

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-EIGHTH LEGISLATURE**

**S.F. No. 161**

(SENATE AUTHORS: WIGER, Ortman, Petersen, B., Bakk and Pratt)

DATE	D-PG	OFFICIAL STATUS
01/28/2013	106	Introduction and first reading Referred to Taxes
01/31/2013	133	Author added Pratt

1.1 A bill for an act  
 1.2 relating to taxation; property; providing that certain personal property of electric  
 1.3 generation facilities is exempt; amending Minnesota Statutes 2012, section  
 1.4 272.02, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2012, section 272.02, is amended by adding a  
 1.7 subdivision to read:

1.8 Subd. 98. **Electric generation facility; personal property.** (a) Notwithstanding  
 1.9 subdivision 9, clause (a), and section 453.54, subdivision 20, attached machinery and  
 1.10 other personal property which is part of an electric generation facility that exceeds five  
 1.11 megawatts of installed capacity and meets the requirements of this subdivision is exempt.

1.12 At the time of construction, the facility must be:

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

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

1.16 (3) designed to utilize reciprocating engines paired with generators to produce  
 1.17 electrical power;

1.18 (4) located within the service territory of a municipal power agency's electrical  
 1.19 municipal utility that serves load exclusively in a metropolitan county as defined in  
 1.20 section 473.121, subdivision 4; and

1.21 (5) designed to consume all electric output within the municipality's service territory  
 1.22 on which the electricity is generated.

1.23 (b) Construction of the facility must be commenced after June 1, 2013, and before  
 1.24 June 1, 2017. Property eligible for this exemption does not include electric transmission

2.1 lines and interconnections or gas pipelines and interconnections appurtenant to the  
2.2 property or the facility.

2.3 **EFFECTIVE DATE.** This section is effective for assessment year 2013, taxes  
2.4 payable in 2014, and thereafter.