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State of Minnesota HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **1890**

01/24/2012 Authored by Fabian, Hamilton, Davids and Kiel

The bill was read for the first time and referred to the Committee on Taxes

By motion, recalled and re-referred to Agriculture and Rural Development Policy and Finance

02/13/2012 Adoption of Report: Pass and re-referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to property taxation; reviving the bovine tuberculosis property tax credit
1.3 for certain properties; amending Minnesota Statutes 2010, section 273.113.

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

1.5 Section 1. Minnesota Statutes 2010, section 273.113, is amended to read:

1.6 **273.113 TAX CREDIT FOR PROPERTY IN ~~PROPOSED~~ BOVINE**
1.7 **TUBERCULOSIS ~~MODIFIED ACCREDITED~~ MANAGEMENT ZONE.**

1.8 Subdivision 1. **Definitions.** For the purposes of this section, the following terms
1.9 have the meanings given to them:

1.10 (1) "bovine tuberculosis ~~modified accredited~~ management zone" means the ~~modified~~
1.11 ~~accredited~~ management zone designated by the Board of Animal Health under section
1.12 35.244;

1.13 (2) "located within" means that the herd is kept in the area for at least a part of
1.14 calendar year 2006, 2007, or 2008; and

1.15 (3) "animal" means cattle, bison, goats, and farmed cervidae.

1.16 Subd. 2. **Eligibility; amount of credit.** Agricultural and rural vacant land classified
1.17 under section 273.13, subdivision 23, located within a bovine tuberculosis ~~modified~~
1.18 ~~accredited~~ management zone is eligible for a property tax credit equal to ~~the greater of: (1)~~
1.19 ~~\$5 per acre on the first 160 acres of the property where the herd had been located; or (2) an~~
1.20 ~~amount equal to \$5 per acre times five acres times the highest number of animals tested~~
1.21 ~~on the property for bovine tuberculosis in a whole-herd test as reported by the Board of~~
1.22 ~~Animal Health in 2006, 2007, or 2008~~ the amount of credit received under this section for
1.23 taxes payable in 2011. The amount of the credit cannot exceed the property tax payable on
1.24 the property where the herd had been located, excluding any tax attributable to residential

2.1 structures. To ~~begin to~~ qualify for the tax credit for taxes payable in 2012, the owner shall
2.2 file an application with the county by ~~December 1 of the levy year~~ July 1, 2012. For
2.3 taxes payable in 2012, the credit shall be paid as a direct payment to the property owner,
2.4 issued by the county within 30 days of receipt of the application, provided that there are
2.5 no delinquent taxes on the property. The credit must be given for each subsequent taxes
2.6 payable year until the credit terminates under subdivision 4. For taxes payable in 2013
2.7 and thereafter, the assessor shall indicate the amount of the property tax reduction on the
2.8 property tax statement of each taxpayer receiving a credit under this section. For taxes
2.9 payable in 2013 and thereafter, the credit paid pursuant to this section shall be deducted
2.10 from the tax due on the property as provided in section 273.1393.

2.11 Subd. 3. **Reimbursement for lost revenue.** The county auditor shall certify to the
2.12 commissioner of revenue, as part of the abstracts of tax lists required to be filed with the
2.13 commissioner under section 275.29, the amount of tax lost to the county from the property
2.14 tax credit under subdivision 2, either due to direct payment of the credit or to reduction of
2.15 the property taxes due. Any prior year adjustments must also be certified in the abstracts
2.16 of tax lists. The commissioner of revenue shall review the certifications to determine
2.17 their accuracy. The commissioner may make the changes in the certification that are
2.18 considered necessary or return a certification to the county auditor for corrections. The
2.19 commissioner shall reimburse each taxing district, other than school districts, for the taxes
2.20 lost. The payments must be made at the time provided in section 473H.10 for payment to
2.21 taxing jurisdictions in the same proportion that the ad valorem tax is distributed, except
2.22 that for taxes payable in 2012 the entire reimbursement must be made to the county.
2.23 Reimbursements to school districts must be made as provided in section 273.1392. The
2.24 amount necessary to make the reimbursements under this section is annually appropriated
2.25 from the general fund to the commissioner of revenue.

2.26 Subd. 4. **Termination of credit.** The credits provided under this section cease to
2.27 be available beginning with taxes payable in the year following the date when the Board
2.28 of Animal Health has ~~certified that the state is free of~~ discontinued all required bovine
2.29 tuberculosis related activities within the bovine tuberculosis management zone.

2.30 **EFFECTIVE DATE.** This section is effective for taxes payable in 2012 and
2.31 thereafter.