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State of Minnesota  
HOUSE OF REPRESENTATIVES  
NINETIETH SESSION

H. F. No. **4144**

03/22/2018 Authored by Kiel, Fabian, Bliss, Green, Layman and others  
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to taxation; property; requiring the commissioner of revenue to study  
1.3 adequacy of valuation of pipeline companies.

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

1.5 Section 1. STUDY OF VALUATION METHOD OF PIPELINE OPERATING  
1.6 PROPERTY.

1.7 (a) The commissioner of revenue shall study and prepare a report on the current methods  
1.8 used to value pipeline operating property in the state of Minnesota.

1.9 (b) The report must:

1.10 (1) describe, in detail, prior and current methods used to value pipeline operating property  
1.11 in Minnesota;

1.12 (2) evaluate whether the current methods used produce an accurate estimate of market  
1.13 value;

1.14 (3) compile and explain, in detail, the number of state-assessed pipeline valuations that  
1.15 have been appealed in the last 20 years, and the extent to which the market value was  
1.16 increased or reduced, by agreement, settlement, or judgment;

1.17 (4) evaluate the extent to which host political subdivisions and communities are  
1.18 adequately compensated under the existing Minnesota property tax system for the external  
1.19 costs imposed by pipeline systems;

1.20 (5) describe, analyze, and compare the methods used to value pipeline operating property  
1.21 in border states; and

2.1 (6) make recommendations and prepare legislation on improvements or alternative  
2.2 valuation methods that produce a more accurate estimate of market value.

2.3 (c) The commissioner shall report the findings of the study to the committees of the  
2.4 house of representatives and senate having jurisdiction over taxes by February 15, 2019,  
2.5 and file the report as required by Minnesota Statutes, section 3.195.