

## CHAPTER 272

## TAXATION, GENERAL PROVISIONS

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**272.02 EXEMPT PROPERTY.**

Subdivision 1. **Exempt property described.** All property described in this section to the extent limited in this section shall be exempt from taxation.

Subd. 2. **Public burying grounds.** All public burying grounds are exempt.

Subd. 3. **Public schoolhouses.** All public schoolhouses are exempt.

Subd. 4. **Public hospitals.** All public hospitals are exempt.

Subd. 5. **Education institutions.** All academies, colleges, and universities, and all seminaries of learning are exempt.

Subd. 6. **Church property.** All churches, church property, and houses of worship are exempt.

Subd. 7. **Institutions of public charity.** Institutions of purely public charity are exempt except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (e), other than those that qualify for exemption under subdivision 26.

Subd. 8. **Property used for public purposes.** All public property exclusively used for any public purpose is exempt.

Subd. 9. **Personal property; exceptions.** Except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), 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, crude oil, 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;

(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; 273.124, subdivision 7; 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) manufactured homes and sectional structures, including storage sheds, decks, and similar removable improvements constructed on the site of a manufactured home, sectional structure, park trailer or travel trailer as provided in section 273.125, subdivision 8, paragraph (f); and

(f) flight property as defined in section 270.071.

Subd. 10. **Personal property used for pollution control.** Personal property used primarily for the abatement and control of air, water, or land pollution is exempt to the extent that it is so used, and real property is exempt if it is used primarily for abatement and control of air, water, or land pollution as part of an agricultural operation, as a part of a centralized treatment and recovery facility operating under a permit issued by the Minnesota pollution control agency pursuant to chapters 115 and 116 and Minnesota Rules, parts 7001.0500 to 7001.0730, and 7045.0020 to 7045.1260, as a wastewater treatment facility and for the treatment, recovery, and stabilization of metals, oils, chemicals, water, sludges, or inorganic materials from hazardous industrial wastes, or as part of an electric generation system. For purposes of this subdivision, personal property includes ponderous machinery and equipment used in a business or production activity that at common law is considered real property.

Any taxpayer requesting exemption of all or a portion of any real property or 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, rules, 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. On determining that property qualifies for exemption, the commissioner 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.

**Subd. 11. Wetlands.** Wetlands are exempt. For purposes of this subdivision, "wetlands" means: (i) land described in section 103G.005, subdivision 15a; (ii) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice; or (iii) land in a wetland preservation area under sections 103F.612 to 103F.616. "Wetlands" under clauses (i) and (ii) include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands, but do 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.

**Subd. 12. Native prairie.** Native prairie lands are exempt. 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 subdivision. Upon receipt of an application for the exemption provided in this subdivision for lands for which the assessor has no determination from the commissioner of natural 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 the decision. Exemption of native prairie pursuant to this subdivision shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

**Subd. 13. Emergency shelters for victims of domestic abuse.** Property used in a continuous program to provide emergency shelter for victims of domestic abuse is exempt, 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 1986, as amended through December 31, 1992, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

**Subd. 14. Property of senior citizens' groups; local option.** If approved by the governing body of the municipality in which the property is located, property not exceeding one acre is exempt if it 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.

**Subd. 15. Property used to generate hydroelectric or hydromechanical power.** 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 federal government, the state, or a local governmental unit which is developed and operated pursuant to the provisions of section 103G.535 is exempt.

**Subd. 16. Satellite broadcasting facilities.** The following property is exempt if approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a “direct satellite broadcasting 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” 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.

An exemption provided by this subdivision 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 38. Before approving a tax exemption pursuant to this subdivision, 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 have passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

**Subd. 17. Hot water heat; generation and distribution property.** Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures, is exempt.

**Subd. 18. State leased lands.** Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46 are exempt.

**Subd. 19. Property used to distribute electricity to farmers.** Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail, are exempt.

**Subd. 20. Transitional housing facilities.** Transitional housing facilities are exempt. “Transitional housing facility” means a facility that meets the following requirements. (i) It provides temporary housing to individuals, couples, or families. (ii) It has the purpose of reuniting families and enabling parents or individuals to obtain self–sufficiency, advance their education, get job training, or become employed in jobs that provide a living wage. (iii) It provides support services such as child care, work readiness training, and career development counseling; and a self–sufficiency program with periodic monitoring of each resident’s progress in completing the program’s goals. (iv) It provides services to a resident of the facility for at least three months but no longer than three years, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years. (v) It is owned and operated or under lease from a unit of government or governmental agency under a property disposition program and operated by one or more organizations exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1992. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota Housing Finance Agency Law of 1971 or rules promulgated by the agency pursuant to it, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

**Subd. 21. Property used to provide computing resources to University of Minnesota.** Real and personal property, including leasehold or other personal property interests, is exempt if it is owned and operated by a corporation of which more than 50 percent of the total voting power of the stock of the corporation is owned collectively by: (i) the board of regents of the University of Minnesota, (ii) the University of Minnesota Foundation, an organization exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1992, and (iii) a corporation organized under

chapter 317A, which by its articles of incorporation is prohibited from providing pecuniary gain to any person or entity other than the regents of the University of Minnesota; which property is used primarily to manage or provide goods, services, or facilities utilizing or relating to large-scale advanced scientific computing resources to the regents of the University of Minnesota and others.

**Subd. 22. Wind energy conversion systems.** (a) Small scale wind energy conversion systems installed after January 1, 1991, and used as an electric power source are exempt.

“Small scale wind energy conversion systems” are wind energy conversion systems, as defined in section 216C.06, subdivision 12, including the foundation or support pad, which (i) are used as an electric power source; (ii) are located within one county and owned by the same owner; and (iii) produce two megawatts or less of electricity as measured by nameplate ratings.

(b) Medium scale wind energy conversion systems installed after January 1, 1991, are treated as follows: (i) the foundation and support pad are taxable; (ii) the associated supporting and protective structures are exempt for the first five assessment years after they have been constructed, and thereafter, 30 percent of the market value of the associated supporting and protective structures are taxable; and (iii) the turbines, blades, transformers, and its related equipment, are exempt. “Medium scale wind energy conversion systems” are wind energy conversion systems as defined in section 216C.06, subdivision 12, including the foundation or support pad, which: (i) are used as an electric power source; (ii) are located within one county and owned by the same owner; and (iii) produce more than two but equal to or less than 12 megawatts of energy as measured by nameplate ratings.

(c) Large scale wind energy conversion systems installed after January 1, 1991, are treated as follows: 25 percent of the market value of all property is taxable, including (i) the foundation and support pad; (ii) the associated supporting and protective structures; and (iii) the turbines, blades, transformers, and its related equipment. “Large scale wind energy conversion systems” are wind energy conversion systems as defined in section 216C.06, subdivision 12, including the foundation or support pad, which (i) are used as an electric power source; and (ii) produce more than 12 megawatts of energy as measured by nameplate ratings.

**Subd. 23. Agricultural containment facilities.** Containment tanks, cache basins, and that portion of the structure needed for the containment facility used to confine agricultural chemicals as defined in section 18D.01, subdivision 3, as required by the commissioner of agriculture under chapter 18B or 18C, are exempt.

**Subd. 24. Electric power photovoltaic devices.** Photovoltaic devices, as defined in section 216C.06, subdivision 13, installed after January 1, 1992, and used to produce or store electric power are exempt.

**Subd. 25. Ice arenas.** Real and personal property is exempt if it is owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used for an ice arena or ice rink, and used primarily for youth and high school programs.

**Subd. 26. Low-income housing.** A structure that is situated on real property is exempt if it is used for:

(i) housing for the elderly or for low- and moderate-income families as defined in Title II of the National Housing Act, as amended through December 31, 1990, and funded by a direct federal loan or federally insured loan made pursuant to Title II of the act; or

(ii) housing lower income families or elderly or handicapped persons, as defined in Section 8 of the United States Housing Act of 1937, as amended.

In order for a structure to be exempt under item (i) or (ii), it must also meet each of the following criteria:

(A) is owned by an entity which is operated as a nonprofit corporation organized under chapter 317A;

(B) is owned by an entity which has not entered into a housing assistance payments contract under Section 8 of the United States Housing Act of 1937, or, if the entity which owns the structure has entered into a housing assistance payments contract under Section 8 of the United States Housing Act of 1937, the contract provides assistance for less than 90 percent

of the dwelling units in the structure, excluding dwelling units intended for management or maintenance personnel;

(C) operates an on-site congregate dining program in which participation by residents is mandatory, and provides assisted living or similar social and physical support services for residents; and

(D) was not assessed and did not pay tax under chapter 273 prior to the 1991 levy, while meeting the other conditions of this subdivision.

An exemption under this subdivision remains in effect for taxes levied in each year or partial year of the term of its permanent financing.

**Subd. 27. Superior National Forest; recreational property for use by disabled veterans.** Real and personal property is exempt if it is located in the Superior National Forest, and owned or leased and operated by a nonprofit organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1992, and primarily used to provide recreational opportunities for disabled veterans and their families.

**Subd. 28. Manure pits.** Manure pits and appurtenances, which may include slatted floors and pipes, installed or operated in accordance with a permit, order, or certificate of compliance issued by the Minnesota pollution control agency are exempt. The exemption shall continue for as long as the permit, order, or certificate issued by the Minnesota pollution control agency remains in effect.

**Subd. 29. Cogeneration systems; certain property.** Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of a facility containing a cogeneration system as described in section 216B.166, subdivision 2, paragraph (a), is exempt if the cogeneration system has met the following criteria: (i) the system utilizes natural gas as a primary fuel and the cogenerated steam initially replaces steam generated from existing thermal boilers utilizing coal; (ii) the facility developer is selected as a result of a procurement process ordered by the public utilities commission; and (iii) construction of the facility is commenced after July 1, 1994, and before July 1, 1997.

**Subd. 30. Government property; lease or installment purchases.** Real property acquired by a home rule charter city, statutory city, county, town, or school district under a lease purchase agreement or an installment purchase contract during the term of the lease purchase agreement is exempt as long as and to the extent that the property is used by the city, county, town, or school district and devoted to a public use and to the extent it is not subleased to any private individual, entity, association, or corporation in connection with a business or enterprise operated for profit.

**Subd. 31. Business incubator property.** Property owned by a nonprofit charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1997, that is intended to be used as a business incubator in a high-unemployment county, is exempt. As used in this subdivision, a "business incubator" is a facility used for the development of nonretail businesses, offering access to equipment, space, services, and advice to the tenant businesses, for the purpose of encouraging economic development, diversification, and job creation in the area served by the organization, and "high-unemployment county" is a county that had an average annual unemployment rate of 7.9 percent or greater in 1997. Property that qualifies for the exemption under this subdivision is limited to no more than two contiguous parcels and structures that do not exceed in the aggregate 40,000 square feet. This exemption expires after taxes payable in 2005.

**Subd. 32. Wastewater treatment systems.** Notwithstanding any other law to the contrary, real property that meets the following criteria is exempt:

(i) constitutes a wastewater treatment system that (a) is constructed by a municipality using public funds, (b) operates under a State Disposal System Permit issued by the Minnesota pollution control agency pursuant to chapters 115 and 116 and Minnesota Rules, chapter 7001, and (c) applies its effluent to land used as part of an agricultural operation;

(ii) is located within a municipality of a population of less than 10,000;

(iii) is used for treatment of effluent from a private potato processing facility; and

(iv) is owned by a municipality and operated by a private entity under agreement with that municipality.

**Subd. 33. Electric generation facility personal property.** Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of a simple-cycle combustion-turbine electric generation facility that exceeds 250 megawatts of installed capacity and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(i) not be owned by a public utility as defined in section 216B.02, subdivision 4;

(ii) utilize natural gas as a primary fuel;

(iii) be located within 20 miles of the intersection of an existing 42-inch (outside diameter) natural gas pipeline and a 345-kilovolt high-voltage electric transmission line; and

(iv) be designed to provide peaking, emergency backup, or contingency services, and have received a certificate of need pursuant to section 216B.243 demonstrating demand for its capacity.

Construction of the facility must be commenced after July 1, 1999, and before July 1, 2003. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

**Subd. 34. Limitations on exemptions.** The exemptions granted by subdivisions 1 to 33 are subject to the limits contained in the other subdivisions of this section, section 272.025, or 273.13, subdivision 25, paragraph (c), clause (1) or (2), or paragraph (d), clause (2).

**Subd. 35. Treatment of property of certain limited liability companies.** For purposes of the exemptions granted by subdivisions 1 to 33, property owned or operated by a limited liability company consisting of a sole member shall be treated as if owned or operated by that member.

**Subd. 36. Certain school district property not exempt.** 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 to any person or organization for a nonpublic purpose for one year or more pursuant to section 123B.51, subdivision 4, shall not be included in the exemption provided in subdivisions 1 to 33.

**Subd. 37. Certain hospital property not exempt.** 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 subdivisions 1 to 33.

**Subd. 38. Conversion to exempt or taxable uses.** (a) Any property exempt from taxation on January 2 of any year which, due to sale or other reason, loses its exemption prior to July 1 of any year, shall be placed on the current assessment rolls for that year.

The valuation shall be determined with respect to its value on January 2 of such year. The classification shall be based upon the use to which the property was put by the purchaser, or in the event the purchaser has not utilized the property by July 1, the intended use of the property, determined by the county assessor, based upon all relevant facts.

(b) Property subject to tax on January 2 that is acquired before July 1 of the year is exempt for that assessment year if the property is to be used for an exempt purpose under subdivisions 2 to 8.

(c) Property which forfeits to the state for nonpayment of real estate taxes on or before December 31 in an assessment year, shall be removed from the assessment rolls for that assessment year. Forfeited property that is repurchased, or sold at a public or private sale, on or before December 31 of an assessment year shall be placed on the assessment rolls for that year's assessment.

**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 eight 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 by a private individual, corporation, or other entity is leased to or otherwise used by a private individual, corporation, or other entity the provisions of this subdivision shall not apply to the property. This subdivision shall not create an exemption from section 272.01, subdivision 2; 272.68; 273.19; or 469.040, 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.

**Subd. 40. Property used for hydroelectric or hydromechanical power.** Notwithstanding the provisions of subdivision 39, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power and leased from the state or a local governmental unit pursuant to section 103G.535 may be exempt from taxation or payments in lieu of taxes.

The exemption from taxation or payments in lieu of taxes provided by this subdivision does not apply to hydroelectric or hydromechanical facilities operated at any time between January 1, 1980 and January 1, 1984.

**Subd. 41. Pollution abatement property.** Property, including real property, qualifies as exempt pollution abatement property under subdivision 10, if the following conditions are satisfied.

(a)(1) The property is part of a refuse-derived fuel facility converted from a coal burning electric generation facility and the property consists of:

(i) boiler modifications necessary to efficient handling and burning of refuse-derived fuel and transfer of the heat produced by combustion of the fuel;

(ii) ash handling and storage systems, such as vacuum-pneumatic equipment, conveyors, crushers, and storage buildings to remove, convey, process, and temporarily store bottom and fly ash from the burning of refuse-derived fuel;

(iii) control systems, such as computers, to control the operation of equipment described in clauses (i) to (iv) and other pollution abatement equipment; and

(iv) equipment to monitor emissions into the air and combustion efficiency; or

(2) the property is a solid waste resource recovery mass burn facility.

(b) The facility was constructed and will be operated under a contractual arrangement providing for payment, in whole or part, of the property tax on the property by a political subdivision of the state.

**Subd. 42. Property leased to school districts.** Property that is leased or rented to a school district is exempt from taxation if it meets the following requirements:

(1) the lease must be for a period of at least 12 consecutive months;

(2) the terms of the lease must require the school district to pay a nominal consideration for use of the building;

(3) the school district must use the property to provide direct instruction in any grade from kindergarten through grade 12; special education for handicapped children; adult basic education as described in section 124D.52; preschool and early childhood family education; or community education programs, including provision of administrative services directly related to the educational program at that site; and

(4) the lease must provide that the school district has the exclusive use of the property during the lease period.

**Subd. 43. Personal property; biomass facility.** (a) Notwithstanding subdivision 9, clause (a), attached machinery and other personal property, excluding transmission and distribution lines, that is part of a system that generates biomass electric energy that satisfies the mandate, in whole or in part, established in section 216B.2424, or a system that generates electric energy using waste wood, is exempt if it meets the requirements of this subdivision.

(b) The governing bodies of the county, city or town, and school district must each approve, by resolution, the exemption of the personal property under this subdivision. Each of the governing bodies shall file a copy of the resolution with the county auditor. The county auditor shall publish the resolutions in newspapers of general circulation within the county. The voters of the county may request a referendum on the proposed exemption by filing a petition within 30 days after the resolutions are published. The petition must be signed by voters who reside in the county. The number of signatures must equal at least ten percent of the number of persons voting in the county in the last general election. If such a petition is timely filed, the resolutions are not effective until they have been submitted to the voters residing in the county at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum.

(c) The exemption under this subdivision is limited to a maximum of five years, beginning with the assessment year immediately following the year during which the personal property is put in operation.

**History:** 1999 c 243 art 5 s 3; 1999 c 248 s 2

### 272.025 FILING REQUIREMENT.

Subdivision 1. **Statement of exemption.** (a) Except in the case of churches and houses of worship, property solely used for educational purposes by academies, colleges, universities or seminaries of learning, property owned by the state of Minnesota or any political subdivision thereof, and property exempt from taxation under section 272.02, subdivisions 9, 10, 13, 15, 18, 20, and 22 to 26, and at the times provided in subdivision 3, a taxpayer claiming an exemption from taxation on property described in section 272.02, subdivisions 1 to 33, shall file a statement of exemption with the assessor of the assessment district in which the property is located.

(b) A taxpayer claiming an exemption from taxation on property described in section 272.02, subdivision 10, shall file a statement of exemption with the commissioner or revenue, on or before February 15 of each year for which the taxpayer claims an exemption.

(c) In case of sickness, absence or other disability or for good cause, the assessor may extend the time for filing the statement of exemption for a period not to exceed 60 days.

(d) The commissioner of revenue shall prescribe the form and contents of the statement of exemption.

*[For text of subs 2 to 4, see M.S.1998]*

**History:** 1999 c 139 art 4 s 2

### 272.027 PERSONAL PROPERTY USED TO GENERATE ELECTRICITY FOR PRODUCTION AND RESALE.

Subdivision 1. **Electricity generated to produce goods and services.** Personal property used to generate electric power is exempt from property taxation if the electric power is used to manufacture or produce goods, products, or services, other than electric power, by the owner of the electric generation plant. Except as provided in subdivisions 2 and 3, the exemption does not apply to property used to produce electric power for sale to others and does not apply to real property. In determining the value subject to tax, a proportionate share of the value of the generating facilities, equal to the proportion that the power sold to others bears to the total generation of the plant, is subject to the general property tax in the same manner as other property. Power generated in such a plant and exchanged for an equivalent amount of power that is used for the manufacture or production of goods, products, or services other than electric power by the owner of the generating plant is considered to be used by the owner of the plant.

Subd. 2. **Exemption for customer owned property transferred to a utility.** (a) Tools, implements, and machinery of an electric generating facility are exempt if all the following requirements are met:

(1) the electric generating facilities were operational and met the requirements for exemption of personal property under subdivision 1 on January 2, 1999; and



(2) the generating facility is sold to a Minnesota electric utility.

(b) Any tools, implements, and machinery installed to increase generation capacity are also exempt under this section provided that the existing tools, implements, and machinery are exempt under paragraph (a).

**Subd. 3. Exemption for electric power plant personal property; taconite and steel mill.** Tools, implements, and machinery of an electric generating facility are exempt if all the following requirements are met:

(1) the electric generating facility, when completed, will have a capacity of at least 450 megawatts;

(2) the electric generating facility is adjacent to a taconite mine direct-reduction steel mill; and

(3) the electric generating facility supplied over 60 percent of its electricity generated in the prior year to the adjacent direct-reduction plant and steel mill.

**History:** 1999 c 243 art 5 s 4

### 272.03 DEFINITIONS.

*[For text of subds 1 to 5, see M.S.1998]*

**Subd. 6. Tract, lot, parcel, and piece or parcel.** (a) "Tract," "lot," "parcel," and "piece or parcel" of land means any contiguous quantity of land in the possession of, owned by, or recorded as the property of, the same claimant or person.

(b) Notwithstanding paragraph (a), property that is owned by a utility, leased for residential or recreational uses for terms of 20 years or longer, and separately valued by the assessor, will be treated for property tax purposes as separate parcels.

*[For text of subds 7 to 11, see M.S.1998]*

**History:** 1999 c 243 art 5 s 5