

insurance or the county auditor with whom the notice is filed to mail these copies as herein provided, shall in no way affect the validity of the claim or the right of the claimant to maintain an action thereon.

Sec. 91. TRANSFER OF FUNCTIONS.

Effective July 1, 1983, the audit and direct aids section of the insurance division of the department of commerce is transferred to the department of revenue. The amount of \$144,100 and a complement of five positions shall be transferred from the department of commerce to the department of revenue for fiscal year 1985 to implement the transfer.

Sec. 92. APPROPRIATION.

The sum of \$62,400 is appropriated from the general fund to the department of commerce for the fiscal year ending June 30, 1985.

The approved complement of the department is increased by two.

The appropriation is for the purpose of paying for the increased complement and the expenses related to the processing of forms and rates filed with the department.

Sec. 93. ATTORNEY GENERAL.

The approved complement of the attorney general for general positions is increased by one. \$31,000 is added to the appropriation in Laws 1981, chapter 356, section 14, and is available until June 30, 1985.

Sec. 94. REPEALER.

(a) Minnesota Statutes 1982, sections 65B.15, subdivision 3; and 65B.48, subdivision 8, are repealed.

(b) Minnesota Statutes 1982, section 69.031, subdivision 6, is repealed.

Sec. 95. EFFECTIVE DATE.

Sections 7, 10 to 27, 40, 41, 67 to 70, 82 to 89, 91, and 94, paragraph (b) are effective for taxable years beginning after June 30, 1983, except as otherwise specifically provided. The remaining sections, except section 92, are effective the day following final enactment.

Approved April 26, 1984

CHAPTER 593 — H.F.No. 1815

An act relating to taxation; property; eliminating obsolete language; making technical changes; and repealing obsolete provisions; amending Minnesota Statutes 1982, sections 272.02, subdivisions 2, 3, and 5; 272.03, subdivision 2; 272.20; 272.21; 272.32; 272.37; 272.64; 273.05, subdivision 1; 273.061, subdivision 2; 273.08; 273.1105, subdivision 5; 273.111, subdivisions 8 and 11; 273.115, subdivision 5; 273.116, subdivisions 1 and 5;

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

273.13, subdivisions 7a, 15a, and 19; 273.135, subdivision 3; 273.1391, subdivision 3; 273.22; 275.02; 275.49; 275.51, subdivisions 1 and 4; 360.037, subdivision 2; 373.31, subdivision 2; 375.167, subdivision 1; 473F.02, subdivision 3; 473H.10, subdivision 3; 475.53, subdivisions 1, 3, and 5; Minnesota Statutes 1983 Supplement, sections 272.02, subdivision 1; 272.03, subdivision 1; 273.115, subdivision 1; 273.13, subdivisions 6, 7, 7d, and 14a; 273.138, subdivision 6; 507.235, subdivision 2; repealing Minnesota Statutes 1982, sections 270.90; 272.34; 272.35; 272.36; 272.61; 272.62; 272.63; 272.66; 273.04; 273.111, subdivision 8a; 273.13, subdivision 14; 273.27; 273.56; 275.09; 275.091; 275.161; 275.23; 275.44; 275.45; 275.46; 275.47; 368.86; and 382.19.

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

Section 1. Minnesota Statutes 1983 Supplement, section 272.02, subdivision 1, is amended to read:

Subdivision 1. ~~Except as provided in other subdivisions of this section or in section 272.025 or section 273.13, subdivisions 17, 17b, 17c or 17d, All~~ property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity except property assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;
- (7) All public property exclusively used for any public purpose;
- (8) (a) ~~Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct the exemption from the total valuation of the property as equalized by the commissioner of revenue assessed to the household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.~~

(b) ~~During the period of his active service and for six months after his discharge therefrom, no member of the armed forces of the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.~~

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class 2 property of each household claimed to be exempt shall be limited to property in one taxing district, except in cases where a single domestic establishment is maintained in two or more adjoining districts.

Bonds, certificates of indebtedness, or other obligations issued by the state of Minnesota, or by any county or city of the state, or any town, or any common or independent school district of the state, or any governmental board of the state are exempt from ad valorem property taxation; provided, that this subdivision shall not exempt the obligations or their interest from any excise or other tax levied on income, gross earnings, estates, inheritance, bequests, gifts, transfers, sales, or other transactions, other than an ad valorem property tax.

(9) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

(10) The taxpayer shall be exempted with respect to all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment, manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, Except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, clause (c), except shall be exempt.

The following personal property shall be taxable:

(a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;

(b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80 ~~are not exempt;~~

(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.13, subdivision 7b or 7d; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) property classified as class 2a property; and

(f) flight property as defined in section 270.071.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

~~(11)~~ Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of which are subject to tax under the provisions of the excise tax imposed by chapter 297A;

~~(12)~~ All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

~~(13)~~ All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

~~(14)~~ (9) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, regulations or criteria prescribed by the Minnesota Pollution Control Agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota Pollution Control Agency shall upon request of the commissioner furnish information or advice to the commissioner. If the commissioner determines that property qualifies for exemption, he shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota Pollution Control Agency remains in effect.

~~(15)~~ (10) Wetlands. For purposes of this subdivision, "wetlands" means land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes. "Wetlands" shall be land preserved in its natural condition, drainage of which would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

~~(16)~~ (11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of his decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(17) (12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1982, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(18) (13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(19) (14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8 and 9.

(20) (15) If approved by the governing body of the municipality in which the property is located, a direct satellite broadcasting facility or fixed satellite regional or national program service facility, and if construction of which is commenced after June 30, 1983, for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. As used in this clause:

(a) a "direct satellite broadcasting facility" is a facility operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band and;

(b) a "fixed satellite regional or national program service facility" is a facility operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commission-

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

ers of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(21) If approved by the governing body of the municipality in which the property is located,; and

(c) a facility construction of which is commercial after June 30, 1983, at which a licensed Minnesota manufacturer produces distilled spirituous liquors, liqueurs, cordials, or liquors designated as specialties regardless of alcoholic content, but not including ethyl alcohol, distilled with a majority of the ingredients grown or produced in Minnesota, for a period not to exceed five years.

An exemption provided by paragraph (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

The exemptions granted by this subdivision shall be subject to the limits contained in the other subdivisions of this section, section 272.025, or section 273.13, subdivisions 17, 17b, 17c, or 17d.

Sec. 2. Minnesota Statutes 1982, section 272.02, subdivision 2, is amended to read:

Subd. 2. After December 31, 1971, Property owned, leased or used by any public elementary or secondary school district for a home, residence or lodging house for any teacher, instructor, or administrator, and any property owned by any public school district which is leased after May 18, 1975 to any person or organization for a nonpublic purpose for one year or more pursuant to

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

section 123.36, subdivision 10, shall not be included in the exemption provided in subdivision 1.

Sec. 3. Minnesota Statutes 1982, section 272.02, subdivision 3, is amended to read:

Subd. 3. ~~After December 31, 1970,~~ Property owned or leased by, or loaned to, a hospital and used principally by such hospital as a recreational or rest area for employees, administrators, or medical personnel shall not be included in the exemption provided in subdivision 1.

Sec. 4. Minnesota Statutes 1982, section 272.02, subdivision 5, is amended to read:

Subd. 5. 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 1, clause (7) for a period not to exceed three years. This subdivision shall not ~~operate to~~ create an exemption from sections section 272.01, subdivision 2; 272.68; 273.19; or 462.575, subdivision 3; or other provision of law providing for the taxation of or for payments in lieu of taxes for publicly held property which is leased, loaned, or otherwise made available and used by a private person. ~~This section is effective for taxes levied in 1979 and thereafter, and payable in 1980 and thereafter.~~

Sec. 5. Minnesota Statutes 1983 Supplement, section 272.03, subdivision 1, is amended to read:

Subdivision 1. **REAL PROPERTY.** (a) For the purposes of taxation, "real property" includes the land itself, rails, ties, and other track materials annexed to the land, and all buildings, structures, and improvements or other fixtures on it, bridges of bridge companies, and all rights and privileges belonging or appertaining to ~~the~~ the land, and all mines, minerals, quarries, fossils, and trees on or under it.

(b) A building or structure shall include the building or structure itself, together with all improvements or fixtures annexed to the building or structure, which are integrated with and of permanent benefit to the building or structure, regardless of the present use of the building, and which cannot be removed without substantial damage to itself or to the building or structure.

(c) (i) The term real property shall not include tools, implements, machinery, and equipment attached to or installed in real property for use in the business or production activity conducted thereon, regardless of size, weight or method of attachment.

(ii) The exclusion provided in clause (c) (i) shall not apply to machinery and equipment includable as real estate by clauses (a) and (b) even though such machinery and equipment is used in the business or production activity conducted on the real property if and to the extent such business or production activity

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

consists of furnishing services or products to other buildings or structures which are subject to taxation under this chapter.

Sec. 6. Minnesota Statutes 1982, section 272.03, subdivision 2, is amended to read:

Subd. 2. **PERSONAL PROPERTY.** For the purposes of taxation, "personal property" includes:

- (1) All goods, chattels, money and effects;
- (2) All ships, boats, and vessels belonging to inhabitants of this state and all capital invested therein;
- (3) All improvements upon land the fee of which is vested in the United States, and all improvements upon land the title to which is vested in any corporation whose property is not subject to the same mode and rule of taxation as other property;
- (4) All stock of nurserymen, growing or otherwise;
- (5) All gas, electric, and water mains, pipes, conduits, subways, poles, and wires of gas, electric light, water, heat, or power companies, and all tracks, roads, bridges, conduits, poles, and wires of street railway, plank road, gravel road, and turnpike, and bridge companies;
- (6) All credits over and above debts owed by the creditor;
- (7) The income of every annuity, unless the capital of the annuity is taxed within this state;
- (8) All public stocks and securities;
- (9) All personal estate of moneyed corporations, whether the owners reside within or without the state;
- (10) All shares in foreign corporations owned by residents of this state; and
- (11) All shares in banks organized under the laws of the United States or of this state.

Sec. 7. Minnesota Statutes 1982, section 272.20, is amended to read:

272.20 GOVERNMENT AND RAILROAD LANDS BECOMING TAXABLE; LISTS OF LANDS REVERTING TO RAILROADS.

On December 1 in each year The commissioner of revenue shall obtain lists of all government and railroad lands becoming taxable, and he shall annually compile therefrom, and from the records of sales of state lands, complete lists of all such lands; and a list of railroad operating property which is sold or otherwise becomes nonoperating property. On or before December 15 in each

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

year he shall certify the same lands for taxation to the auditors of the counties in which such lands lie. At the same time he shall obtain lists of lands reverting to and being used as operating property by the railroad companies each year by reason of the forfeiture of contracts, and certify the same to the county auditors, who shall thereupon remove such lands from the tax lists; but nothing herein shall be construed to relieve such forfeited lands from any lien for taxes or assessments accruing thereon during the life of such contract. The railroad companies shall report such sales and forfeitures to the commissioner of revenue December 1 in each year, and at other times when required by him. All forfeited lands not so reported shall be held for all taxes accruing thereon.

Sec. 8. Minnesota Statutes 1982, section 272.21, is amended to read:

272.21 RAILROAD LANDS; SALE.

When any a railroad company owning lands granted to it to aid in the building of its road and exempted by law from taxation until leased, contracted, or sold by such company taxed as railroad operating property, sells, assigns, transfers, or disposes of any estate, right, title, or interest therein or thereto in the land, such right, title, estate, or interest shall become taxable in the same manner as comparable property, and be assessed and taxed, and such taxes shall be enforced, as in the case of other real property. In such assessment, and in the proceedings to collect and enforce such taxes, it shall be sufficient to refer to the owners of such estate, right, title, or interest as "unknown." The purchaser at any such tax sale, or from the state, if bid in for the state, or his successor in interest, shall acquire and be subrogated to all the right, title, estate, or interest of the person holding the same under or from such company, subject to the right of redemption, as in other cases, and may do every act or thing which such person might do in order to be entitled to a perfect title or deed of such lands from such company. Upon production to such company of the tax certificate, in case there has been no redemption from such tax sale, such purchaser, or his successor in interest, may make any payment of principal or interest due or to become due to such company as assignee of such person. If the person entitled to redeem from such tax sale fails so to do within the time allowed by law and at the same time fails to pay to the county treasurer, for the use of the holder of such tax certificate, the amount of all payments of principal and interest by him or any prior holder made to such company on account of such lands, with interest thereon from the time of such payments at the rate of 12 percent per annum, then, upon filing with such company a certificate of the county auditor showing that no such redemption has been made, the holder of such tax certificate shall be entitled to receive from such company such deed or contract as the person whose right, title, estate, or interest was so sold at such tax sale originally received from such company, or would then be entitled to receive from it, with like effect, and in lieu thereof.

Sec. 9. Minnesota Statutes 1982, section 272.32, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

272.32 ASSESSMENTS FOR LOCAL IMPROVEMENTS IN CITIES.

All assessments upon real property for local improvements made or levied by the proper authorities of any city in the state shall be a paramount lien upon the land upon which they are imposed from the date of the warrant issued for the collection thereof, or from such other date as by the charter of any such city such assessments become a lien upon the land, and of equal rank with the lien of the state for taxes which have been or may be levied upon the property under the general laws of the state; and the general rules of law as to priority of tax liens shall apply equally to the liens of such assessments and to such liens for general taxes with the same force and effect as though all of these liens and all of these taxes and assessments were of the same general character and imposed for the same purpose and by the same authority, without regard to the priority in point of time of the attaching of either of these liens, and a sale or perfecting title under either shall not bar or extinguish the other. This section shall be applicable to any city existing under a charter framed and adopted under the Constitution of the State of Minnesota, Article 4, Section 36 prior to November 18, 1958.

Sec. 10. Minnesota Statutes 1982, section 272.37, is amended to read:

272.37 APPLICATION.

Sections 272.33 to 272.37 shall also apply to cities having home rule charters adopted pursuant to the ~~Constitution of the State of Minnesota, Article 4, Section 36,~~ prior to November 18, 1958 and now or hereafter having a population of over 50,000 at any time after January 1, 1913.

Sec. 11. Minnesota Statutes 1982, section 272.64, is amended to read:

272.64 BONDED INDEBTEDNESS, INCREASE IN COUNTIES WITHOUT PERSONAL PROPERTY TAX MILL RATE LIMITS; HOUSEHOLD PROPERTY ADJUSTMENT.

Any county which has elected to exempt class 2 property or Any taxing district ~~which lies within such county~~ shall be allowed to increase its ~~bonded indebtedness or the mill rate limitations otherwise imposed by statute~~ in the ratio that its taxable class 2 property bears to all of its taxable property determined as of the date of the last assessment of class 2 property.

Sec. 12. Minnesota Statutes 1982, section 273.05, subdivision 1, is amended to read:

Subdivision 1. **APPOINTMENT OF TOWN AND CITY ASSESSORS.** Notwithstanding any other provision of law all town assessors shall be appointed by the town board, and notwithstanding any charter provisions to the contrary, all city assessors shall be appointed by the city council or other appointing authority as provided by law or charter. Such assessors shall be residents of the state but need not be a resident of the town or city for which they are appointed. They shall be selected and appointed because of their knowledge

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

and training in the field of property taxation. ~~The term of all town and statutory city assessors shall expire on December 31, 1968. Thereafter~~ All town and statutory city assessors shall be appointed for indefinite terms. Vacancies in the office of town or city assessor shall be filled within 90 days by appointment of the respective appointing authority indicated above. If the vacancy is not filled within 90 days, the office shall be terminated. When a vacancy in the office of town or city assessor is not filled by appointment, and it is imperative that the office of assessor be filled, the county auditor shall appoint some resident of the county as assessor for such town or city. The county auditor may appoint the county assessor as assessor for such town or city, in which case the town or city shall pay to the county treasurer the amount determined by the county auditor to be due for the services performed and expenses incurred by the county assessor in acting as assessor for such town or city. The term of any town or statutory city assessor in a county electing in accordance with section 273.052 shall be terminated as provided in section 273.055.

Sec. 13. Minnesota Statutes 1982, section 273.061, subdivision 2, is amended to read:

Subd. 2. **TERM; VACANCY.** (a) The terms of county assessors appointed under this section shall ~~commence January 1, 1967, and shall expire December 31, 1970. The next term shall begin January 1, 1971, and end December 31, 1972.~~ The succeeding terms shall be four years. A new term shall begin on January 1 of every fourth year after 1973. When any vacancy in the office occurs, the board of county commissioners, within 30 days thereafter, shall fill the same by appointment for the remainder of the term, following the procedure prescribed in subdivision 1. The term of the county assessor may be terminated by the board of county commissioners at any time, on charges of inefficiency or neglect of his duty by the commissioner of revenue. If the board of county commissioners does not intend to reappoint a county assessor who has been certified by the state board of assessors, the board shall present written notice to the county assessor not later than 90 days prior to the termination of his term, that it does not intend to reappoint him. If written notice is not timely made to the county assessor, he will automatically be reappointed by the board of county commissioners.

(b) In the event of a vacancy in the office of county assessor, through death, resignation or other reasons, the deputy (or chief deputy, if more than one) shall perform the functions of the office. If there is no deputy, the county auditor shall designate a person to perform the duties of the office until an appointment is made as provided in clause (a). Such person shall perform the duties of the office for a period not exceeding 30 days during which the county board must appoint a county assessor. Such 30-day period may, however, be extended by written approval of the commissioner of revenue.

Sec. 14. Minnesota Statutes 1982, section 273.08, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

273.08 ASSESSOR'S DUTIES.

The assessor shall perform his duties in the manner following. In 1976 and thereafter, he shall actually view, and determine the market value of each tract or lot of real property listed for taxation, including the value of all improvements and structures thereon, ~~opposite each description~~ at maximum intervals of four years and shall enter the value thereof according to the provisions of Laws 1975, Chapter 437, Article 8 opposite each description.

Sec. 15. Minnesota Statutes 1982, section 273.1105, subdivision 5, is amended to read:

Subd. 5. This section is ~~effective for taxes levied in 1978 and thereafter, payable in 1979 and thereafter,~~ and shall expire for taxes levied in 1983, payable in 1984 and thereafter; provided that any project approved prior to the expiration of this section shall continue to receive treatment pursuant to subdivision 1 until the end of the fifth year following the rehabilitation year. This section is repealed effective for taxes payable in 1989 and thereafter.

Sec. 16. Minnesota Statutes 1982, section 273.111, subdivision 8, is amended to read:

Subd. 8. Application for deferment of taxes and assessment under this section shall be filed ~~in the year 1969 by July 1 and thereafter~~ by May 1 of the year prior to the year in which ~~said the~~ taxes become ~~are~~ payable. Any application filed hereunder and granted shall continue in effect for subsequent years until the property no longer qualifies. Such application shall be filed with the assessor of the taxing district in which the real property is located on such form as may be prescribed by the commissioner of revenue. The assessor may require proof by affidavit or otherwise that the property qualifies under subdivisions 3 and 6.

Sec. 17. Minnesota Statutes 1982, section 273.111, subdivision 11, is amended to read:

Subd. 11. The payment of special local assessments levied after ~~the date of Extra Session Laws 1967, Chapter 60, June 1, 1967~~ for improvements made to any real property described in subdivision 3 together with the interest thereon shall, on timely application as provided in subdivision 8, be deferred as long as such property meets the conditions contained in subdivisions 3 and 6. If special assessments against the property have been deferred pursuant to this subdivision, the governmental unit shall file with the county recorder in the county in which the property is located a certificate containing the legal description of the affected property and of the amount deferred. When such property no longer qualifies under subdivisions 3 and 6, all deferred special assessments plus interest shall be payable within 90 days. Penalty shall not be levied on any such special assessments if timely paid. If not paid within such 90 days, the county auditor

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

shall include such deferred special assessments plus a ten percent penalty on the tax list for the current year.

Sec. 18. Minnesota Statutes 1983 Supplement, section 273.115, subdivision 1, is amended to read:

Subdivision 1. The county auditor shall annually reduce the tax liability of each owner of wetlands exempt from property taxation pursuant to section 272.02, subdivision 1, clause ~~(15)~~ (10), by an amount equal to one-half of one percent of the average level of estimated market value of an acre of tillable land in the township, city or unorganized territory in which the qualifying wetland is located, multiplied by the number of acres of wetlands he owns. Any excess of credit over tax liability shall not be paid to the property owner but shall be applied to the tax liability of the owner of the wetlands for any parcel he owns which is contiguous to the parcel containing the wetlands.

Sec. 19. Minnesota Statutes 1982, section 273.115, subdivision 5, is amended to read:

Subd. 5. In order to receive the wetlands credit provided in this section, an owner of wetlands shall agree not to drain the wetlands during the year for which he receives the credit. To initially qualify for the credit ~~for taxes levied in 1980, payable in 1981, the agreement shall be made by June 30, 1980, to initially qualify for the credit for taxes levied subsequent to 1980,~~ the agreement shall be made by a date ~~to be set by the county board.~~ After initial qualification, an owner of wetlands shall not be required to reapply to receive the credit for subsequent years. The agreement shall remain in effect until the wetlands are drained. The credit shall not be available (a) for any year prior to which a timely agreement has been made or (b) for any year in which the owner drains the wetlands. The local assessor shall certify that each land owner receiving the credit has so agreed.

Sec. 20. Minnesota Statutes 1982, section 273.116, subdivision 1, is amended to read:

Subdivision 1. The county auditor shall annually reduce the tax liability of each owner of native prairie exempt from property taxation pursuant to section 272.02, subdivision 1, clause ~~(16)~~ (11), by an amount equal to 1-1/2 percent of the average level of estimated market value of an acre of tillable land in the township, city or unorganized territory in which the qualifying native prairie is located, multiplied by the number of acres of native prairie he owns. Any excess of credit over tax liability shall not be paid to the property owner but shall be applied to the tax liability of the owner of the native prairie for any parcel he owns which is contiguous to the parcel containing the native prairie or if the owner of the native prairie does not own any contiguous parcel to which the credit can be applied, the credit shall be applied to his tax liability for any parcel

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

he owns which is located in the same township or city or not farther than two townships or cities or combination thereof from the native prairie.

Sec. 21. Minnesota Statutes 1982, section 273.116, subdivision 5, is amended to read:

Subd. 5. In order to receive the native prairie credit provided in this section, an owner of native prairie shall agree to preserve the prairie in its natural state during the year for which he receives the credit. To initially qualify for the credit for taxes levied in 1980, payable in 1981, the agreement shall be made by June 30, 1980; to initially qualify for the credit for taxes levied subsequent to 1980, the agreement shall be made by a date to be set by the county board. After initial qualification, an owner of native prairie shall not be required to reapply to receive the credit for subsequent years. The agreement shall remain in effect until the native prairie is no longer maintained in its natural state. The credit shall not be available (a) for any year prior to which a timely agreement has been made or (b) for any year in which the owner ceases to maintain the native prairie in its natural state. The local assessor shall certify that each land owner receiving the credit has so agreed.

Sec. 22. Minnesota Statutes 1983 Supplement, section 273.13, subdivision 6, is amended to read:

Subd. 6. **CLASS 3B.** Agricultural land, except as provided by class 1 hereof, and which is used for the purposes of a homestead shall constitute class 3b and shall be valued and assessed as follows: the first \$60,000 of market value shall be valued and assessed at 14 percent; the remaining market value shall be valued and assessed at 19 percent. The maximum amount of the market value of the homestead bracket subject to the 14 percent rate shall be adjusted by the commissioner of revenue as provided in section 273.1311. The property tax to be paid on class 3b property as otherwise determined by law less any reduction received pursuant to sections 124.2137, 273.123, 273.135, and 473H.10 shall be reduced by 54 percent of the tax; ~~provided that.~~ The amount of the reduction shall not exceed \$650. Noncontiguous land shall constitute class 3b only if the homestead is classified as class 3b and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead. ~~The first \$12,000 market value of each tract of real estate which is rural in character and devoted or adaptable to rural but not necessarily agricultural use, used for the purpose of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.~~

Agricultural land as used herein, and in section 124.2137, shall mean contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land and land included in federal farm programs.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

The assessor shall determine and list separately on his records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 23. Minnesota Statutes 1983 Supplement, section 273.13, subdivision 7, is amended to read:

Subd. 7. **CLASS 3C, 3CC.** All other real estate and class 2a property, except as provided by classes 1 and 3cc, which is used for the purposes of a homestead, shall constitute class 3c, and shall be valued and assessed as follows: the first \$30,000 of market value shall be valued and assessed at 17 percent; the next \$30,000 of market value shall be valued and assessed at 19 percent; and the remaining market value shall be valued and assessed at 30 percent. The maximum amounts of the market value of the homestead brackets subject to the 17 percent and 19 percent rates shall be adjusted by the commissioner of revenue as provided in section 273.1311. The property tax to be paid on class 3c property as otherwise determined by law, less any reduction received pursuant to sections 273.123, 273.135, and 473H.10 shall be reduced by 54 percent of the tax imposed on the first \$67,000 of market value; ~~provided that~~. The amount of the reduction shall not exceed \$650. ~~The first \$12,000 market value of each tract of such real estate used for the purposes of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.~~

Class 3cc property shall include real estate or manufactured homes used for the purposes of a homestead by (a) any blind person, if the blind person is the owner thereof or if the blind person and his or her spouse are the sole owners thereof; or (b) any person (hereinafter referred to as veteran) who: (1) served in the active military or naval service of the United States and (2) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair, and (3) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as his or her homestead; or (c) any person who: (1) is permanently and totally disabled and (2) receives 90 percent or more of his total income from (i) aid from any state as a result of that disability, or (ii) supplemental security income for the disabled, or (iii) workers' compensation

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

based on a finding of total and permanent disability, or (iv) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases, or (v) aid under the Federal Railroad Retirement Act of 1937, 45 United States Code Annotated, section 228b(a)5, or (vi) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability. Property shall be classified and assessed as class 3cc only if the commissioner of revenue certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. Class 3cc property shall be valued and assessed as follows: in the case of agricultural land, including a manufactured home, used for a homestead, the first \$30,000 of market value shall be valued and assessed at five percent, the next \$30,000 of market value shall be valued and assessed at 14 percent, and the remaining market value shall be valued and assessed at 19 percent; and in the case of all other real estate and manufactured homes, the first \$30,000 of market value shall be valued and assessed at five percent, the next \$30,000 of market value shall be valued and assessed at 19 percent, and the remaining market value shall be valued and assessed at 30 percent. In the case of agricultural land including a manufactured home used for purposes of a homestead, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 14 percent rates; and for all other real estate and manufactured homes, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 19 percent rates. Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings him an income. The property tax to be paid on class 3cc property as otherwise determined by law, less any reduction received pursuant to section 273.135 shall be reduced by 54 percent of the tax imposed on the first \$67,000 of market value; ~~provided that~~. The amount of the reduction shall not exceed \$650.

For purposes of this subdivision, homestead property which qualifies for the classification ratios and credits provided in this subdivision shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner shall apply for it to the assessor by July 1 of 1983 ~~or~~ the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

Sec. 24. Minnesota Statutes 1982, section 273.13, subdivision 7a, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 7a. **PERCENTAGE OF MARKET VALUE.** Except as otherwise provided for the purpose of determining salaries of all officials based on assessed valuations and of determining tax limitations now established by statute or by charter, class 3b and class 3c property shall be figured at 33 1/3 percent and 40 percent of the market value thereof, respectively.

Sec. 25. Minnesota Statutes 1983 Supplement, section 273.13, subdivision 7d, is amended to read:

Subd. 7d. **LEASED HOMESTEAD PROPERTY.** Class 3g consists of all buildings and appurtenances located upon land owned by the occupant and used for the purposes of a homestead together with the land upon which they are located. Class 3g property shall be valued and assessed as if it were homestead property within the scope of class 3c or 3cc, whichever is applicable, if all of the following criteria are met:

- (a) the occupant is using such property as his permanent residence; and
- (b) the occupant is paying the ad valorem property taxes and any special assessments levied against such property; and
- (c) the occupant has signed a lease which has an option to purchase the buildings and appurtenances; and
- (d) the term of the lease is at least five years.

Any taxpayer meeting all the requirements herein must notify the county assessor, or the assessor who has the powers of the county assessor pursuant to section 273.063, in writing, ~~prior to September 1, 1984 and in future years,~~ as soon as possible after signing the lease agreement and occupying the buildings as his homestead.

Sec. 26. Minnesota Statutes 1983 Supplement, section 273.13, subdivision 14a, is amended to read:

Subd. 14a. **BUILDINGS AND APPURTENANCES ON LAND NOT OWNED BY OCCUPANT.** The property tax to be paid in respect of the value of all buildings and appurtenances thereto owned and used by the occupant as a permanent residence for the purposes of a homestead, which are located upon land subject to property taxes and the title to which is vested in a person or entity other than the occupant, for all purposes shall be reduced by 54 percent of the amount of the tax in respect of the value not in excess of \$67,000 as otherwise determined by law, but not by more than \$650.

Sec. 27. Minnesota Statutes 1982, section 273.13, subdivision 15a, is amended to read:

Subd. 15a. **GENERAL FUND, REPLACEMENT OF REVENUE.** (1) Payment from the general fund shall be made, as provided herein, for the purpose

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

of replacing revenue lost as a result of the reduction of property taxes provided in subdivisions 6, 7, and 14a.

(2) Each county auditor shall certify, not later than May 1 of each year ~~commencing in 1968~~ to the commissioner of revenue the amount of reduction resulting from subdivisions 6 ~~and, 7, and 14a~~ in his county, ~~and not later than May 1 of each year commencing in 1970, the amount of reduction resulting from subdivision 14a.~~ ~~In 1975 and subsequent years,~~ This certification shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections.

(3) Based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall annually determine the taxing district distribution of the amounts certified under clause (2). ~~On or before July 15, 1981, and each year thereafter,~~ The commissioner of revenue shall pay to each taxing district, other than school districts, ~~one-sixth~~ of its total payment for the year. ~~The remaining five-sixths shall be paid in equal installments on or before July 15, August 15, September 15, October 15, November 15, and December 15, 1981, and of each year thereafter.~~ ~~By July 15, 1982, and each year thereafter,~~ the commissioner of revenue shall pay to each school district ~~one-half~~ of its total payment for the year. ~~The remaining one-half shall be paid by January 15, 1983, and each year thereafter.~~

Sec. 28. Minnesota Statutes 1982, section 273.13, subdivision 19, is amended to read:

Subd. 19. **CLASS 3D, 3DD.** Residential real estate containing four or more units, other than seasonal residential, recreational and homesteads shall be classified as class 3d property and shall have a taxable value equal to ~~36 percent~~ of market value for taxes levied in 1981 and 34 percent of market value for taxes levied in 1982 and thereafter. Residential real estate containing three or less units, other than seasonal residential, recreational and homesteads, shall be classified as class 3dd property and shall have a taxable value equal to 28 percent of market value.

Residential real estate as used in this subdivision means real property used or held for use by the owner thereof, or by his tenants or lessees as a residence for rental periods of 30 days or more, but shall not include homesteads, or real estate devoted to temporary or seasonal residential occupancy for recreational purposes. Where a portion of a parcel of property qualified for class 3d or 3dd and a portion does not qualify for class 3d or 3dd the valuation shall be apportioned according to the respective uses.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Residential real estate containing less than three units when entitled to homestead classification for one or more units shall be classed as 3b, 3c or 3cc according to the provisions of subdivisions 6 and 7.

Sec. 29. Minnesota Statutes 1982, section 273.135, subdivision 3, is amended to read:

Subd. 3. Not later than December 1 of each year, ~~commencing in 1973~~, each county auditor having jurisdiction over one or more tax relief areas shall certify to the commissioner of revenue his estimate of the total amount of the reduction, determined under subdivision 2, in taxes payable the next succeeding year with respect to all tax relief areas in his county.

Sec. 30. Minnesota Statutes 1983 Supplement, section 273.138, subdivision 6, is amended to read:

Subd. 6. The amount of aid calculated for a school district pursuant to subdivision 3, clauses (2), (3), (4), and (5) and (6) shall be deducted from the school district's maintenance levy limitation established pursuant to section 275.125, subdivision 2a, in determining the amount of taxes the school district may levy for general and special purposes.

Sec. 31. Minnesota Statutes 1982, section 273.1391, subdivision 3, is amended to read:

Subd. 3. Not later than December 1 of each year, ~~commencing in 1980~~, each county auditor having jurisdiction over one or more tax relief areas defined in subdivision 2 shall certify to the commissioner of revenue his estimate of the total amount of the reduction, determined under subdivision 2, in taxes payable the next succeeding year with respect to all tax relief areas in his county.

Sec. 32. Minnesota Statutes 1982, section 273.22, is amended to read:

273.22 PERSONAL PROPERTY LISTED.

Personal property shall be listed in the manner following:

(1) Every person of full age and sound mind, being a resident of this state, shall list all his ~~money, credits, bonds, shares of stock of joint stock or other companies or corporations (when the property of such company or corporation is not assessed in this state), moneys loaned or invested, annuities, franchises, royalties, and other~~ taxable personal property;

(2) He shall also list separately, and in the name of his ~~principal~~ its owner, all ~~money and other taxable~~ personal property invested, loaned, or otherwise controlled by him as the agent, trustee, guardian, receiver, or attorney for, or on account of, any other person, estate, trust company, or corporation, and all ~~moneys deposited subject to his order, check, or draft, and credits due from or owing by any person, company, or corporation;~~

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(3) The property of a minor child or insane person shall be listed by his guardian, or by the person having such property in charge;

(4) The property of a person for whose benefit it is held in trust, by the trustee; of the estate of a deceased person, by the executor or administrator;

(5) The property of a corporation whose assets are in the hands of a receiver, by such receiver;

(6) The property of a body politic or corporate, by the proper agent or officer thereof;

(7) The property of a firm or company, by a partner or agent thereof;

(8) The property of manufacturers and others in the hands of an agent, by such agent in the name of his principal, as merchandise.

Sec. 33. Minnesota Statutes 1982, section 275.02, is amended to read:

275.02 LEGISLATIVE STATE LEVY, EXCEPTIONS; CERTIFICATION OF TAX RATE.

The state tax shall be levied by the legislature on all taxable property in the state, ~~except class 2 property as defined in section 273.13 and~~. The rate of such the tax shall be certified by the state auditor to each county auditor on or before November 15 annually.

Sec. 34. Minnesota Statutes 1982, section 275.49, is amended to read:

275.49 COMPUTATIONS TIED TO TAX VALUATION.

For the purpose of computing the amount or rate of any ~~salary, aid, tax, or debt authorized, required, or limited~~ by any provision of any law or charter, where such authorization, requirement, or limitation is related in any manner to any value or valuation of taxable property within the state or within any of its taxing districts, such property shall include all property of any class exempted from taxation by Extra Session Laws 1967, chapter 32 at its value or valuation in 1966 as determined in accordance with law.

Sec. 35. Minnesota Statutes 1982, section 275.51, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any provisions of law or municipal charter to the contrary which authorize ad valorem levies in excess of the limitations established by sections 275.50 to 275.56, but subject to section 275.56, the provisions of this section shall apply to the levies by governmental subdivisions for the taxes payable year 1983 and subsequent years for all purposes other than those for which special levies and special assessments are made.

Sec. 36. Minnesota Statutes 1982, section 275.51, subdivision 4, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 4. If in any year subsequent to 1973 the levy made by a governmental subdivision exceeds the limitation provided in sections 275.50 to 275.56, except when such excess levy is due to the rounding of the mill rates of the governmental subdivision in accordance with section 275.28, subsequent distributions required to be made by the commissioner of finance from any formula aids pursuant to sections 477A.011 to 477A.014, shall be reduced 33 cents for each full dollar the levy exceeds the limitation.

Sec. 37. Minnesota Statutes 1982, section 360.037, subdivision 2, is amended to read:

Subd. 2. **IN EXCESS OF TAX LIMITATION.** Irrespective of any limitation, by general or special law or charter, as to the amount or total of taxes that may be levied, a municipality may levy taxes for the purposes authorized by sections 360.011 to 360.076, in excess of such limitations, in such amount as may be authorized by an ordinance or resolution referred to and approved by the voters of such municipality by popular vote; provided, such levies shall be within the limits fixed by sections section 275.11, 275.32, and 275.44.

Sec. 38. Minnesota Statutes 1982, section 373.31, subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions and limitations of ~~section 275.09, and any other law,~~ the county board of any county may appropriate from the general revenue fund a sum not to exceed one-thirtieth of a mill on the dollar of the taxable valuation of the county for carrying out the purposes of this section.

Sec. 39. Minnesota Statutes 1982, section 375.167, subdivision 1, is amended to read:

Subdivision 1. **APPROPRIATIONS.** Notwithstanding the provisions and limitations of ~~section 275.09, and any other law to the contrary,~~ the county board of any county may appropriate from the general revenue fund to any nonprofit corporation a sum not to exceed one-fourth of a mill on the dollar of the taxable valuation of the county for the purpose of providing legal assistance to persons who are unable to afford private legal counsel. This levy shall be subject to the levy limits established by sections 275.50 to 275.59.

Sec. 40. Minnesota Statutes 1982, section 473F.02, subdivision 3, is amended to read:

Subd. 3. "Commercial-industrial property" means the following categories of property, as defined in section 273.13, excluding that portion of such property (a) which may, by law, constitute the tax base for a tax increment pledged pursuant to ~~sections~~ section 462.585 or 474.10, certification of which was requested prior to August 1, 1979, to the extent and while such tax increment is so pledged; (b) which may, by law, constitute the tax base for tax revenues set

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

aside and paid over for credit to a sinking fund pursuant to direction of the city council in accordance with Laws 1963, chapter 881, as amended, to the extent that such revenues are so treated in any year; or (c) which is exempt from taxation pursuant to section 272.02:

(a) That portion of class 3 property consisting of stocks of merchandise and furniture and fixtures used therewith; manufacturers' materials and manufactured articles; and tools, implements and machinery, whether fixtures or otherwise.

(b) Class 3h property.

(c) Class 3j property.

(d) That portion of class 4 property which is either used or zoned for use for any commercial or industrial purpose, except for such property which is, or, in the case of property under construction, will when completed be used exclusively for residential occupancy and the provision of services to residential occupants thereof. Property shall be considered as used exclusively for residential occupancy only if each of not less than 80 percent of its occupied residential units is, or, in the case of property under construction, will when completed be occupied under an oral or written agreement for occupancy over a continuous period of not less than 30 days.

If the classification of property prescribed by section 273.13 is modified by legislative amendment, the references in this subdivision shall be to such successor class or classes of property, or portions thereof, as embrace the kinds of property designated in this subdivision.

(e) ~~That property valued and assessed under section 273.13, subdivision 14.~~

Sec. 41. Minnesota Statutes 1982, section 473H.10, subdivision 3, is amended to read:

Subd. 3. (a) After the assessor has determined the market value of all land valued according to subdivision 2, he shall compute the assessed value of those properties by applying the appropriate classification percentages. When the county auditor computes the rate of tax pursuant to section ~~275.09~~ 275.08, he shall include the assessed value of land as provided in this clause.

(b) The county auditor shall compute the tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the assessed value times the total rate of tax for all purposes as provided in clause (a).

(c) The county auditor shall then compute the maximum ad valorem property tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the assessed value times 105 percent of the previous

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

year's statewide average mill rate levied on property located within townships for all purposes.

(d) The tax due and payable by the owner of preserve land valued according to subdivision 2 and nonresidential buildings will be the amount determined in clause (b) or (c), whichever is less. If the gross tax in clause (c) is less than the gross tax in clause (b), the state shall reimburse the taxing jurisdictions for the amount of difference. Residential buildings shall continue to be valued and classified according to the provisions of sections 273.11 and 273.13, as they would be in the absence of this section, and the tax on those buildings shall not be subject to the limitation contained in this clause.

The county auditor shall certify to the commissioner of revenue on or before June 1, 1983, and each year thereafter, the total amount of tax lost to the taxing jurisdictions located within his county as a result of this subdivision. Payments shall be made by the state annually on or before July 15, 1983 and each year thereafter to each of the affected taxing jurisdictions. There is annually appropriated from the general fund in the state treasury to the commissioner of revenue an amount sufficient to make the reimbursement provided in this subdivision. This section shall be effective for taxes levied in 1982, payable in 1983 and thereafter.

Sec. 42. Minnesota Statutes 1982, section 475.53, subdivision 1, is amended to read:

Subdivision 1. **GENERALLY.** Except as otherwise provided in sections 475.51 to 475.75, no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of $6 \frac{2}{3}$ 7-1/3 percent of the assessed value.

Sec. 43. Minnesota Statutes 1982, section 475.53, subdivision 3, is amended to read:

Subd. 3. **CITIES FIRST CLASS.** Unless its charter permits a greater net debt a city of the first class may not incur a net debt in excess of $1 \frac{2}{3}$ two percent of the market value of all taxable property therein. If the charter of the city permits a net debt of the city in excess of $1 \frac{2}{3}$ two percent of its valuation, it may not incur a net debt in excess of $3 \frac{1}{3}$ 3-2/3 percent of the market value of the taxable property therein.

The county auditor, at the time of preparing the tax list of the city, shall compile a statement setting forth the total assessed value and the total market value of each class of taxable property in such city for such year.

Sec. 44. Minnesota Statutes 1982, section 475.53, subdivision 5, is amended to read:

Subd. 5. **CERTAIN INDEPENDENT SCHOOL DISTRICTS.** No independent school district located wholly or partly within a city of the first class

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

shall issue any obligations unless first authorized by a two-thirds vote of the governing body of such city. No such school district shall issue obligations running more than two years, whenever the aggregate of the outstanding obligations of the district equals or exceeds $2\frac{1}{2}$ ~~2-3/4~~ percent of the assessed value of the taxable property within the school district.

Sec. 45. Minnesota Statutes 1983 Supplement, section 507.235, subdivision 2, is amended to read:

Subd. 2. **PENALTY FOR FAILURE TO FILE.** If a contract for deed is not filed as required by the county board adopted pursuant to subdivision 1, a penalty is imposed equal to 0.15 percent of the principal amount of the contract debt. Payments of the penalty shall be deposited in the general fund of the county. The penalty shall be a lien against the property and shall have the same priority and be collected in the same manner provided for real property taxes.

Sec. 46. **REPEALER.**

Minnesota Statutes 1982, sections 270.90; 272.34; 272.35; 272.36; 272.61; 272.62; 272.63; 272.66; 273.04; 273.111, subdivision 8a; 273.13, subdivision 14; 273.27; 273.56; 275.09; 275.091; 275.161; 275.23; 275.44; 275.45; 275.46; 275.47; 368.86; and 382.19, are repealed.

Sec. 47. **EFFECTIVE DATE.**

Section 45 is effective the day following final enactment. The remainder of the act is effective for property taxes levied in 1984, payable in 1985, and for bonds issued after December 31, 1984.

Approved April 26, 1984

CHAPTER 594 — H.F.No. 1915

An act relating to commerce; providing for the licensing of transient merchants by local units of governments; amending Minnesota Statutes 1982, sections 329.15; and 329.16.

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

Section 1. Minnesota Statutes 1982, section 329.15, is amended to read:

329.15 MUNICIPALITIES MAY REGULATE.

Nothing in sections 329.10 to 329.17 contained shall be construed as prohibiting, or in any way limiting or interfering with, the right of any city, or other municipal corporation or governmental subdivision of the state, to regulate or license the carrying on within such municipality the business of a transient merchant in any case where authority has been, or shall hereafter be, conferred

Changes or additions are indicated by underline, deletions by ~~strikeout~~.