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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1675

04/02/2013 Authored by Barrett; Davids; Ward, J.E.; Dettmer and Johnson, B.,  
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to taxation; property; increasing the permitted holding period for exempt  
1.3 property held for economic development for certain cities; amending Minnesota  
1.4 Statutes 2012, section 272.02, subdivision 39.

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

1.6 Section 1. Minnesota Statutes 2012, section 272.02, subdivision 39, is amended to read:

1.7 Subd. 39. **Economic development; public purpose.** The holding of property by a  
1.8 political subdivision of the state for later resale for economic development purposes shall  
1.9 be considered a public purpose in accordance with subdivision 8 for a period not to exceed  
1.10 nine years, except that for property located in a city of ~~5,000~~ 20,000 population or under  
1.11 ~~that is located outside of the metropolitan area as defined in section 473.121, subdivision~~  
1.12 ~~2~~, the period must not exceed 15 years.

1.13 The holding of property by a political subdivision of the state for later resale (1)  
1.14 which is purchased or held for housing purposes, or (2) which meets the conditions  
1.15 described in section 469.174, subdivision 10, shall be considered a public purpose in  
1.16 accordance with subdivision 8.

1.17 The governing body of the political subdivision which acquires property which is  
1.18 subject to this subdivision shall after the purchase of the property certify to the city or  
1.19 county assessor whether the property is held for economic development purposes or  
1.20 housing purposes, or whether it meets the conditions of section 469.174, subdivision 10.  
1.21 If the property is acquired for economic development purposes and buildings or other  
1.22 improvements are constructed after acquisition of the property, and if more than one-half  
1.23 of the floor space of the buildings or improvements which is available for lease to or use  
1.24 by a private individual, corporation, or other entity is leased to or otherwise used by

2.1 a private individual, corporation, or other entity the provisions of this subdivision shall  
2.2 not apply to the property. This subdivision shall not create an exemption from section  
2.3 272.01, subdivision 2; 272.68; 273.19; or 469.040, subdivision 3; or other provision of  
2.4 law providing for the taxation of or for payments in lieu of taxes for publicly held property  
2.5 which is leased, loaned, or otherwise made available and used by a private person.

2.6 **EFFECTIVE DATE.** This section is effective for assessment year 2013 and  
2.7 thereafter and for taxes payable in 2014 and thereafter.