A bill for an act

relating to taxation; providing personal property tax exemption for biomass electrical generation facility; amending Minnesota Statutes 2008, section 272.02, by adding a subdivision.

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

Section 1. Minnesota Statutes 2008, section 272.02, is amended by adding a subdivision to read:

Subd. 90. **Biomass electrical generation facility; personal property.** Notwithstanding subdivision 9, paragraph (a), attached machinery and other personal property which is part of an electrical generation facility that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) have a generation capacity of less than 30 megawatts;

(2) be located within a township with a population of less than 7,000;

(3) be located on land within five miles of a distribution substation;

(4) be designed to utilize biomass as a primary fuel source;

(5) be owned by a limited liability company, limited liability partnership or corporation, any of which must be registered in Minnesota; and

(6) have received by resolution the approval of the governing body of the county, township, and school board in which the proposed facility is to be located for the exemption of personal property under this subdivision.

Construction of the facility must be commenced before January 1, 2013. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

EFFECTIVE DATE. This section is effective the day following final enactment.