A bill for an act

relating to economic development abatements; modifying the maximum limitation on abatements; amending Minnesota Statutes 2006, section 469.1813, subdivision 8.

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

Section 1. Minnesota Statutes 2006, section 469.1813, subdivision 8, is amended to read:

Subd. 8. **Limitation on abatements.** In any year, the total amount of property taxes abated by a political subdivision under this section may not exceed (1) ten percent of the ~~current levy~~ net tax capacity of the political subdivision for the taxes payable year to which the abatement applies, or (2) $200,000, whichever is greater. The limit under this subdivision does not apply to:

(i) an uncollected abatement from a prior year that is added to the abatement levy; or

(ii) a taxpayer whose real and personal property is subject to valuation under Minnesota Rules, chapter 8100.

EFFECTIVE DATE. This section is effective for abatement resolutions approved after the day following final enactment.