with this section, the provisions of sections 277.01 to 277.24 and 278.01 to 278.13 apply to the taxes imposed under this

section, and for purposes of those provisions, the taxes imposed under this section are considered personal property taxes.

Subd. 6. **Distribution of revenues.** Revenues from the taxes imposed under subdivision 5 must be part of the settlement between the county treasurer and the county auditor under section 276.09. The revenue must be distributed by the county auditor or the county treasurer to local taxing jurisdictions in which the wind energy conversion system is located as follows: 80 percent to counties and 20 percent to cities and townships.

Subd. 6a. **Report to commissioner of education.** The county auditor, on the first Wednesday after such settlement, shall report to the commissioner the amount distributed to each school district under subdivision 6.

Subd. 7. **Exemption.** The tax imposed under this section does not apply to electricity produced by wind energy conversion systems located in a job opportunity building zone for the duration of the zone. The exemption applies beginning for the first calendar year after designation of the zone and applies to each calendar year that begins during the designation of the zone. The exemption only applies if the owner of the system is a qualified business under section 469.310, subdivision 11, who has entered into a business subsidy agreement that covers the land on which the system is situated.

Subd. 8. **Extension.** The commissioner may, for good cause, extend the time for filing the report required by subdivision 4. The extension must not exceed 15 days.

**History:** *2002 c 377 art 4 s 13; 1Sp2003 c 21 art 1 s 2; 2005 c 151 art 5 s 14,15; 2006 c 259 art 4 s 10; 2007 c 146 art 1 s 20; 2009 c 88 art 2 s 12; 2010 c 389 art 8 s 6,7; 2011 c 112 art 3 s 2; 2014 c 308 art 9 s 24; art 10 s 2; 1Sp2017 c 1 art 15 s 12,13; art 16 s 17; 1Sp2021 c 14 art 13 s 3*

**272.0295 SOLAR ENERGY PRODUCTION TAX.**

Subdivision 1. **Production tax.** A tax is imposed on the production of electricity from a solar energy generating system used as an electric power source.

Subd. 2. **Definitions.** (a) For the purposes of this section, the term "solar energy generating system" means a set of devices whose primary purpose is to produce electricity by means of any combination of collecting, transferring, or converting solar generated energy.

(b) The total size of a solar energy generating system under this subdivision shall be determined according to this paragraph. Unless the systems are interconnected with different distribution systems, the nameplate capacity of a solar energy generating system shall be combined with the nameplate capacity of any other solar energy generating system that:

(1) is constructed within the same 12-month period as the solar energy generating system; and

(2) exhibits characteristics of being a single development, including but not limited to ownership structure, an umbrella sales arrangement, shared interconnection, revenue-sharing arrangements, and common debt or equity financing.

In the case of a dispute, the commissioner of commerce shall determine the total size of the system and shall draw all reasonable inferences in favor of combining the systems.

For the purposes of making a determination under this paragraph, the original construction date of an existing solar energy conversion system is not changed if the system is replaced, repaired, or otherwise maintained or altered.

(c) In making a determination under paragraph (b), the commissioner of commerce may determine that two solar energy generating systems are under common ownership when the underlying ownership structure contains similar persons or entities, even if the ownership shares differ between the two systems. Solar energy generating systems are not under common ownership solely because the same person or entity provided equity financing for the systems.

Subd. 3. **Rate of tax.** (a) For a solar energy generating system with a capacity exceeding one megawatt alternating current, the tax is $1.20 per megawatt-hour.

(b) A solar energy generating system with a capacity of one megawatt alternating current or less is exempt from the tax imposed under this section.

Subd. 4. **Reports.** An owner of a solar energy generating system subject to tax under this section shall file a report with the commissioner of revenue annually on or before January 15 detailing the amount of electricity in megawatt-hours that was produced by the system in the previous calendar year. The commissioner shall prescribe the content, format, and manner of the report pursuant to section 270C.30. The report must contain the information required by the commissioner to determine the tax due to each county under this section for the current year. If an owner of a solar energy generating system subject to taxation under this section fails to file the report by the due date, the commissioner of revenue shall determine the tax based upon the nameplate capacity of the system multiplied by a capacity factor of 30 percent.

Subd. 5. **Notification of tax.** (a) On or before February 28, the commissioner of revenue shall notify the owner of each solar energy generating system of the tax due to each county for the current year and shall certify to the county auditor of each county in which the system is located the tax due from each owner for the current year.

(b) If the commissioner of revenue determines that the amount of production tax has been erroneously calculated, the commissioner may correct the error. The commissioner must notify the owner of the solar energy generating system of the correction and the amount of tax due to each county and must certify the correction to the county auditor of each county in which the system is located on or before April 1 of the current year. The commissioner may correct errors that are clerical in nature until December 31.

Subd. 6. **Payment of tax; collection.** The amount of production tax determined under subdivision 5 must be paid to the county treasurer at the time and in the manner provided for payment of property taxes under section 277.01, subdivision 3, and, if unpaid, is subject to the same enforcement, collection, and interest and penalties as delinquent personal property taxes. Except to the extent inconsistent with this section, the provisions of sections 277.01 to 277.24 and 278.01 to 278.14 apply to the taxes imposed under this section, and for purposes of those provisions, the taxes imposed under this section are considered personal property taxes.

Subd. 7. **Distribution of revenues.** Revenues from the taxes imposed under this section must be part of the settlement between the county treasurer and the county auditor under section 276.09. The revenue must be distributed by the county auditor or the county treasurer to local taxing jurisdictions in which the solar energy generating system is located as follows: 80 percent to counties and 20 percent to cities and townships.

Subd. 8. **Extension.** The commissioner may, for good cause, extend the time for filing the report required by subdivision 4. The extension must not exceed 15 days.

**History:** *2014 c 308 art 2 s 8; 1Sp2017 c 1 art 16 s 18; art 20 s 3; 1Sp2021 c 14 art 13 s 4,5*

**272.03 DEFINITIONS.**

Subdivision 1. **Real property.** (a) For the purposes of taxation, but not for chapter 297A, "real property" includes the land itself, rails, ties, and other track materials annexed to the land, and all buildings, structures, and improvements or other fixtures on it, bridges of bridge companies, and all rights and privileges belonging or appertaining to the land, and all mines, iron ore and taconite minerals not otherwise exempt, quarries, fossils, and trees on or under it.

(b) A building or structure shall include the building or structure itself, together with all improvements or fixtures annexed to the building or structure, which are integrated with and of permanent benefit to the building or structure, regardless of the present use of the building, and which cannot be removed without substantial damage to itself or to the building or structure.

(c)(i) Real property does not include tools, implements, machinery, and equipment attached to or installed in real property for use in the business or production activity conducted thereon, regardless of size, weight or method of attachment, and mine shafts, tunnels, and other underground openings used to extract ores and minerals taxed under chapter 298 together with steel, concrete, and other materials used to support such openings.

(ii) The exclusion provided in clause (i) shall not apply to machinery and equipment includable as real estate by paragraphs (a) and (b) even though such machinery and equipment is used in the business or production activity conducted on the real property if and to the extent such business or production activity consists of furnishing services or products to other buildings or structures which are subject to taxation under this chapter.

(iii) The exclusion provided in clause (i) does not apply to the exterior shell of a structure which constitutes walls, ceilings, roofs, or floors if the shell of the structure has structural, insulation, or temperature control functions or provides protection from the elements, unless the structure is primarily used in the production of biofuels, wine, beer, distilled beverages, or dairy products. Such an exterior shell is included in the definition of real property even if it also has special functions distinct from that of a building, or if such an exterior shell is primarily used for the storage of ingredients or materials used in the production of biofuels, wine, beer, distilled beverages, or dairy products, or for the storage of finished biofuels, wine, beer, distilled beverages, or dairy products.

(d) The term real property does not include tools, implements, machinery, equipment, poles, lines, cables, wires, conduit, and station connections which are part of a telephone communications system, regardless of attachment to or installation in real property and regardless of size, weight, or method of attachment or installation.

Subd. 2. **Personal property.** For the purposes of taxation, "personal property" includes:

(1) All goods, chattels, money and effects;

(2) All ships, boats, and vessels belonging to inhabitants of this state and all capital invested therein;

(3) All improvements upon land the fee of which is vested in the United States, and all improvements upon land the title to which is vested in any corporation whose property is not subject to the same mode and rule of taxation as other property;

(4) All stock of nursery operators, growing or otherwise;

(5) All gas, electric, and water mains, pipes, conduits, subways, poles, and wires of gas, electric light, water, heat, or power companies, and all tracks, roads, conduits, poles, and wires of street railway, plank road, gravel road, and turnpike companies;

(6) All credits over and above debts owed by the creditor;

(7) The income of every annuity, unless the capital of the annuity is taxed within this state;

(8) All public stocks and securities;

(9) All personal estate of moneyed corporations, whether the owners reside within or without the state;

(10) All shares in foreign corporations owned by residents of this state; and

(11) All shares in banks organized under the laws of the United States or of this state.

Subd. 3. **Construction of terms.** For the purposes of chapters 270 to 284, unless a different meaning is indicated by the context, the words, phrases, and terms defined in this section have the meanings given them.

Subd. 4. **Money or moneys.** "Money" or "moneys" means gold and silver coin, treasury notes, bank notes, and other forms of currency in common use, and every deposit which any person owning the same, or holding in trust and residing in this state, is entitled to withdraw in money on demand.

Subd. 5. **Credits.** "Credits" includes every claim and demand for money or other valuable thing, and every annuity or sum of money receivable at stated periods, due or to become due, and all claims and demands secured by deed or mortgage, due or to become due, upon which the mortgage registration tax has not been paid, and all shares of stock in corporations 75 percent or more of the real or tangible personal property of which is not taxable in this state.

Subd. 6. **Tract, lot, parcel, and piece or parcel.** (a) "Tract," "lot," "parcel," and "piece or parcel" of land means any contiguous quantity of land in the possession of, owned by, or recorded as the property of, the same claimant or person.

(b) Notwithstanding paragraph (a), property that is owned by a utility, leased for residential or recreational uses for terms of 20 years or longer, and separately valued by the assessor, will be treated for property tax purposes as separate parcels.

Subd. 7. **Town or district.** "Town" or "district" means town, city, or ward, as the case may be.

Subd. 8. **Market value.** "Market value" means the usual selling price at the place where the property to which the term is applied shall be at the time of assessment; being the price which could be obtained at a private sale or an auction sale, if it is determined by the assessor that the price from the auction sale represents an arm's-length transaction. The price obtained at a forced sale shall not be considered.

Subd. 9. **Person.** "Person" means an individual, association, estate, trust, partnership, firm, company, or corporation.

Subd. 10. **Merchant.** "Merchant" includes every person who owns, or possesses or controls with authority to sell, any goods, merchandise, or other personal property within the state, purchased within or without the state with a view to sale at an advanced price or profit, or which has been consigned to the person from any place without the state for sale within the state.

Subd. 11. **Manufacturer.** "Manufacturer" includes every person who purchases, receives, or holds personal property for the purpose of adding to its value by any process of manufacturing, refining, rectifying, or by the combination of different materials, with a view of making gain or profit thereby.

Subd. 12. MS 1969 [Repealed, 1971 c 427 s 26]

Subd. 13. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code as defined in section 289A.02, subdivision 7.

Subd. 14. **Estimated market value.** "Estimated market value" means the assessor's determination of market value, including the effects of any orders made under section 270.12 or chapter 274, for the parcel. The provisions of section 273.032 apply for certain uses in determining the total estimated market value for the taxing jurisdiction.

Subd. 15. **Taxable market value.** "Taxable market value" means estimated market value for the parcel as reduced by market value exclusions, deferments of value, or other adjustments required by law, that reduce market value before the application of classification rates.

**History:** *(1977, 1979, 1980, 1981) RL s 796,797,798,799; 1939 c 127; 1947 c 325 s 1; Ex1967 c 32 art 7 s 1,2; Ex1971 c 31 art 17 s 1; 1973 c 123 art 5 s 7; 1973 c 650 art 24 s 2; 1974 c 545 s 2; 1983 c 222 s 5; 1983 c 342 art 2 s 3; 1984 c 593 s 5,6; 1Sp1985 c 14 art 3 s 4; 1986 c 444; 1991 c 291 art 1 s 11; 1999 c 243 art 5 s 5; 2008 c 366 art 11 s 7,8; 2013 c 143 art 14 s 23,24; art 17 s 7; 2014 c 308 art 2 s 9; art 10 s 12; 1Sp2017 c 1 art 2 s 7*

**272.031** MS 2012 [Repealed, 2014 c 308 art 9 s 94]

## 272.039 LEGISLATIVE FINDINGS AND CONCLUSIONS RELATED TO THE TAXATION OF MINERALS OWNED SEPARATELY FROM THE SURFACE.

The legislature finds, for the reasons stated below, that a class of real property has been created which, although not exempt from taxation, is not assessed for tax purposes and does not, therefore, contribute anything toward the cost of supporting the governments which protect and preserve the continued existence of the property. These reasons are as follows: (1) In the case of Washburn v. Gregory, 1914, 125 Minn. 491, 147 N.W. 706, the Minnesota Supreme Court determined that where mineral interests are owned separately from the surface interests in real estate, the mineral interest is a separate interest in land, separately taxable, and does not forfeit if the overlying surface interest forfeits for nonpayment of taxes due on the surface interest; (2) Since this 1914 decision, mineral interests owned separately from the surface have been valued and assessed for tax purposes, as a practical matter, only if the value of the minerals has been determined through drilling and drill core analysis; and (3) The absence of any taxation of mineral interests owned separately from the surface, except where drilling analysis is available, has encouraged the separation of ownership of surface and mineral estates and resulted in the creation of hundreds of thousands of acres of untaxed mineral estate lands which thus are immune from tax forfeiture. The legislature also finds that the province of Ontario in Canada, which has land ownership patterns and mineral characteristics similar to that of Minnesota, has imposed a tax of $.50 an acre on minerals owned separately from the surface since 1968, and $.10 an acre before that. The legislature further finds that the identification of separately owned mineral interests by taxing authorities requires title searches which are extremely burdensome and, where no public tract index is available, prohibitively expensive. This result is caused in part by the decision in Wichelman v. Messner, 1957, 250 Minn. 88, 83 N.W. (2d) 800, where the so called "40 year law" was held inapplicable to mineral interests owned separately from surface interests. On the basis of the above findings, and for the purpose of requiring mineral interests owned separately from surface interests to contribute to the cost of government at a time when other interests in real property are heavily burdened with real property taxes,

the legislature concludes that the taxation of severed mineral interests as provided in section 273.165, subdivision 1 is necessary and in the public interest, and provides fair taxation of a class of real property which has escaped taxation for many years. The legislature further concludes that such a tax is not prohibited by Minnesota Constitution, article 10, section 2. The legislature concludes finally that the amendments and repeals made by Laws 1973, chapter 650 to sections 93.52 to 93.58, are necessary to provide adequate identification of mineral interests owned separately from the surface and to prevent the continued escape from taxation of obscure and fractionalized severed mineral interests.

**History:** *1973 c 650 art 20 s 1; 1976 c 2 s 172; 1Sp1985 c 14 art 4 s 32*

### 272.04 MINERAL, GAS, COAL, AND OIL OWNED APART FROM LAND; SPACE ABOVE AND BELOW SURFACE.

Subdivision 1. **Mineral, gas, coal, oil interests.** When any mineral, gas, coal, oil, or other similar interests in real estate are owned separately and apart from and independently of the rights and interests owned in the surface of such real estate, such mineral, gas, coal, oil, or other similar interests may be assessed and taxed separately from such surface rights and interests in such real estate, including but not limited to the taxation provided in section 273.165, subdivision 1. All laws for the enforcement of taxes on real estate apply to such interest.

Subd. 2. **Right to use air space or below surface.** When the right to use the air space above or subsurface area below any real estate is conveyed by an owner to another person, partnership or corporation, such right shall constitute a separate interest in real estate which may be assessed and taxed separately from other rights in such real estate. All laws for the enforcement of taxes on real estate shall apply to such rights.

Subd. 3. **Leases.** When the right to use air space above or subsurface area below real estate is granted by a lease for a term of three or more years, by the state or an agency or subdivision thereof, by an institution whose property is exempt from taxation, or by a taxpayer whose property is not taxed in the same manner as other property, such right to use air space or subsurface area shall constitute an interest in real estate which may be assessed and taxed separately, notwithstanding any law to the contrary. All laws for the enforcement of taxes on real estate shall apply to such leased property.

**History:** *(1978) 1905 c 161 s 1; 1967 c 214 s 4; 1973 c 650 art 20 s 2; 1Sp1985 c 14 art 4 s 33; 1997 c 31 art 3 s 2*

### 272.05 RESERVED TIMBER OR MINERAL RIGHTS OR INTERESTS IN LANDS SUBJECT TO TAXATION; MAY BE SOLD FOR TAXES.

When lands are conveyed or transferred to the United States, to the state of Minnesota, or to any governmental subdivision of either, for any purpose and the owner reserves any right or interest in the timber upon or minerals in such land, such timber interest and any structure which the owner of such timber or mineral interest may erect on such land shall be assessed and taxed as real estate, and such mineral interest shall be assessed and taxed as minerals, separately from the surface of the land, and these interests may be sold for taxes in the same manner and with the same effect as other interests in real estate are sold for taxes.

**History:** *(1978-1) 1925 c 170*

### 272.06 LEGALITY PRESUMED.

No assessment of property for the purposes of taxation, and no general or special tax authorized by law, levied upon any property by any officer or board authorized to make and levy the same, shall be held invalid for want of any matter of form in any proceeding which does not affect the merits of the case, and which

does not prejudice the rights of the party objecting thereto. All such assessments and levies shall be presumed to be legal until the contrary is affirmatively shown; and no sale of real estate for the nonpayment of taxes thereon shall be rendered invalid by showing that any certificate, return, affidavit, or other paper required to be made and filed in any office is not found in such office, but, until the contrary is shown, the presumption shall be in all cases that such paper was properly made and filed.

**History:** *(1982) RL s 800*

**272.07** MS 1961 [Repealed, 1965 c 45 s 73]

**272.08 INTEREST ON UNPAID TAXES.**

When any sum becomes due to the state of Minnesota as a tax of any kind and remains unpaid for a period of 60 days, it shall draw interest at the rate of 12 percent per annum from the expiration of that period of 60 days, such interest to be paid and collected with, and in like manner as, the principal sum.

This section shall not apply to any sum due or to become due to the state as taxes upon which interest or penalties are imposed after they become due or delinquent by any law now in force in this state.

**History:** *(2200, 2202) 1907 c 82 s 1,3; 1978 c 767 s 6*

**272.09** MS 1992 [Repealed, 1994 c 510 art 1 s 13]

**272.10 RIGHT TO ASSESS AND COLLECT; LIMITATION.**

Except as hereinafter provided, the right to assess property omitted in any year, or to reassess taxes upon property prevented from being collected in any year, either as authorized and directed by this chapter or otherwise, shall not be defeated by reason of any limitation contained in any statute of this state, and, except as otherwise provided in this chapter, there shall be no limitation of time upon the right of the state to provide for and enforce the assessment and collection of taxes upon all property subject to taxation.

**History:** *(2206) RL s 980; 1939 c 423 s 1*

**272.11 EXPENSES OF REASSESSMENT.**

When a reassessment is made pursuant to law the expenses thereof shall be audited and allowed by the board by which such reassessment was ordered and paid out of the county treasury upon the warrant of the county auditor. If the aggregate valuation of taxable property as determined by such reassessment shall be ten percent or more in excess of the aggregate valuation thereof as fixed by the original assessment, the compensation so paid by the county to the officers by whom such reassessment is made shall be charged to the county, city, or town in which such reassessment is made and be deducted by the county auditor from the next moneys coming into the county treasury apportionable to such county, city, or town.

**History:** *(2208) RL s 982*

**272.115 CERTIFICATE OF VALUE; FILING.**

Subdivision 1. **Requirement.** Except as otherwise provided in subdivision 5, 6, or 7, whenever any real estate is sold for a consideration in excess of $3,000, whether by warranty deed, quitclaim deed, contract for deed or any other method of sale, the grantor, grantee or the legal agent of either shall file a certificate of value with the county auditor in the county in which the property is located when the deed or other document is presented for recording. Contract for deeds are subject to recording under section 507.235, subdivision 1. Value shall, in the case of any deed not a gift, be the amount of the full actual consideration

thereof, paid or to be paid, including the amount of any lien or liens assumed. The items and value of personal property transferred with the real property must be listed and deducted from the sale price. The certificate of value shall include the classification to which the property belongs for the purpose of determining the fair market value of the property, and shall include any proposed change in use of the property known to the person filing the certificate that could change the classification of the property. The certificate shall include financing terms and conditions of the sale which are necessary to determine the actual, present value of the sale price for purposes of the sales ratio study. If the property is being acquired as part of a like-kind exchange under section 1031 of the Internal Revenue Code of 1986, as amended through December 31, 2006, that must be indicated on the certificate. The commissioner of revenue shall promulgate administrative rules specifying the financing terms and conditions which must be included on the certificate. The certificate of value must include the Social Security number or the federal employer identification number of the grantors and grantees. However, a married person who is not an owner of record and who is signing a conveyance instrument along with the person's spouse solely to release and convey their marital interest, if any, in the real property being conveyed is not a grantor for the purpose of the preceding sentence. A statement in the deed that is substantially in the following form is sufficient to allow the county auditor to accept a certificate for filing without the Social Security number of the named spouse: "(Name) claims no ownership interest in the real property being conveyed and is executing this instrument solely to release and convey a marital interest, if any, in that real property." The identification numbers of the grantors and grantees are private data on individuals or nonpublic data as defined in section 13.02, subdivisions 9 and 12, but, notwithstanding that section, the private or nonpublic data may be disclosed to the commissioner of revenue for purposes of tax administration. The information required to be shown on the certificate of value is limited to the information required as of the date of the acknowledgment on the deed or other document to be recorded.

Subd. 1a. MS 1992 [Repealed, 1993 c 375 art 5 s 43]

Subd. 2. **Form; information required.** The certificate of value shall require such facts and information as may be determined by the commissioner to be reasonably necessary in the administration of the state education aid formulas. The commissioner shall prescribe the content, format, and manner of the certificate of value pursuant to section 270C.30, except that a "law administered by the commissioner" includes the property tax laws.

Subd. 3. **Copies transmitted; homestead status.** The county auditor shall transmit the certificate of value to the assessor who shall insert into the certificate of value the most recent market value and when available, the year of original construction of each parcel of property, and shall transmit the certificate of value to the Department of Revenue. Upon the request of a city council located within the county, a copy of each certificate of value for property located in that city shall be made available to the governing body of the city. The assessor shall remove the homestead classification for the following assessment year from a property which is sold or transferred, unless the grantee or the person to whom the property is transferred completes a homestead application under section 273.124, subdivision 13, and qualifies for homestead status.

Subd. 4. **Eligibility for homestead status.** No real estate sold or transferred for which a certificate of real estate value is required under this section shall be classified as a homestead, unless a certificate of value has been filed with the county auditor in accordance with this section.

This subdivision shall apply to any real estate taxes that are payable the year or years following the sale or transfer of the property.

Subd. 5. **Exemption for government bodies.** A certificate of real estate value is not required when the real estate is being conveyed to the state of Minnesota, a political subdivision of the state, or any combination

of them, for highway or roadway right-of-way purposes, provided that the agency or governmental unit has agreed to file a list of the real estate conveyed to the agency or governmental unit with the commissioner of revenue by June 1 of the year following the year of the conveyance.

Subd. 6. **Designated transfer exemption.** A certificate of real estate value is not required when the transfer is made by an instrument which qualifies as a designated transfer as defined in section 287.20, subdivision 3a, and the instrument indicates on the first page or the signature page that the conveyance is a designated transfer pursuant to section 287.20, subdivision 3a.

Subd. 7. **Deed in fulfillment of contract for deed.** A certificate of real estate value is not required when the transfer is made by a deed in fulfillment of a contract for deed when the deed refers to a recorded contract for deed by document number or book and page and the consideration paid for the real estate described in the contract for deed.

**History:** *1977 c 423 art 4 s 2; 1978 c 567 s 1,2; 1979 c 334 art 1 s 25; 1983 c 342 art 2 s 4; 1Sp1985 c 14 art 4 s 34; 1986 c 444; 1987 c 268 art 6 s 8; art 7 s 26; 1988 c 719 art 5 s 6; 1Sp1989 c 1 art 9 s 18; 1992 c 511 art 2 s 10; 1993 c 375 art 5 s 5,6; 1994 c 510 art 1 s 5; 1995 c 264 art 3 s 6; 1997 c 231 art 2 s 9; 1998 c 389 art 3 s 6,7; 2000 c 490 art 5 s 5; 2005 c 151 art 2 s 17; 2008 c 154 art 2 s 6; art 13 s 23; 2009 c 30 art 3 s 1,2; 2017 c 16 s 1,2; 1Sp2017 c 1 art 16 s 19; art 20 s 4; 1Sp2019 c 6 art 4 s 8*

## 272.12 CONVEYANCES, TAXES PAID BEFORE RECORDING.

When:

(a) a deed or other instrument conveying land,

(b) a plat of any townsite or addition thereto,

(c) a survey required pursuant to section 508.47,

(d) a condominium plat subject to chapter 515 or 515A or a declaration that contains such a plat, or

(e) a common interest community plat subject to chapter 515B or a declaration that contains such a plat,

is presented to the county auditor for transfer, the auditor shall ascertain from the records if there be taxes delinquent upon the land described therein within four months of the execution of the contract for deed, or if it has been sold for taxes. An assignment of a sheriff's or referee's certificate of sale, when the certificate of sale describes real estate, and certificates of redemption from mortgage or lien foreclosure sales, when the certificate of redemption encompasses real estate and is issued to a junior creditor, are considered instruments conveying land for the purposes of this section and section 272.121. If there are taxes delinquent, the auditor shall certify to the same; and upon payment of such taxes, or in case no taxes are delinquent, shall transfer the land upon the books of the auditor's office, and note upon the instrument, over official signature, the words, "no delinquent taxes and transfer entered," or, if the land described has been sold or assigned to an actual purchaser for taxes, the words "paid by sale of land described within;" and, unless such statement is made upon such instrument, the county recorder or the registrar of titles shall refuse to receive or record the same; provided, that sheriff's or referees' certificates of sale on execution or foreclosure of a lien or mortgage, certificates of redemption from mortgage or lien foreclosure sales issued to the redeeming mortgagor or lienee, documents evidencing the termination of a contract for deed as described in section 559.213, deeds of distribution made by a personal representative in probate proceedings, transfer on death deeds under section 507.071, decrees and judgments, receivers receipts, patents, and copies of town or statutory city plats, in case the original plat filed in the office of the county recorder has been lost or destroyed, and the instruments releasing, removing and discharging reversionary and forfeiture provisions affecting

title to land and instruments releasing, removing or discharging easement rights in land or building or other restrictions, may be recorded without such certificate; and, provided that instruments conveying land and, as appurtenant thereto an easement over adjacent tract or tracts of land, may be recorded without such certificate as to the land covered by such easement; and provided further, that any instrument granting an easement made in favor of any public utility or pipe line for conveying gas, liquids or solids in suspension, in the nature of a right-of-way over, along, across or under a tract of land may be recorded without such certificate as to the land covered by such easement. Documents governing homeowners associations of condominiums, townhouses, common interest ownership communities, and other planned unit developments may be recorded without the auditor's certificate to the extent provided in section 515B.1-116 (e).

A deed of distribution made by a personal representative in a probate proceeding, a decree, or a judgment that conveys land shall be presented to the county auditor, who shall transfer the land upon the books of the auditor's office and note upon the instrument, over official signature, the words, "transfer entered", and the instrument may then be recorded. A decree or judgment that affects title to land but does not convey land may be recorded without presentation to the auditor.

A violation of this section by the county recorder or the registrar of titles shall be a gross misdemeanor, and, in addition to the punishment therefor, the recorder or registrar shall be liable to the grantee of any instrument so recorded for the amount of any damages sustained.

When, as a condition to permitting the recording of deed or other instrument affecting the title to real estate previously forfeited to the state under the provisions of sections 281.16 to 281.25, county officials, after such real estate has been purchased or repurchased, have required the payment of taxes erroneously assumed to have accrued against such real estate after forfeiture and before the date of purchase or repurchase, the sum required to be so paid shall be refunded to the persons entitled thereto out of moneys in the funds in which the sum so paid was placed. Delinquent taxes are those taxes deemed delinquent under section 279.02.

**History:** *(2211, 2211-1) RL s 985; 1913 c 371 s 1; 1927 c 92 s 1; 1939 c 215 s 1; 1939 c 236 s 1; 1943 c 475 s 1; 1951 c 204 s 1; 1971 c 63 s 1; 1973 c 123 art 5 s 7; 1976 c 181 s 2; 1977 c 263 s 1; 1979 c 9 s 1; 1984 c 566 s 1; 1986 c 444; 1993 c 375 art 3 s 10; 1994 c 416 art 1 s 11; 1997 c 7 art 1 s 108; 2003 c 127 art 5 s 10; 1Sp2003 c 4 s 1; 2008 c 341 art 2 s 3; 2024 c 123 art 16 s 1*

## 272.121 CURRENT TAX ON DIVIDED PARCELS.

Subdivision 1. **Certification of payment.** Except as provided in subdivision 2, if a deed or other instrument conveys a parcel of land that is less than a whole parcel of land as described in the current tax list, the county auditor shall not transfer or divide the land in the auditor's official records, and the county recorder shall not file and record the instrument, unless the instrument of conveyance contains a certification by the county treasurer that the taxes due in the current tax year for the whole parcel have been paid. This certification is in addition to the certification for delinquent tax required by section 272.12.

Subd. 2. **Exceptions.** No certification of current tax paid is required when the land is being conveyed to the federal government, the state, or a home rule charter or statutory city or any other political subdivision. No certification of current tax paid is required under subdivision 1 for any sheriff's or referee's certificate of sale or other instrument if a certification of delinquent tax for the instrument is not required under section 272.12.

**History:** *1987 c 268 art 7 s 27; 1988 c 719 art 6 s 4; 1995 c 264 art 16 s 8*

**272.122 ELECTRONIC FACSIMILE.**

All notations or certifications that are required under this chapter may be performed by electronic means.

**History:** *2008 c 238 art 3 s 2*

**272.13** MS 1969 [Repealed, 1971 c 63 s 4]

**272.14 TRANSFER OF UNDIVIDED INTEREST.**

Upon presentation of a deed or other instrument conveying an undivided part of a parcel of land, and upon payment of an equivalent proportional part of the taxes delinquent thereon, according to the records of the county auditor the county auditor shall endorse a certificate thereon, as prescribed in section 272.12. Delinquent taxes are those taxes deemed delinquent under section 279.02.

**History:** *(2213) RL s 987; 1971 c 63 s 2; 1986 c 444*

**272.15 DEED TO CORRECT TITLE.**

When a deed purporting to be a corrective deed is presented to the county attorney, accompanied by an abstract of title to the land described in the deed, or other evidence deemed satisfactory by the county attorney, the attorney shall examine such deed, abstract, or other evidence presented, upon tender of a fee of $5 therefor. On finding that such deed is given for the purpose of correcting a defect in the title, or on account of a technical error in a prior conveyance, the attorney shall so certify upon the deed; and thereupon the county recorder shall record it, if otherwise entitled to record, notwithstanding that there are unpaid taxes or assessments upon such land.

**History:** *(2214) RL s 988; 1976 c 181 s 2; 1986 c 444; 2011 c 66 s 1*

**272.16 TRANSFER OF SPECIFIC PART.**

Subdivision 1. **Transfer of specific part.** When any part less than the whole of any parcel of land, as charged in the tax lists, is conveyed, the county auditor shall transfer the same whenever the seller and purchaser agree, in a writing signed by them, or personally appear before the county auditor and agree, upon the amount of the net tax capacity to be transferred therewith. If the seller and purchaser do not so agree, the county auditor shall make a division of the net tax capacity that appears just to the auditor. If the county auditor is satisfied that the proportion of the net tax capacity so agreed to be transferred is greater than the proportional value of the land to be transferred therewith, and that the agreement was made by collusion of the parties, and with a view fraudulently to evade payment of taxes assessed on the entire parcel, the auditor may refuse to make the transfer. When any such transfer has already been procured by fraudulent agreement, the auditor shall cancel it, and the land so transferred shall be charged with taxes in the same manner as though the transfer had not been made.

Subd. 2. **Specific part conveyed after execution of a lender's lien.** Notwithstanding the provisions of sections 272.12, 272.121, and 272.162, a lender that acquires, through execution of a lien, any part less than the whole of any parcel of land, as charged in the tax lists, may convey that part upon payment of the proper proportion of taxes due and owing on that part. The county auditor shall determine the proper proportion of taxes to be paid. The lender shall be required to provide the county auditor with instruments that document the lender's lien and the acquisition of the part.

**History:** *(2215) RL s 989; 1986 c 444; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20; 1990 c 480 art 7 s 3*

## 272.161 DETERMINATION OF NET TAX CAPACITY OF SPECIFIC PART OF LAND TRANSFERRED.

In the event the seller and the purchaser fail to file the agreement as prescribed by section 272.16, the county auditor of any county may, before making a transfer of a specific part of any tract assessed, request the county assessor to determine the amount of net tax capacity to be transferred therewith. The net tax capacity so fixed shall be conclusive, except that either party to the division may appeal to the district court of the county in which the land is situated for a determination, made in the manner prescribed by Minnesota Statutes 1945, chapter 278.

**History:** *1949 c 619 s 1; Ex1967 c 32 art 8 s 2; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20*

## 272.162 RESTRICTIONS ON TRANSFERS OF SPECIFIC PARTS.

Subdivision 1. **Conditions restricting transfer.** When a deed or other instrument conveying a parcel of land is presented to the county auditor for transfer or division under sections 272.12, 272.16, and 272.161, the auditor shall not transfer or divide the land or its net tax capacity in the official records and shall not certify the instrument as provided in section 272.12, if:

(a) the land conveyed is less than a whole parcel of land as charged in the tax lists;

(b) the part conveyed appears within the area of application of municipal or county subdivision regulations adopted and filed under section 394.35 or section 462.36, subdivision 1; and

(c) the part conveyed is part of or constitutes a subdivision as defined in section 462.352, subdivision 12.

Subd. 2. **Conditions allowing transfer.** (a) Notwithstanding the provisions of subdivision 1, the county auditor may transfer or divide the land and its net tax capacity and may certify the instrument if the instrument contains a certification by the clerk of the municipality or designated county planning official:

(1) that the municipality's or county's subdivision regulations do not apply;

(2) that the subdivision has been approved by the governing body of the municipality or county; or

(3) that the restrictions on the division of taxes and filing and recording have been waived by resolution of the governing body of the municipality or county in the particular case because compliance would create an unnecessary hardship and failure to comply would not interfere with the purpose of the regulations.

(b) If any of the conditions for certification by the municipality or county as provided in this subdivision exist and the municipality or county does not certify that they exist within 24 hours after the instrument of conveyance has been presented to the clerk of the municipality or designated county planning official, the provisions of subdivision 1 do not apply.

(c) If an unexecuted instrument is presented to the municipality or county and any of the conditions for certification by the municipality or county as provided in this subdivision exist, the unexecuted instrument must be certified by the clerk of the municipality or the designated county planning official.

Subd. 3. **Applicability of restrictions.** (a) This section does not apply to the exceptions set forth in section 272.12.

(b) This section applies only to land within municipalities or counties which choose to be governed by its provisions. A municipality or county may choose to have this section apply to the property within its

boundaries by filing a certified copy of a resolution of its governing body making that choice with the auditor and recorder of the county in which it is located.

**History:** *1982 c 564 s 1; 1983 c 239 s 1,2; 1986 c 444; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20; 1Sp2017 c 1 art 2 s 8*

## 272.17 LIST OF CERTIFICATES OF SALE FILED WITH AUDITOR.

On February first of each year, the county recorder and registrar of titles shall make out from the records and file with the county auditor a list of all sheriff's or referee's certificates of sale on execution or foreclosure of mortgages, upon which the period of redemption has expired during the preceding year. The county auditor shall thereupon make the proper entries upon the transfer records and tax lists to conform with the list so filed.

**History:** *(2216) RL s 990; 1976 c 181 s 2; 1979 c 9 s 2; 1986 c 444*

**272.18** MS 1978 [Repealed, 1979 c 9 s 3]

## 272.19 PLATTING OF IRREGULAR TRACTS.

Where any tract or lot of land is divided into parcels of irregular shape, which cannot be described except by metes and bounds, the owners thereof, upon notice thereof being given by the county auditor, which notice shall be served upon such owner personally or by certified mail, shall have such land platted into lots, a survey being made when necessary, and the plat recorded, and a duplicate filed with the county auditor. If the owner fails so to do within 30 days after such notice, the county surveyor, upon the request of the county auditor, shall make such plat. Where such lands proposed to be platted are wholly within the limits of any incorporated city or statutory city, adjacent to any city of the first class, and such city maintains a licensed land surveyor, the county auditor shall direct such licensed land surveyor to make such plat. Such plat shall be made from the records of the county recorder, if practicable; but, if not practicable, the county surveyor, or if such lands are within the limits of any incorporated city or statutory city adjacent to a city of the first class, the licensed land surveyor, if one is maintained by such city, shall make and certify the necessary survey and plat, which the county auditor shall file for record with the county recorder, and a duplicate thereof shall be filed in the auditor's office. The description of the property in accordance with such recorded plats shall be valid. When the owners fail to comply with this section the costs of surveying, platting, and recording shall be paid by the county upon allowance by the county board and the amount thereof added to the next tax upon such lots and when collected, shall be credited to the county revenue fund; provided, however, that whenever the county board shall determine that it is for the best interests of the county to have any particular tract of land platted into an auditor's plat, and shall adopt a resolution so stating, it may direct the county auditor to have such work done. The county auditor may then employ any licensed land surveyor to make the necessary survey and prepare the plat. If there shall be any variation between the measurements of the tract as actually surveyed and the measurements stated in the instruments of conveyance with respect to any lot to be outlined upon such plat, the licensed land surveyor shall note such variation on the lots affected on said plat and shall state in the certificate, endorsed upon the plat, the extent of such variation and the action taken by the surveyor to reconcile such difference for the purpose of outlining such lot or lots upon the plat. The county auditor shall file such plat for record with the county recorder and a duplicate thereof shall be filed in the auditor's office. After a tract of land has once been surveyed and platted into an auditor's plat and the owner of any lot situated therein shall thereafter convey a portion of lot, which is described by metes and bounds, the county auditor may have such plat revised or amended so as to currently show thereon each parcel of land contained within said tract, by lot or revised lot number. When a plat is thus revised it shall not be necessary to make a new survey, but the licensed land

surveyor employed for said purpose shall revise the existing plat, from the data contained in the instrument of conveyance, by outlining thereon a new lot, drawn according to the scale used for said plat, of the land conveyed by such instrument. The remaining portion of such lot shall retain its original number, and all new lots created by such revisions shall be progressively numbered and shall be known as "Revised Lot Number ....." If there shall be any variation between the measurements of said lot as shown on said plat and the measurements stated in the instrument of conveyance, the licensed land surveyor shall note such variation on the plat and shall state in the certificate, endorsed upon the plat, the extent of such variation and the action taken by the surveyor to reconcile such difference for the purpose of outlining such revised lot upon the plat. The licensed land surveyor shall make and endorse on said plat a certificate which shall read substantially as follows: "I, ..... ....., a licensed land surveyor, do hereby certify that I have this day revised this plat by outlining thereon Revised Lot Number ....., which covers that parcel of land conveyed on the ..... day of ....., ....., by ....., Grantor, to ....., Grantee, as recorded in book ..... of deeds, on page ..... thereof. It conforms to the measurements of said lot as shown on the plat, except as follows: In witness whereof I have hereunto subscribed my name this ..... day of ....., .....

Signed.....

Licensed Land Surveyor."

Such revision and certificate shall also be entered upon the duplicate plat on file in the office of the county auditor. Any parcel of land which is described by lot or revised lot number of an auditor's plat, made by a licensed land surveyor under authority of a resolution by the county board, as herein provided, shall be a valid description of such parcel of land for taxation purposes. Immediately after the filing of a new auditor's plat or the revision of an existing plat, as herein provided, the county auditor shall give notice by certified mail to each property owner whose land has been affected by such platting or revision, if the address of such owner can be ascertained from the tax duplicates in the office of the county treasurer. Such notice shall describe the land as the same appeared upon the tax lists of the county prior to such platting or revision and shall also give the description of the land according to the new or revised plat, and shall state that such parcel of land will thereafter be described, for taxation purposes, according to the description shown on said plat. The county auditor shall make an affidavit of mailing such notices, stating therein the name and address of each owner to whom such notice was mailed as well as the description of the land owned according to said plat. Such affidavit shall be filed in the auditor's office. Whenever any plat is made pursuant to a resolution of the county board, all expenses incurred in connection with such plattings or revisions shall be paid by the county and not by the land owners.

**History:** *(2219) RL s 991; 1911 c 32 s 1; 1935 c 21; 1947 c 494 s 1; 1973 c 123 art 5 s 7; 1976 c 181 s 2; 1978 c 674 s 60; 1986 c 444; 1998 c 254 art 1 s 107; 1998 c 324 s 9*

**272.191 IRREGULAR TRACTS OF LAND, CODE SYSTEM OF DESCRIBING.**

In any county where there are a number of tracts or lots of land which are divided into parcels which cannot be described except by metes and bounds, the county auditor may install a code system to describe such lands for taxation purposes.

**History:** *1951 c 638 s 1; 1957 c 371 s 1*

**272.192 RECORDS.**

The county auditor shall keep a record of all parcels of land which have been coded under this system. In such record the auditor shall enter the description of the land as described in the instrument of conveyance of record in the office of the county recorder or registrar of titles, or the description of the land as then carried

on the assessment and tax rolls of the county, and immediately following such description shall enter the code number assigned to said parcel of land.

**History:** *1951 c 638 s 2; 1957 c 371 s 2; 1976 c 181 s 2; 1986 c 444*

**272.193 NUMBERING TRACTS.**

All parcels of land included in the code system of any county shall be numbered progressively or by a separate number series beginning with No. 1 in each forty, government lot, or platted tract. The code assigned to a parcel of land shall give the code number assigned to it, the name of the owner, the section, township and range numbers, and if unplatted the number of acres contained in said parcel, and if platted, or if situated within the incorporated limits of a city, the lot or lots and block numbers, the name of the addition or subdivision under which it was platted and the name of the city in which it is situated as well as the book and page of the record in which the instrument conveying title to such parcel of land is recorded in the office of the county recorder. If the owner of a parcel of land, which has theretofore been coded under the county code system, as hereinbefore provided, shall convey a portion of such parcel of land, which is described by metes and bounds, the county auditor shall cancel the original code number and assign a new number and code to the remaining portion. The auditor shall assign a code number or numbers to the portion or portions conveyed in the same manner, as herein provided for assigning an original code number to a parcel. When a code is canceled the county auditor shall write opposite such code number the word "canceled" and shall note on the record the new code numbers subsequently assigned to said parcel of land.

The code to be used for any parcel of land, as provided herein, shall substantially conform to one of the following illustrations:

"Revised Description Number 1, John Doe, a specific part of Section 10, Township 128, Range 46, 31.40 Acres, as described in Book 12 of Deeds, at Page 46, in the office of the county recorder."

"Revised Description Number 4, Richard Roe, a specific part of Section 12, City of Wheaton, 11.20 Acres, as described in Book 48 of Deeds, at Page 12, in the office of the county recorder."

"Revised Description Number 6, John Doe, a specific part of Lot 1, Auditor's Plat 14, Township 128, Range 46, as described in Book 84 of Deeds, at Page 2, in the office of the county recorder."

"Revised Description Number 8, John Doe, a specific part of Lot 6, Block 4, S. C. Odenburg's First Addition to the City of Wheaton, as described in Book 93 of Deeds, at Page 43, in the office of the county recorder."

"Revised Description No. 1 of the NE 1/4 of NE 1/4, Section 1, Township 55, Range 25, as described in Deed Book 83, Page 10, in the office of the county recorder."

"Revised Description No. 1 of Government Lot 1, Section 2, Township 55, Range 25, as described in Deed Book 84, Page 27."

"Revised Description No. 2 of Outlot A of Auditor's Subdivision No. 56, as described in Deed Book 75, Page 32."

**History:** *1951 c 638 s 3; 1957 c 371 s 3; 1961 c 721 s 1; 1973 c 123 art 5 s 7; 1976 c 181 s 2; 1986 c 444*

**272.194 NOTICES.**

Immediately after a parcel of land has been coded under the county code system, the county auditor shall give notice by certified mail, except in cases where the owner acknowledges in writing having been informed of the code number, to the owner of the land, if the address of the owner can be ascertained from the tax duplicates in the office of the county treasurer. Such notice shall describe the land according to the description used in the instrument of conveyance, of record in the office of the county recorder or registrar of titles, or the description of the land as then carried on the assessment and tax rolls of the county, and shall also give the code number assigned to such parcel of land under the county code system, and shall further state that such parcel of land will thereafter be described, for taxation purposes, by said code number. The county auditor shall make an affidavit of mailing such notice, stating therein the name and address of the owner to whom such notice was mailed. Such affidavit shall be filed in the office of the county auditor. When a deed or other instrument conveying land is presented to the county auditor for transfer, as provided by section 272.12, if such land has theretofore been coded under the county code system, or if the land conveyed in such instrument is described by metes and bounds and the county auditor determines that it should be coded under the county code system, the county auditor, instead of giving notice to the owner by certified mail, as hereinbefore provided, may note upon said instrument, over official signature, the words "the land described within has been coded and is described for taxation purposes, as follows: (here enter the coded description assigned to said parcel of land in full.)"

**History:** *1951 c 638 s 4; 1957 c 371 s 4; 1976 c 181 s 2; 1978 c 674 s 60; 1986 c 444*

**272.195 LEGAL DESCRIPTION.**

When a parcel of land has been coded under the county code system, as hereinbefore provided, and notice thereof has been given to the owner of such land, it shall be a legal and valid description of such land for taxation purposes, and such land shall thereafter be so described on the tax rolls of the county.

**History:** *1951 c 638 s 5; 1957 c 371 s 5*

**272.196 CERTIFIED COPIES, FILING, EXCEPTIONS.**

When any parcel of land has been coded under the county code system the county auditor shall make a certified copy thereof and cause the same to be recorded in the office of the county recorder, except in cases where the county auditor has noted upon a deed or other instrument conveying land that the land described therein has been coded as provided in section 272.194 and that the instrument has been subsequently recorded in the office of the county recorder, in which case the auditor need not file another certified copy of the coded tract. In such cases reference to the place of recording shall be to the book and page wherein the instrument conveying the coded tract is recorded in the office of the county recorder.

**History:** *1951 c 638 s 6; 1961 c 721 s 2; 1976 c 181 s 2*

**272.20 RAILROAD LANDS BECOMING TAXABLE; LISTS OF LANDS REVERTING TO RAILROADS.**

The commissioner of revenue shall annually compile a list of railroad operating property which is sold or otherwise becomes nonoperating property. On or before December 15 in each year the commissioner shall certify the lands for taxation to the auditors of the counties in which such lands lie. At the same time the commissioner shall obtain lists of lands reverting to and being used as operating property by the railroad companies by reason of the forfeiture of contracts, and certify the same to the county auditors, who shall thereupon remove such lands from the tax lists; but nothing herein shall be construed to relieve such forfeited lands from any lien for taxes or assessments accruing thereon during the life of such contract. The railroad

companies shall report such sales and forfeitures to the commissioner of revenue December 1 in each year, and at other times when the commissioner requires. All forfeited lands not so reported shall be held for all taxes accruing thereon.

**History:** *(2220) RL s 992; 1927 c 404 s 1; 1943 c 564 s 1; 1965 c 624 s 6; 1973 c 582 s 3; 1984 c 593 s 7; 1986 c 444*

### 272.21 RAILROAD LANDS; SALE.

When a railroad company owning lands granted to it to aid in the building of its road and taxed as railroad operating property, sells, assigns, transfers, or disposes of any estate, right, title, or interest in the land, such right, title, estate, or interest shall become taxable in the same manner as comparable property, and be assessed and taxed, and such taxes shall be enforced, as in the case of other real property. In such assessment, and in the proceedings to collect and enforce such taxes, it shall be sufficient to refer to the owners of such estate, right, title, or interest as "unknown."

**History:** *(2221) RL s 993; 1984 c 593 s 8*

### 272.22 WHEN STOCK REPRESENTS LANDS.

When any special stock or land stock, or any writing or instrument, is or has been issued by any railroad company with the intention of granting, transferring, or securing to the person to whom the same is issued any right, title, interest, or estate in or to any lands held by such company, the right, title, interest, or estate so granted, transferred, or secured shall be subject to taxation as provided in section 272.21.

**History:** *(2222) RL s 994*

### 272.23 TAXABILITY IN LITIGATION.

When the taxability of any of the lands mentioned in sections 272.21 and 272.22, or of any interests therein, is in litigation, the proper officers of any county or subdivision of the state in which such lands lie, in fixing the tax rate, may fix such rate as will raise the amount required on other property as if such lands or interests were not taxable for such year; but such lands and interests shall be assessed and taxed as other property.

**History:** *(2223) RL s 995*

### 272.24 COMPANY TO REPORT TRANSFERS.

Every railroad company which issues any stock, contract, or writing granting, transferring, or securing to any person any estate, right, title, or interest in or to any such lands, shall within the time required by law report the same to the commissioner of management and budget, and any failure so to report shall operate as a forfeiture of its corporate franchises and privileges, and the attorney general shall thereupon proceed against such company to have its charter and franchises declared forfeited.

**History:** *(2224) RL s 996; 1973 c 492 s 14; 2009 c 101 art 2 s 109*

**272.25** MS 1961 [Repealed, 1965 c 45 s 73]

**272.26** MS 1961 [Repealed, 1965 c 45 s 73]

**272.27** MS 1961 [Repealed, 1965 c 45 s 73]

**272.28 COUNTIES HAVING BONDED DEBT; SINKING FUND; TAX.**

The county board of any county having a bonded indebtedness may by resolution create a sinking fund, to be known as the bonded debt sinking fund, for the purpose of paying such indebtedness when it becomes due. Such funds shall be raised by taxation and, at the time of creating the same, the board shall by resolution determine the amount to be raised therefor the first year, and the amount to be so raised for each following year shall be determined at its first meeting in January in such year. Such tax shall be levied by the county auditor in addition to all other taxes authorized by law, extended on the tax lists, and collected as other county taxes.

**History:** *(2228) RL s 1000*

**272.29 GOVERNOR MAY SUSPEND OR REMOVE.**

The governor may remove from office any officer charged with duties under sections 272.20 to 272.30 when it is made to appear to the governor by competent evidence that such officer has been guilty of malfeasance or nonfeasance in the performance of official duties; first giving to such officer a copy of the charges, and an opportunity to be heard in defense against them. The governor may suspend any such officer against whom such charges have been preferred pending investigation thereof, when, in the governor's opinion, the public interest may require. The provisions of law applicable to the removal from office of a county auditor in force at the time when such charges are preferred shall apply to and govern removals from office under this section.

**History:** *(2229) RL s 1001; 1986 c 444*

**272.30 ACTIONS AGAINST OFFICERS; EXPENSE OF COUNTY.**

When a civil action is commenced against a county treasurer, county auditor, or person holding any town or district office, for performing or attempting to perform any duty authorized or directed by statute for the collection of the public revenue, such officer may, in the discretion of the court, by an order entered in the minutes thereof, be allowed reasonable counsel fees and other expenses for defending such action, and the amount of any damage and costs adjudged against the officer, to be paid from the county revenue fund.

**History:** *(2230) RL s 1002; 1986 c 444*

**272.31 LIEN OF REAL ESTATE TAXES.**

The taxes assessed upon real property shall be a perpetual lien thereon, and on all structures and standing timber thereon and on all minerals therein, from the year in which the property is assessed. As between grantor and grantee, such lien shall not attach until the first Monday of January of the year next thereafter.

**History:** *(2191) RL s 975; 1967 c 578 s 1; 1991 c 291 art 12 s 6*

**272.32 ASSESSMENTS FOR LOCAL IMPROVEMENTS IN CITIES.**

All assessments upon real property for local improvements made or levied by the proper authorities of any city in the state shall be a paramount lien upon the land upon which they are imposed from the date of the warrant issued for the collection thereof, or from such other date as by the charter of any such city such assessments become a lien upon the land, and of equal rank with the lien of the state for taxes which have been or may be levied upon the property under the general laws of the state; and the general rules of law as to priority of tax liens shall apply equally to the liens of such assessments and to such liens for general taxes with the same force and effect as though all of these liens and all of these taxes and assessments were of the

same general character and imposed for the same purpose and by the same authority, without regard to the priority in point of time of the attaching of either of these liens, and a sale or perfecting title under either shall not bar or extinguish the other. This section shall be applicable to any city existing under a charter framed and adopted prior to November 18, 1958.

**History:** *(2192, 2193) 1911 c 120 s 1,2; 1984 c 593 s 9*

**272.33 ASSESSMENTS FOR LOCAL IMPROVEMENTS IN CITIES OF FIRST CLASS.**

All assessments for local improvements made or levied by the proper authorities of any municipality in the state now or hereafter having a population of over 50,000, and bid in by any such municipality on or subsequent to the first day of January, 1908, or which may hereafter be made or levied and bid in by any such municipality, shall be of equal rank with the lien of the state for general taxes which have been or may hereafter be levied upon the property under the general laws of the state, so long as the liens for local improvements or the liens for general taxes continue to be held and owned by the state or any such municipality, respectively, and all titles derived from or based upon either class of liens shall maintain the same status between themselves so long as they remain the property of the state or any such municipality, respectively.

**History:** *(2194) 1913 c 202 s 1*

**272.34** MS 1982 [Repealed, 1984 c 593 s 46]

**272.35** MS 1982 [Repealed, 1984 c 593 s 46]

**272.36** MS 1982 [Repealed, 1984 c 593 s 46]

**272.37 APPLICATION.**

Sections 272.33 to 272.37 shall also apply to cities having home rule charters adopted prior to November 18, 1958, and having a population of over 50,000 at any time after January 1, 1913.

**History:** *(2198) 1913 c 202 s 5; 1984 c 593 s 10*

**272.38 STRUCTURES, STANDING TIMBER, OR MINERALS NOT TO BE REMOVED.**

Subdivision 1. **Taxes to be first paid.** (a) No structures, standing timber, minerals, sand, gravel, peat, subsoil, or topsoil shall be removed from any tract of land until all the taxes assessed against such tract and due and payable shall have been fully paid and discharged. When the commissioner of management and budget or the county auditor has reason to believe that any such structure, timber, minerals, sand, gravel, peat, subsoil, or topsoil will be removed from such tract before such taxes shall have been paid, either may direct the county attorney to bring suit in the name of the state to enjoin any and all persons from removing such structure, timber, minerals, sand, gravel, peat, subsoil, or topsoil therefrom until such taxes are paid. No bond shall be required of plaintiff in such suit.

(b) If the county auditor determines that the removal of a structure is in the public interest, including the health, safety, and well-being of the surrounding area, and that removal will not impair the collection of property taxes, the county auditor may waive the requirements of this subdivision.

Subd. 2. **Agreements for removal.** The county auditor may enter into an agreement with the taxpayer for the removal of any structures, standing timber, minerals, sand, gravel, peat, subsoil, or topsoil from the property of the taxpayer upon which taxes are due and payable, which agreement shall provide that the entire sale price thereof, or the reasonable market value thereof, whichever is the greater, or if the property is not

sold, then the fair market value thereof is to be paid to the county treasurer to be applied upon the taxes on the property, penalties, costs, and interests, in the inverse order to that in which such taxes were levied, to be applied as follows: (1) upon the penalties, costs and interest, (2) upon the taxes levied; and the same procedure shall be followed for each year's taxes until the entire sum so paid shall have been applied; provided, that if the judgment for any such delinquent taxes shall have been partially paid, it shall not affect the right of the state to forfeit the title to such lands in the event of the failure to redeem the same. The contract between the county auditor and the taxpayer shall provide that the contract shall be fully completed prior to the time that the title to the property would otherwise forfeit to the state. The county auditor may, on finding it necessary to protect the state, demand that the taxpayer make, execute, and deliver a bond to the state in such an amount as may be necessary in the opinion of the county auditor to protect the state, to insure the payment to the county treasurer of the purchase price or the reasonable market value of the property removed from the land under the agreements. Nothing herein shall be construed as prohibiting the removal of such sand, gravel, peat, subsoil, or topsoil as may be incidental to the erection of structures on the land or the grading of the land when such removal or grading shall result in enhancing the value thereof; nor shall anything herein be construed as prohibiting the removal of the overburden on mine properties. The removal of any structures, standing timber, minerals, sand, gravel, peat, subsoil, or topsoil under such agreements with the county auditor shall not be construed to be in violation of this section.

**History:** *(2203) RL s 977; 1931 c 333 s 1; 1941 c 397 s 1; 1973 c 492 s 14; 1986 c 444; 2009 c 101 art 2 s 109; 5Sp2020 c 3 art 8 s 1*

### 272.39 STRUCTURES, TIMBER, OR MINERALS MAY BE SEIZED.

Any structure, timber, minerals, sand, gravel, peat, subsoil, or topsoil removed from any tract of land upon which taxes are due and payable, as provided in this chapter, or so much thereof as may be necessary, may be seized by the commissioner of management and budget, by the county auditor, or by any person authorized by either of them in writing, and sold in the manner provided for sale of personal property in satisfaction of taxes. All moneys received from such sale in excess of the amount necessary to satisfy such taxes and the costs and expenses of seizure and sale shall be returned to the owner of such structure, timber, minerals, sand, gravel, peat, subsoil, or topsoil, if known, and, if unknown, shall be deposited in the county treasury subject to the right of the owner.

**History:** *(2204) RL s 978; 1931 c 333 s 2; 1941 c 397 s 2; 1973 c 492 s 14; 2009 c 101 art 2 s 109*

### 272.40 REMOVAL.

Any person who shall remove or attempt to remove any structure, timber, minerals, sand, gravel, peat, subsoil, or topsoil from any tract of land contrary to the provisions of this chapter after such taxes become due and payable and before the same have been fully paid and discharged shall be guilty of a gross misdemeanor.

**History:** *(2205) RL s 979; 1941 c 397 s 3*

### 272.41 STANDING TIMBER; TAXES OR ASSESSMENTS UNPAID; PERSONS CUTTING FOR COMMERCIAL PURPOSES TO GIVE NOTICE TO COUNTY AUDITOR.

All persons cutting standing timber in this state for commercial purposes from land on which taxes or special assessments remain unpaid shall, at or before the time of the commencement of logging operations, file a notice in writing with the auditor of the county wherein the land is situate, which notice shall contain the name of the owner of the land, the owner of the timber, the legal description of the premises, the kind and approximate amount of timber proposed to be cut and removed in the particular logging operation, the

person, if any, to whom the timber has been contracted to be delivered, and the proposed place of landing. This notice shall be preserved by the county auditor with whom filed and neither it nor its contents shall be disclosed by the auditor or by any person to whom made known except to the extent only that may be required in collecting the taxes and assessments aforesaid or by order of a court of competent jurisdiction.

**History:** *(2205-1, 2205-2) 1925 c 207 s 1,2; 1986 c 444*

**272.42 VIOLATIONS; LIABILITY.**

Any person failing to comply with the requirements of section 272.41 shall be liable in a civil action for all taxes and assessments assessed upon such timber or against the land from which the same was cut and removed at the time of such cutting and removal thereof and shall be guilty of a misdemeanor, unless it be shown that such failure was not with intent to evade payment of such taxes and assessments. Payment thereof before they become delinquent, or the existence of a bona fide dispute as to the validity or amount thereof shall be evidence, but not exclusive evidence, of the absence of the intent aforesaid.

**History:** *(2205-3) 1925 c 207 s 3*

**272.43 REAL ESTATE TAX JUDGMENT; NO LIMITATION.**

Every tax judgment entered shall be a lien, and shall operate to continue the lien of the taxes embraced therein, upon the parcel of land covered or intended to be covered thereby, until such judgment and taxes are paid in full, anything in any other statute of this state to the contrary notwithstanding.

**History:** *(2207) RL s 981*

**272.435 NOTICE OF TAX PAYMENTS TO MORTGAGORS AND CONTRACT VENDEES.**

A mortgagee or a vendor on a contract for the conveyance of real property who pays all or any portion of taxes levied upon real property in this state with moneys supplied for that purpose by the mortgagor or contract vendee shall notify the mortgagor or contract vendee in writing each year during the term of the mortgage or contract of the final annual payment of property taxes payable that year within 90 days after such payment and shall enclose with the notice a copy of the statement for such taxes or a statement containing the same information appearing on such tax statement. Where the tax statements are not provided to the mortgagee or the contract vendor, the county shall send out a copy of the statement to the mortgagor or contract vendee.

**History:** *1971 c 684 s 1*

**272.44 TAXES PAID BY LIENHOLDERS ARE ADDED TO LIEN.**

Any person who has a lien, by mortgage or otherwise, upon any land upon which the taxes have not been paid when they came due, may pay such taxes before or after the same become delinquent, and the interest, penalty, and costs, if any, thereon; and the money so paid shall be added to the lien on such land; and, with the interest thereon at the rate specified in the mortgage, other instrument, or by law, shall be collectible with, as a part of, and in the same manner as the amount secured by the original lien. No interest shall accrue on the taxes so paid by such lienholder prior to June first of the year in which such taxes become due and payable.

**History:** *(2209) RL s 983; 2006 c 221 s 2*

### 272.45 TAXES PAID BY TENANT, OCCUPANT, OR OTHER PERSON BECOME LIEN, UPON NOTICE FILED WITH COUNTY RECORDER OR REGISTRAR OF TITLES.

When any past due or delinquent tax on land is paid by any occupant, tenant, or person with an interest in the land other than a lien, or a person acting on that person's behalf, which, by agreement or otherwise, ought to have been paid by the owner, lessor, or other party in interest, such occupant, tenant, or person may recover by action the amount which such owner, lessor, or party in interest ought to have paid, with interest thereon at the rate of 12 percent per annum, or may retain the same from any rent due or accruing from the person to such owner or lessor for land on which such tax is so paid. A person making a payment under this section may file with the county recorder or registrar of titles of the proper county a notice stating the amount and date of such payment, and stating the interest claimed in the land, with a description of the land against which the taxes were charged; and the same shall thereupon be a lien upon such land in favor of the person paying the same until the same is paid. The county recorder shall record such notice in the indices maintained by the county recorder. The registrar of titles shall record the notice on the certificate of title for the land. Upon the payment of any such lien, the person filing such notice shall satisfy the same of record.

**History:** *(2210) RL s 984; 1976 c 181 s 2; 1986 c 444; 2006 c 221 s 3*

### 272.46 AUDITOR TO FURNISH STATEMENT OF TAX LIENS AND TAX SALES; FEES; APPLICATION.

Subdivision 1. MS 1992 [Repealed, 1994 c 510 art 1 s 13]

Subd. 2. **Auditor to combine legal descriptions; exceptions.** The county auditor, upon written application of any person, shall for property tax purposes only, combine legal descriptions, as defined in section 272.195, of contiguous parcels to which the applicants hold title.

The county auditor shall not be required to combine legal descriptions over section lines in the following situations: when the parcels to be combined are located in different school districts or different taxing jurisdictions or when a combination of legal descriptions would require the auditor's office to modify an existing record-keeping system.

**History:** *(2231, 2232) 1907 c 431 s 1,2; 1921 c 409; 1963 c 553 s 1; 1973 c 123 art 5 s 7; 1976 c 248 s 1; 1Sp1981 c 1 art 8 s 5; 1982 c 523 art 19 s 1; 1983 c 222 s 6; 1986 c 444*

**272.47** MS 1992 [Repealed, 1994 c 510 art 1 s 13]

## FEDERAL LIEN REGISTRATION ACT

### 272.479 SCOPE.

This section and sections 272.481 to 272.488 apply only to federal tax liens and to other federal liens notices of which under any act of Congress or any regulation adopted pursuant thereto are required or permitted to be filed in the same manner as notices of federal tax liens.

**History:** *1979 c 37 s 1; 1991 c 291 art 18 s 5*

**272.48** MS 1969 [Repealed, 1971 c 265 s 7]

### 272.481 PLACE OF FILING.

(a) Notices of liens, certificates, and other notices affecting federal tax liens or other federal liens must be filed in accordance with sections 272.479 to 272.488.

(b) Notices of liens upon real property for obligations payable to the United States and certificates and notices affecting the liens shall be filed in the office of the county recorder of the county in which the real property subject to the liens is situated.

(c) Notices of federal liens upon personal property, whether tangible or intangible, for obligations payable to the United States and certificates and notices affecting the liens shall be filed as follows:

(1) if the person against whose interest the lien applies is a corporation or a partnership whose principal executive office is in this state, as these entities are defined in the internal revenue laws of the United States, in the Office of the Secretary of State;

(2) in all other cases, in the office of the county recorder of the county where the person against whose interest the lien applies resides at the time of filing of the notice of lien.

(d) Any person who receives a certificate of discharge from the Internal Revenue Service which affects real property in this state may present that certificate of discharge for filing to the county recorder for the county in which the real property is located. The county recorder shall file the certificate of discharge in the real property records of the county. The person is responsible for the payment of the filing fee. A certificate of discharge which affects only personal property cannot be filed with any filing officer.

**History:** *1971 c 265 s 1; 1976 c 181 s 2; 1979 c 37 s 2; 1995 c 144 s 1*

**272.482 EXECUTION OF NOTICES AND CERTIFICATES.**

Execution of notices of liens, certificates, or other notices affecting federal liens by the secretary of the treasury of the United States or a delegate, or by any official or entity of the United States responsible for filing or certifying of notice of any other lien, entitles them to be filed and no other attestation, certification, or acknowledgment is necessary. For purposes of this section, transmission of notices under section 272.488, subdivisions 1 and 3, constitutes execution.

**History:** *1971 c 265 s 2; 1979 c 37 s 3; 1986 c 444; 1991 c 291 art 18 s 6; 1995 c 144 s 2*

**272.483 DUTIES OF FILING OFFICER.**

(a) If a notice of federal lien, a refiling of a notice of federal lien, or a notice of revocation of any certificate described in clause (b) is presented to a filing officer who is:

(1) the secretary of state; the secretary shall cause the notice to be marked and indexed alphabetically and numerically in the computerized filing system maintained by the secretary of state;

(2) the county recorder; the county recorder shall endorse identification and the date and time of filing and file and enter it in an alphabetical index showing the name and address of the person named in the notice, the date and time of filing, the file number of the lien, and the total amount appearing on the notice of lien.

Each county recorder shall enter the date and time of filing and the file number and shall index the names of the persons shown on the notice into the computerized database system maintained by the secretary of state.

For notices of federal tax liens on real property, the information in the computerized filing and database systems does not create, release, discharge, or recreate a notice of federal tax lien on real property in this state.

(b) If a certificate of release, nonattachment, or subordination of any lien is presented to the secretary of state for filing, the secretary shall:

(1) enter the information into the computerized filing system;

(2) cause a certificate of release or nonattachment to be marked and indexed as if the certificate were a termination statement within the meaning of the Uniform Commercial Code, but the notice of lien to which the certificate relates may not be removed from the files until ten years and 30 days after the filing date of the lien; and

(3) cause a certificate of subordination to be marked and indexed as if the certificate were a release of collateral within the meaning of the Uniform Commercial Code.

(c) If a refiled notice of federal lien referred to in clause (a) or any of the certificates or notices referred to in clause (b) is presented for filing to any other filing officer specified in section 272.481, the officer shall enter the refiled notice or the certificate with the date and time of filing in any alphabetical lien index where the original notice of lien is entered.

(d) When a filing officer receives a request to search the records for the name of a particular person, the filing officer must issue a search certificate showing whether there is any notice of lien or certificate or notice of lien filed on or after ten years and 30 days before the date of the search. If a notice or certificate is on file, the search certificate must state the file or document number of the notice and the date and time of filing of each notice or certificate and the date and time the search certificate was issued. The fee for a certificate shall be that provided by section 336.9-525 or 357.18, subdivision 1, clause (3).

**History:** *1971 c 265 s 3; 1974 c 19 s 1; 1976 c 248 s 3; 1979 c 37 s 4; 1984 c 618 s 7; 1985 c 281 s 3; 1986 c 444; 1991 c 291 art 18 s 7; 1995 c 144 s 3; 2001 c 195 art 2 s 15*

**272.484 FEES.**

The fee for filing and indexing each notice of lien or certificate or notice affecting the lien is:

(1) for a lien, certificate of discharge or subordination, and for all other notices, including a certificate of release or nonattachment filed with the secretary of state, the fee provided by section 336.9-525, except that the filing fee charged to the district directors of internal revenue for filing a federal tax lien is $15; and

(2) for a lien, certificate of discharge or subordination, and for all other notices, including a certificate of release or nonattachment filed with the county recorder, the fee for filing a real estate mortgage in the county where filed.

The officer shall bill the district directors of internal revenue or other appropriate federal officials on a monthly basis for fees for documents filed by them.

**History:** *1971 c 265 s 4; 1974 c 19 s 2; 1976 c 181 s 2; 1979 c 37 s 5; 2001 c 195 art 2 s 16; 2015 c 77 art 2 s 53*

**272.485 UNIFORMITY OF APPLICATION AND CONSTRUCTION.**

Sections 272.481 to 272.488 shall be so applied and construed as to effectuate its general purpose to make uniform the law with respect to the subject of sections 272.481 to 272.488 among those states which enact it.

**History:** *1971 c 265 s 5; 1991 c 291 art 18 s 8; 1992 c 464 art 2 s 1*

**272.486 SHORT TITLE.**

Section 272.479 and sections 272.481 to 272.488 may be cited as the "Uniform Federal Lien Registration Act."

**History:** *1971 c 265 s 6; 1979 c 37 s 6; 1991 c 291 art 18 s 9*

**272.487** MS 1990 [Repealed, 1991 c 291 art 18 s 16]

## MISCELLANEOUS

**272.488 COMPUTERIZED FILING OF TAX LIENS AND NOTICES.**

Subdivision 1. **Filing with county recorders.** Notices of federal tax liens, certificates, or revocations of certificates of release of federal tax liens, refiled notices of any of those items, and any other notices affecting federal tax liens that are required to be filed with the county recorder, in a form prescribed by the Internal Revenue Service, may be filed with the county recorder by mail, personal delivery, or by electronic transmission by the Secretary of the Treasury of the United States or a delegate into the computerized database system. The secretary of state shall transmit the notice electronically to the office of the county recorder in the county or counties shown on the computer entry. The county recorder must endorse and file the notice and enter the information into the computerized database system as required by section 272.483.

Subd. 2. **Central database.** County recorders and the secretary of state shall enter information relative to lien notices, releases, revocations of release, and refilings of any of those items into the computerized database system of the secretary of state. For notices transmitted electronically for filing with the county recorders, the date and time of filing of the notice and county recorder's file number, and for notices transmitted electronically for filing with the secretary of state, the secretary of state's filing information, must be entered by the filing officer into the computerized database system before the close of the fifth working day following the day of the original data transmission to the filing officer. When notices are transmitted electronically, the filing officer must file the notices no later than 5:00 p.m. on the business day after they were transmitted to the filing officer. All other processing by the county recorder of lien notices, releases, revocations of release and refilings of any of those items must occur within the time period allowed in section 357.182.

Subd. 3. **Filing with secretary of state.** (a) Notices of federal tax liens, certificates, or revocations of certificates of release of federal tax liens, refiled notices of any of those items, and any other notices affecting federal tax liens that are required to be filed with the secretary of state, in a form prescribed by the Internal Revenue Service, may be filed with the secretary of state by mail, personal delivery, or electronic transmission by the Secretary of the Treasury of the United States or a delegate into the computerized filing system of the secretary of state. The electronic record must be endorsed and indexed within the computerized database system as required by section 272.483.

(b) For filings made pursuant to section 272.481, paragraph (c), clause (1), with the secretary of state, when data entry is complete as required by subdivision 2, the original document is contained in the computerized filing system and is the official copy from which all official copies will be made. Reproductions of documents described in section 272.483, paragraph (a) or (b), which are contained in the computerized filing system will be in the same format as if the document had been filed on paper by the Internal Revenue Service.

Subd. 4. **Entry of information.** For documents filed by mail or in person, the filing officer shall enter the data as if it had been transmitted electronically. Once the electronic record is created, it must be endorsed

and indexed within the computerized database system. The filing officer must write or mark the filing information on the document that was submitted and return the document or a copy to the submitting party.

Subd. 5. **Transmission of filed information.** The Secretary of the Treasury of the United States or a delegate and the filing officers are authorized to develop a method which permits entry of previously filed notices of federal tax liens into the computerized database system. Should the Secretary of the Treasury and the filing officers decide to implement a method, entry of previously filed notices of federal tax liens shall not be a new filing and the filing date of the original document shall be maintained.

Subd. 6. **Official index.** The index in the computerized filing system is the official index of federal tax liens filed with the secretary of state under section 272.483, paragraph (a), clause (1). The official index of federal tax lien records for the county recorders are those indices required by chapter 386 and section 272.483, paragraph (a), clause (2).

**History:** *1991 c 291 art 18 s 10; 1994 c 438 s 1-3; 1995 c 144 s 4-9; 2001 c 195 art 2 s 17; 2009 c 98 s 7; 2013 c 125 art 1 s 59*

**272.49** MS 1949 [Repealed, 1951 c 127 s 1]

**272.50** MS 1990 [Repealed, 1991 c 291 art 15 s 10]

**272.51** MS 1990 [Repealed, 1991 c 291 art 15 s 10]

**272.52** MS 1990 [Repealed, 1991 c 291 art 15 s 10]

**272.53** MS 1990 [Repealed, 1991 c 291 art 15 s 10]

**272.54** [Renumbered 281.321]

**272.55** [Renumbered 281.322]

**272.56** [Renumbered 281.323]

**272.57** [Renumbered 281.324]

## 272.58 ENFORCEMENT OF TAXES RECIPROCALLY IN COURTS OF THIS AND OTHER STATES.

Subdivision 1. **Comity between states in the collection of taxes.** The courts of this state shall recognize and enforce the liability for taxes lawfully imposed by the laws of any other state which extends like comity in respect of the liability for taxes lawfully imposed by the laws of this state. The officials of such other state are authorized to bring action in the courts of this state for the collection of such taxes. The certificate of the secretary of state of such other state that such officials have the authority to collect the taxes so to be collected by such action shall be conclusive proof of that authority.

Subd. 2. **Taxes defined.** The term "taxes" as used in this section shall include:

(a) Any and all tax assessments lawfully made whether they be based upon a return or other disclosure of the taxpayer, upon the information and belief of the taxing authority, or otherwise.

(b) Any and all penalties lawfully imposed pursuant to a taxing statute.

(c) Interest charges lawfully added to the tax liability which constitutes the subject of the action.

Subd. 3. **Collection of taxes by attorney general.** The attorney general of this state is empowered to bring action in the courts of other states to collect taxes legally due this state.

**History:** *1949 c 145 s 1-3*

**272.59** MS 1978 [Repealed, 1979 c 303 art 2 s 38]

**272.61** MS 1982 [Repealed, 1984 c 593 s 46]

**272.62** MS 1982 [Repealed, 1984 c 593 s 46]

**272.63** MS 1982 [Repealed, 1984 c 593 s 46]

**272.64** MS 1986 [Repealed, 1988 c 719 art 5 s 81]

**272.65** MS 1969 [Repealed, 1971 c 780 s 1]

**272.66** MS 1982 [Repealed, 1984 c 593 s 46]

## 272.67 DIVISION OF LAND IN CITIES INTO RURAL AND URBAN DISTRICTS.

Subdivision 1. **City powers.** Any city however organized, except in those counties situated in a metropolitan area as defined in Minnesota Statutes 1961, section 473.02, subdivision 5, which contain cities of the first class, may by ordinance adopted in the manner provided in this section divide its area into an urban service district and a rural service district, constituting separate taxing districts for the purpose of all municipal property taxes except those levied for the payment of bonds and judgments and interest thereon. In proceedings for annexation, incorporation, or consolidation being conducted pursuant to chapter 414, the chief administrative law judge of the state Office of Administrative Hearings may divide a municipality into an urban service district and a rural service district, such districts to be designated in accordance with the criteria set out in subdivision 2. Thereafter, said urban service district and rural service district may be changed in the same manner that an ordinance or amendment is changed in accordance with this section.

Subd. 2. **Division of lands by ordinance.** The rural service district shall include only such unplatted lands as in the judgment of the governing body at the time of the adoption of the ordinance are rural in character, and are not developed for commercial, industrial, or urban residential purposes, and for these reasons are not benefited to the same degree as other lands by municipal services financed by general taxation. The rural service district may include lands which are not contiguous to one another. The ordinance may designate lands outside the city which, if annexed, shall be included within the rural service district. The urban service district shall include all lands within the boundaries of the city which are not included in the rural service district. The ordinance shall determine the approximate ratio which in the judgment of the governing body exists between the benefits resulting from tax-supported municipal service to parcels of land of like market value, situated in the rural service district and in the urban service district, respectively. By amendment of the ordinance this benefit ratio may be changed, and lands may be added to or removed from the rural service district; but no amendment shall be required to remove lands by the procedure provided in subdivision 5.

Subd. 3. **Publication; public hearing.** Every ordinance and amendment introduced under subdivision 2, before final adoption, shall be published in the official newspaper of the city, with notice of the time and place of a hearing thereon which shall be held by the governing body not less than 30 days after the publication. At the hearing, which may be adjourned from time to time by public announcement to those present, the governing body shall give reasonable hearing and consideration to all objections to and comments on the ordinance or amendment, made by or on behalf of any resident or taxpayer of the city or of any outside

area described in the ordinance or amendment, whether presented orally or by written communication to the municipal clerk. Objections may be addressed to the establishment or extension of the rural service district as a whole, or to the inclusion or exclusion of any specified lands, or to the benefit ratio proposed to be established by the ordinance. They may be based on the character of the lands included or excluded or on the relative nature and extent of tax-supported municipal service and benefit to lands of rural and urban character.

Subd. 4. **Publication of final ordinance; appeal.** At or after the hearing the governing body shall modify the ordinance in any respect and to any extent which it considers equitable, and shall cause it to be published in the form in which it is finally adopted, and a copy mailed to each person entitled to appear at the hearing who has requested a copy at the hearing or by written notice to the clerk. Within 30 days after the publication of the ordinance or amendment, any person entitled to appear at the hearing may appeal to the district court by serving a notice upon the clerk of the city, stating the grounds for such appeal, specifying the provisions of the ordinance or amendment which are claimed to be unreasonable, and alleging the facts on the basis of which such claim is made. The notice shall be filed with the court administrator of the district court within ten days after its service. It may be filed by the appellant not only for the appellant but also on behalf of all others of the class to which the appellant belongs, as described in the notice of appeal. The clerk of the city shall furnish the appellant certified copies of all proceedings and records in the clerk's custody which are reasonably required to present the appeal. The appeal shall be placed upon the calendar of the next general term commencing more than ten days after the date of serving the notice and shall be tried in accordance with the provisions of the district court Rules of Civil Procedure. If the appellant does not prevail upon the appeal, the costs incurred shall be taxed by the court and judgment entered therefor. All objections to the ordinance or amendment shall be deemed waived unless presented on such appeal; except that any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that any provision of the ordinance is unreasonable and that, by reason of such provision, any tax upon such parcel exceeds the amount which would be taxable thereon but for such provision, may have the validity of the claim determined by the district court in the manner provided in chapter 278, if the claimant alleges and proves to the satisfaction of the court that the claimant had no actual notice of the hearing held thereon pursuant to this section, and the claimant's rights were not adequately protected as a member of any class of persons for whom an appeal was taken pursuant to this section.

Subd. 5. **Development of land in rural district.** Whenever any parcel of land, owned by one person or by two or more persons jointly or in common at the time of its inclusion in the rural service district, is platted, in whole or in part, and whenever application is made for a permit for the construction of a commercial, industrial, or urban residential development or improvement to be situated on such parcel or any part thereof, the board or officer approving such plat or building permit shall report this to the governing body, which shall make and enter an order transferring such parcel from the rural service district to the urban service district.

Subd. 6. **Filing with county auditor; allocation of taxes.** A certified copy of every ordinance, amendment, and order adopted or entered under this section shall be filed with the county auditor before it becomes effective. For the purposes of taxation, if the ordinance, amendment, or order is certified on or before August 1 of a levy year, it may be implemented that same levy year. If the ordinance, amendment, or order is certified after August 1 of a levy year, it may not be implemented until the following levy year. The amount of taxes levied each year by each city shall be certified to the county auditor in the manner now or hereafter provided by law. Taxes levied for payment of bonds and judgments and interest thereon shall continue to be spread upon all taxable property within the boundaries of the city in proportion to the net tax capacity thereof. The remaining amount of the taxes levied each year shall be allocated by the county auditor to the urban service district and the rural service district in amounts proportionate to the current benefit ratio

times the current ratio between the market values of all taxable property within the urban service district and all taxable property within the rural service district. Within each district, the amount so allocated shall be spread upon all taxable property in proportion to the net tax capacity thereof.

Subd. 7. **Tax classification of parcels not affected.** This section does not affect the classification of individual parcels of land for purposes of taxation under the provisions of section 273.13. No law or charter limiting the incurring of indebtedness or the levy of taxes by any city by reference to its population or the net tax capacity of taxable property therein is amended by this section in its application to any city whose area is divided into urban and rural service districts.

Subd. 8. **Platted parcels.** Notwithstanding the provisions of subdivisions 2 and 5, a rural service district established by any city may include platted parcels of land which the governing body determines to be rural in character and not developed for urban residential, commercial, or industrial purposes. Whenever any lot or portion of a platted parcel which is included in the rural service district is developed for commercial, industrial or urban residential purposes, or basic urban services such as sewer, water, or street improvements are extended to any such lot or portion, the governing body shall transfer the entire platted parcel to the urban service district. The governing body of such city shall annually review the tax ratio applicable to such platted parcels as determined under subdivision 2, and shall annually review the status of all such platted parcels to determine whether such parcels continue to qualify for inclusion in the rural service district.

**History:** *1965 c 712 s 1; 1971 c 569 s 1; 1971 c 778 s 1; 1973 c 123 art 5 s 7; 1975 c 271 s 6; 1975 c 339 s 8; 1986 c 444; 1Sp1986 c 3 art 1 s 82; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20; 1991 c 291 art 12 s 7; 2003 c 2 art 5 s 4; 2008 c 196 art 2 s 3*

## 272.68 PAYMENT OF TAXES AND ASSESSMENTS ON PROPERTY ACQUIRED BY THE STATE.

Subdivision 1. **Acquisition of property; unpaid taxes.** When the state or a political subdivision of the state, except the state Transportation Department, acquires a fee interest in property before forfeiture, by any means, provision must be made to pay all taxes, including all unpaid special assessments and future installments thereof, unpaid on the property at the date of acquisition. For the purpose of this section, the date of acquisition shall be the date on which the acquiring authority shall be entitled under law to take possession of the property except in cases of condemnation, the date of acquisition shall be the date of the filing of the petition in condemnation. Taxes which become a lien on such property after the date of acquisition and before the condemning authority is by law entitled to actually take possession thereof shall, if paid by the owner, be added to the award, and if not so paid, shall be paid by the condemning authority. Taxes lawfully levied shall not be abated. This subdivision shall not be construed to require the payment of accrued taxes and unpaid assessments on the acquired property which exceed the fair market value thereof. The state or a subdivision acquiring property may make provisions for the apportionment of the taxes and unpaid assessments if less than a complete parcel is acquired.

If such accrued taxes and unpaid assessments are not paid as hereinabove required, then the county auditor of the county in which the acquired property is located shall notify the commissioner of management and budget of the pertinent facts, and the commissioner of management and budget shall divert an amount equal to such accrued taxes and unpaid assessments from any funds which are thereafter to be distributed by the commissioner of management and budget to the acquiring authority, and shall pay over such diverted funds to the county treasurer of the county in which the acquired property is located in payment of such accrued taxes and unpaid assessments.

Subd. 2. **Property remains taxable until possession.** Property otherwise taxable, which is acquired by subdivisions of government shall remain taxable until the acquiring authority is by law or by the terms of a purchase agreement entitled to actually take possession thereof.

Subd. 3. **Rental; payment to county treasurer.** If the acquiring authority permits a person to occupy the property after the acquiring authority has become entitled to actual possession, the authority shall charge a reasonable rental therefor and shall pay to the county treasurer to be distributed in the same manner as property taxes 30 percent of the rental received, or such percentage as may be otherwise provided by law.

Subd. 4. **Temporary lease; payment in lieu of taxes.** When the political subdivision is a housing and redevelopment authority which has obtained the right to take possession of a property in a redevelopment project area, it may lease the property to the previous occupant for temporary use pending the relocation of the former occupant's residence or business or may relocate such former occupant in any other property owned by it in such project area. The authority may agree with the municipality to the payment of certain sums in lieu of taxes on said property during such temporary occupancy in which event the payment of the sum agreed upon shall be in lieu of taxes as provided in section 469.040 and the provisions of section 272.01, subdivision 2, and section 273.19 shall not apply to such property or to the use thereof.

**History:** *1969 c 745 s 1-4; 1971 c 376 s 1; 1973 c 492 s 14; 1973 c 543 s 2; 1976 c 166 s 7; 1987 c 291 s 207; 2003 c 112 art 2 s 50; 2009 c 101 art 2 s 109*

**272.69** MS 2012 [Repealed, 2013 c 143 art 17 s 18]

**272.70** MS 1988 [Repealed, 1990 c 480 art 7 s 34]

**272.71 TIF PROPERTIES; NOTICE OF POTENTIAL VALUATION REDUCTIONS.**

(a) The following officials shall notify the municipality of potential reductions in the market value of taxable parcels located in a tax increment financing district:

(1) for applications to reduce market value or abate taxes or for applications to a local or county board of review, the assessor;

(2) for applications to reduce market value or abate taxes by the state board of equalization, the commissioner of revenue;

(3) for petitions to reduce market value or object to taxes under chapter 278, the county attorney.

The official shall provide the notice to the municipality in writing within 60 days after the petition or application for a reduction is made.

(b) This section applies only to reductions in valuation or taxes that are granted after certification of final values for purposes of certifying local tax rates.

(c) For purposes of this section, "municipality" means the municipality for the tax increment financing district, as defined under section 469.174, subdivision 6.

**History:** *1993 c 375 art 14 s 2*