

SENATE  
STATE OF MINNESOTA  
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 2436

(SENATE AUTHORS: PEDERSON)

DATE	D-PG	OFFICIAL STATUS
03/14/2012	4410	Introduction and first reading Referred to Taxes

A bill for an act  
relating to taxation; property; modifying the allowable holding period for exempt  
property held for economic development; amending Minnesota Statutes 2011  
Supplement, section 272.02, subdivision 39.

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

Section 1. Minnesota Statutes 2011 Supplement, section 272.02, subdivision 39,  
is amended to read:

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

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

The governing body of the political subdivision which acquires property which is  
subject to this subdivision shall after the purchase of the property certify to the city or  
county assessor whether the property is held for economic development purposes or  
housing purposes, or whether it meets the conditions of section 469.174, subdivision 10.  
If the property is acquired for economic development purposes and buildings or other  
improvements are constructed after acquisition of the property, and if more than one-half  
of the floor space of the buildings or improvements which is available for lease to or use

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

2.7 **EFFECTIVE DATE.** This section is effective for assessment year 2012 and  
2.8 thereafter and for taxes payable in 2013 and thereafter.