

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 1238

(SENATE AUTHORS: MATHEWS)

DATE
02/22/2017

D-PG
694 Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxes; authorizing special property tax abatement aid.
1.3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.4 Section 1. **LAKE MILLE LACS AREA PROPERTY TAX ABATEMENT.**

1.5 Subdivision 1. **Abatements authorized.** (a) Notwithstanding Minnesota Statutes, section
1.6 375.192, the county boards of Aitkin, Crow Wing, and Mille Lacs Counties may grant an
1.7 abatement of local property taxes for taxes payable in 2017, provided that:

1.8 (1) the property is classified as 1c, 3a (excluding utility real and personal property),
1.9 4c(1), 4c(10), or 4c(11);

1.10 (2) on or before December 31, 2017, the taxpayer submits a written application to the
1.11 county auditor in the county in which abatement is sought; and

1.12 (3) the taxpayer meets qualification requirements established in subdivision 3.

1.13 Subd. 2. **Appeals.** An appeal may not be taken to the Tax Court from any order of the
1.14 county board made pursuant to the exercise of the discretionary authority granted in this
1.15 section.

1.16 Subd. 3. **Qualification requirements.** To qualify for abatements under this section, a
1.17 taxpayer must:

1.18 (1) be located within one of the following municipalities surrounding Lake Mille Lacs:

1.19 (i) in Crow Wing County, the city of Garrison, township of Garrison, or township of
1.20 Roosevelt;

2.1 (ii) in Aitkin County, the township of Hazelton, township of Wealthwood, township of
2.2 Malmo, or township of Lakeside; or

2.3 (iii) in Mille Lacs County, the city of Isle, city of Wahkon, city of Onamia, township of
2.4 East Side, township of Isle Harbor, township of South Harbor, or township of Kathio;

2.5 (2) document a reduction in gross receipts of five percent or greater between two
2.6 successive calendar years beginning in 2010 or later; and

2.7 (3) be a business in one of the following industries, as defined within the North American
2.8 Industry Classification System: accommodation, restaurants, bars, amusement and recreation,
2.9 food and beverages retail, sporting goods, miscellaneous retail, general retail, museums,
2.10 historical sites, health and personal care, gas station, general merchandise, business and
2.11 professional membership, movies, or nonstore retailer, as determined by the county in
2.12 consultation with the commissioner of employment and economic development.

2.13 Subd. 4. **State general levy in relief area.** The counties of Aitkin, Crow Wing, and
2.14 Mille Lacs must refund the state general levy levied upon a property classified as 1c, 3a
2.15 (excluding utility real and personal property), or 4c(1) that is located in the area described
2.16 by subdivision 3, clause (1), for taxes payable in 2017.

2.17 Subd. 5. **Certification and transfer of funds.** (a) By February 1, 2018, a county granting
2.18 a refund as required under subdivision 4 must certify the total amount of state general tax
2.19 refunded to Mille Lacs County and the commissioner of revenue. By March 1, 2018, Mille
2.20 Lacs County must transfer an amount equal to the amount certified under this paragraph to
2.21 the county making the certification.

2.22 (b) By February 1, 2018, a county that has received an application for an abatement
2.23 authorized under subdivision 1 must certify to Mille Lacs County the total amount of
2.24 abatements for which applications have been received and approved. By March 1, 2018,
2.25 Mille Lacs County must transfer an amount equal to the amount certified under this paragraph
2.26 to the county making the certification. By April 30, 2018, the county must issue refunds of
2.27 local property tax amounts to qualified taxpayers.

2.28 Subd. 6. **Commissioner of revenue; appropriation.** An amount sufficient to make the
2.29 transfers required under subdivision 5 in fiscal year 2018 is appropriated from the general
2.30 fund to the commissioner of revenue for transfer to Mille Lacs County. This is a onetime
2.31 appropriation.

2.32 Subd. 7. **Report to legislature.** The commissioner of revenue must make a written report
2.33 to the chairs and ranking minority members of the legislative committees with jurisdiction

3.1 over taxes stating the amount of abatements and refunds given under this section by taxing
3.2 jurisdictions by February 1, 2019. The counties must provide the commissioner with the
3.3 information necessary to make the report.

3.4 Subd. 8. **Refund eligibility.** Only a taxpayer making all payments of property taxes for
3.5 taxes payable in 2017 is eligible to receive a refund under subdivisions 4 and 5.

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