

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 4081

(SENATE AUTHORS: LUCERO)

DATE
02/22/2024

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11707 Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; payment in lieu of taxes; establishing a new payment for
1.3 exempt property; proposing coding for new law in Minnesota Statutes, chapter
1.4 477A.

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

1.6 Section 1. 477A.25 EXEMPT PROPERTY; PAYMENTS IN LIEU.

1.7 Subdivision 1. Definitions. For the purposes of this section, the following terms have
1.8 the meanings given:

1.9 (1) "city" means a statutory or home rule charter city with a population less than or equal
1.10 to 5,000;

1.11 (2) "exempt market value" means the market value of exempt property as determined
1.12 by the most recent valuation under section 273.18;

1.13 (3) "population" means a city's population determined under section 477A.011,
1.14 subdivision 3; and

1.15 (4) "total market value" means the sum of the exempt market value within a city plus
1.16 the total taxable market value within a city for the assessment year which corresponds to
1.17 the most recent valuation of exempt property under section 273.18.

1.18 Subd. 2. Payment determination. (a) A city is eligible for a payment under this section
1.19 if the exempt market value within the city is greater than 45 percent of the total market
1.20 value within the city. Eligible cities must annually receive a payment equal to one percent
1.21 of the exempt market value within the city.

2.1 (b) The commissioner of revenue must determine the payments under this section and
2.2 certify the amounts by July 1 of the payment year.

2.3 Subd. 3. **Time of payment.** The commissioner of revenue must make payments under
2.4 this section at the time provided in section 477A.015 for the first installment of local
2.5 government aid.

2.6 Subd. 4. **Appropriation.** An amount sufficient to make the payments required by this
2.7 section is annually appropriated from the general fund to the commissioner of revenue.

2.8 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2025.