

SENATE

STATE OF MINNESOTA

EIGHTY-EIGHTH LEGISLATURE

S.F. No. 1025

(SENATE AUTHORS: SAXHAUG and Koenen)

DATE	D-PG	OFFICIAL STATUS
03/04/2013	481	Introduction and first reading Referred to Taxes

1.1

A bill for an act

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relating to taxation; property; modifying the pollution control exemption for

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electric generation systems; amending Minnesota Statutes 2012, section 272.02,

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subdivision 10.

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

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Section 1. Minnesota Statutes 2012, section 272.02, subdivision 10, is amended to read:

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Subd. 10. **Personal property used for pollution control.** (a) Personal property

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used primarily for the abatement and control of air, water, or land pollution is exempt to

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the extent that it is so used, and real property is exempt if it is used primarily for abatement

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and control of air, water, or land pollution as part of an agricultural operation, as a part

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of a centralized treatment and recovery facility operating under a permit issued by the

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Minnesota Pollution Control Agency pursuant to chapters 115 and 116 and Minnesota

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Rules, parts 7001.0500 to 7001.0730, and 7045.0020 to 7045.1260, as a wastewater

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treatment facility and for the treatment, recovery, and stabilization of metals, oils,

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chemicals, water, sludges, or inorganic materials from hazardous industrial wastes, or as

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part of an electric generation system. For purposes of this subdivision, personal property

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includes ponderous machinery and equipment used in a business or production activity

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that at common law is considered real property.

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(b) Any taxpayer requesting exemption of all or a portion of any real property or any

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equipment or device, or part thereof, operated primarily for the control or abatement of

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air, water, or land pollution shall file an application with the commissioner of revenue.

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The Minnesota Pollution Control Agency shall upon request of the commissioner furnish

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information and advice to the commissioner.

(c) 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 equipment, device, or real property shall continue to be exempt from taxation as long as the order issued by the commissioner remains in effect, except that for attached machinery and other personal property used as part of an electric generation system, the exemption under this subdivision applies as follows in paragraphs (d) to (h).

(d) For assessment year 2013, the exemption applies to three-fourths of the value of the personal property.

(e) For assessment year 2014, the exemption applies to one-half of the value of the personal property.

(f) For assessment year 2015, the exemption applies to one-fourth of the value of the personal property.

(g) For assessment year 2016, all exemption orders issued by the commissioner for attached machinery and other personal property used as part of an electric generation system under this subdivision expire.

(h) No new exemption applications shall be accepted, nor exemptions granted, for attached machinery and other personal property used as part of an electric generation system after assessment year 2013.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2014 and thereafter.