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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 3529

03/08/2018 Authored by McDonald and Gruenhagen
The bill was read for the first time and referred to the Committee on Education Finance
03/28/2018 Adoption of Report: Re-referred to the Committee on Taxes

- 1.1 A bill for an act
- 1.2 relating to taxation; property; expanding exemption for charter school property;
- 1.3 amending Minnesota Statutes 2016, section 272.02, subdivision 42.
- 1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.5 Section 1. Minnesota Statutes 2016, section 272.02, subdivision 42, is amended to read:
- 1.6 Subd. 42. **Property leased to schools.** (a) Property that is leased or rented to a school
- 1.7 district is exempt from taxation if it meets the following requirements:
- 1.8 (1) the lease must be for a period of at least 12 consecutive months;
- 1.9 (2) the terms of the lease must require the school district to pay a nominal consideration
- 1.10 for use of the building;
- 1.11 (3) the school district must use the property to provide direct instruction in any grade
- 1.12 from kindergarten through grade 12; special education for disabled children; adult basic
- 1.13 education as described in section 124D.52; preschool and early childhood family education;
- 1.14 or community education programs, including provision of administrative services directly
- 1.15 related to the educational program at that site; and
- 1.16 (4) the lease must provide that the school district has the exclusive use of the property
- 1.17 during the lease period.
- 1.18 (b) Property that is leased or rented to a charter school formed and operated under chapter
- 1.19 124E is exempt from taxation if it meets all of the following requirements:
- 1.20 (1) the lease is for a period of at least 12 consecutive months;

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

2.5 ~~(3)~~ (2) the charter school must use the property to provide (i) direct instruction in any
2.6 grade from kindergarten through grade 12; (ii) special education for disabled children; or
2.7 (iii) administrative services directly related to the educational program at that site; and

2.8 ~~(4)~~ (3) except for lease provisions that allow for the shared use of the property by (i) the
2.9 charter school and another public or private school; (ii) the charter school and a church; or
2.10 (iii) the charter school and the state or a political subdivision of the state, the lease must
2.11 provide that the charter school has the exclusive right to use the property during the lease
2.12 period.

2.13 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2018.