

A bill for an act

relating to taxation; providing exemption from property taxation of personal property of an electric generation facility; amending Minnesota Statutes 2010, section 272.02, by adding a subdivision.

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

Section 1. Minnesota Statutes 2010, section 272.02, is amended by adding a subdivision to read:

Subd. 95. **Electric generation facility; personal property.** (a) Notwithstanding subdivision 9, clause (a), and section 453.54, subdivision 20, attached machinery and other personal property that is part of a multiple reciprocating engine electric generation facility that adds more than 20 and less than 30 megawatts of installed capacity at a site where there is presently more than ten megawatts and fewer than 15 megawatts of installed capacity and that meets the requirements of this subdivision is exempt from taxation and from payments in lieu of taxation. At the time of construction, the facility must:

(1) be designed to utilize natural gas as a primary fuel;

(2) be owned and operated by a municipal power agency as defined in section 453.52, subdivision 8;

(3) be located within one mile of an existing natural gas pipeline;

(4) be designed to have black start capability and to furnish emergency backup power service to the city in which it is located;

(5) satisfy a resource deficiency identified in an approved integrated resource plan filed under section 216B.2422; and

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2.1 (6) have received, by resolution, the approval of the governing bodies of the city
2.2 and county in which it is located for the exemption of personal property provided by
2.3 this subdivision.

2.4 (b) Construction of the facility must be commenced after December 31, 2011, and
2.5 before January 1, 2015. Property eligible for this exemption does not include (i) electric
2.6 transmission lines and interconnections or gas pipelines and interconnections appurtenant
2.7 to the property or the facility; or (ii) property located on the site on the enactment date
2.8 of this subdivision.

2.9 **EFFECTIVE DATE.** This section is effective for assessments in 2012, taxes
2.10 payable in 2013, and thereafter.