

CHAPTER 272

TAXATION, GENERAL PROVISIONS

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272.02 EXEMPT PROPERTY.

[For text of subds 1 to 24, see M.S.2002]

Subd. 25. **Ice arenas; baseball parks.** (a) 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.

(b) Real 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), and primarily used as a baseball park by amateur baseball players.

Subd. 26. [Repealed, 1Sp2003 c 21 art 4 s 13]

[For text of subds 27 to 30, see M.S.2002]

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 2011.

[For text of subds 32 to 46, see M.S.2002]

Subd. 47. **Poultry litter biomass generation facility; personal property.** Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of an electrical generating facility that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

- (1) be designed to utilize poultry litter as a primary fuel source; and
- (2) be constructed for the purpose of generating power at the facility that will be sold pursuant to a contract approved by the Public Utilities Commission in accordance with the biomass mandate imposed under section 216B.2424.

Construction of the facility must be commenced after January 1, 2003, and before December 31, 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.

[For text of subds 48 to 52, see M.S.2002]

Subd. 53. **Electric generation facility; personal property.** Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of a 3.2 megawatt run-of-the-river hydroelectric generation facility and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

- (1) utilize two turbine generators at a dam site existing on March 31, 1994;
- (2) be located on publicly owned land and within 1,500 feet of a 13.8 kilovolt distribution substation; and
- (3) be eligible to receive a renewable energy production incentive payment under section 216C.41.

Construction of the facility must be commenced after January 1, 2002, and before January 1, 2005. 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.

[For text of subds 54 and 55, see M.S.2002]

Subd. 56. Electric generation facility; personal property. (a) Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of a combined-cycle combustion-turbine electric generation facility that exceeds 550 megawatts of installed capacity and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

- (1) be designed to utilize natural gas as a primary fuel;
- (2) not be owned by a public utility as defined in section 216B.02, subdivision 4;
- (3) be located within five miles of an existing natural gas pipeline and within four miles of an existing electrical transmission substation;
- (4) be located outside the metropolitan area as defined under section 473.121, subdivision 2; and

(5) be designed to provide energy and ancillary services and have received a certificate of need under section 216B.243.

(b) Construction of the facility must be commenced after January 1, 2004, and before January 1, 2007. 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. 57. Comprehensive Health Association. All property owned by the Comprehensive Health Association is exempt to the extent provided in section 62E.10, subdivision 1.

Subd. 58. Private cemeteries. All property owned by private cemeteries is exempt to the extent provided in section 307.09.

Subd. 59. Western Lake Superior Sanitary Board. All property owned, leased, controlled, used, or occupied for public, governmental, and municipal purposes by the Western Lake Superior Sanitary Board is exempt to the extent provided in section 458D.23.

Subd. 60. Unfinished sale or rental projects. Unfinished sale or rental projects are exempt to the extent provided in section 469.155, subdivision 17.

Subd. 61. Skyways. The pedestrian skyway system, underground pedestrian concourse, the people mover system, and publicly owned parking structures are exempt to the extent provided in section 469.127.

Subd. 62. Municipal recreation facilities. All property acquired and used by a city is exempt to the extent provided in section 471.191, subdivision 4.

Subd. 63. Water and wastewater treatment facilities. Related facilities owned by water and wastewater treatment providers who have contracted with a municipality to provide capital intensive public services to the municipality are exempt to the extent provided in section 471A.05.

Subd. 64. Job opportunity building zone property. (a) Improvements to real property, and personal property, classified under section 273.13, subdivision 24, and located within a job opportunity building zone, designated under section 469.314, are exempt from ad valorem taxes levied under chapter 275.

(b) Improvements to real property, and tangible personal property, of an agricultural production facility located within an agricultural processing facility zone, designated under section 469.314, is exempt from ad valorem taxes levied under chapter 275.

(c) For property to qualify for exemption under paragraph (a), the occupant must be a qualified business, as defined in section 469.310.

(d) The exemption applies beginning for the first assessment year after designation of the job opportunity building zone by the commissioner of employment and economic development. The exemption applies to each assessment year that begins during the duration of the job opportunity building zone and to property occupied by July 1 of the assessment year by a qualified business. This exemption does not apply to:

(1) the levy under section 475.61 or similar levy provisions under any other law to pay general obligation bonds; or

(2) a levy under section 126C.17, if the levy was approved by the voters before the designation of the job opportunity building zone.

Subd. 65. Biotechnology and health sciences industry zone property. (a) Improvements to real property, and personal property, classified under section 273.13, subdivision 24, and located within a biotechnology and health sciences industry zone are exempt from ad valorem taxes levied under chapter 275, as provided in this subdivision.

(b) For property to qualify for exemption under paragraph (a), the occupant must be a qualified business, as defined in section 469.330.

(c) The exemption applies beginning for the first assessment year after designation of the biotechnology and health sciences industry zone by the commissioner of employment and economic development. The exemption applies to each assessment year that begins during the duration of the biotechnology and health sciences industry zone. This exemption does not apply to:

(1) a levy under section 475.61 or similar levy provisions under any other law to pay general obligation bonds; or

(2) a levy under section 126C.17, if the levy was approved by the voters before the designation of the biotechnology and health sciences industry zone.

(d) The exemption does not apply to taxes imposed by a city, town, or county, unless the governing body adopts a resolution granting the exemption. A city, town, or county may provide a complete property tax exemption, partial property tax exemption, or no property tax exemption to qualified businesses in the biotechnology and health sciences industry zone. "City" includes a statutory or home rule charter city.

(e) For property located in a tax increment financing district, the county shall not adjust the original net tax capacity of the district under section 469.177, subdivision 1, paragraph (a), upon the expiration of an exemption under this subdivision.

Subd. 66. Elderly living facility. An elderly living facility is exempt from taxation if it meets all of the following requirements:

(1) the facility is located in a city of the first class with a population of more than 350,000;

(2) the facility is owned and operated by a nonprofit corporation organized under chapter 317A;

(3) the construction of the facility was commenced after January 1, 2002, and before June 1, 2003;

(4) the facility consists of two buildings, which are connected to a church that is exempt from taxation under subdivision 6;

(5) the land for the facility was donated to the nonprofit corporation by the church to which the facility is connected;

(6) the residents of the facility must be (i) at least 62 years of age or (ii) handicapped;

(7) the facility 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

(8) at least 30 percent of the units in the facility are occupied by persons whose annual income does not exceed 50 percent of median family income for the area.

The property is exempt under this subdivision for taxes levied in each year or partial year of the term of the facility's initial permanent financing or 25 years, whichever is later.

Subd. 67. Electric generation facility; personal property. (a) Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of a combined-cycle combustion-turbine electric generation facility that exceeds 150 megawatts of installed capacity and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

- (1) utilize natural gas as a primary fuel;
- (2) be owned by an electric generation and transmission cooperative;
- (3) be located within ten miles of parallel existing 24-inch and 30-inch natural gas pipelines and a 345-kilovolt high-voltage electric transmission line;
- (4) be designed to provide intermediate energy and ancillary services, and have received a certificate of need under section 216B.243, demonstrating demand for its capacity; and

(5) have received by resolution, the approval from the governing body of the county and city in which the proposed facility is to be located for the exemption of personal property under this subdivision.

(b) Construction of the facility must be commenced after January 1, 2004, and before January 1, 2009. 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.

(c) The exemption under this section will take effect only if the owner of the facility enters into agreements with the governing bodies of the county and the city in which the facility is located. The agreements may include a requirement that the facility must pay a host fee to compensate the county and city for hosting the facility.

History: 2003 c 127 art 2 s 5-9; art 5 s 3-9; 1Sp2003 c 4 s 1; 1Sp2003 c 21 art 1 s 1; art 2 s 2; art 4 s 1,2

NOTE: The amendment to subdivision 47 by Laws 2003, chapter 127, article 2, section 6, is effective for taxes levied in 2004, payable in 2005, and thereafter. Laws 2003, chapter 127, article 2, section 6, the effective date.

NOTE: Subdivision 56, as added by Laws 2003, chapter 127, article 2, section 8, is effective for assessment year 2005, taxes payable in 2006, and thereafter. Laws 2003, chapter 127, article 2, section 8, the effective date.

NOTE: Subdivision 64, as added by Laws 2003, First Special Session chapter 21, article 1, section 1, is effective beginning for property taxes assessed in 2004, payable in 2005. Laws 2003, First Special Session chapter 21, article 1, section 1, the effective date.

NOTE: Subdivision 65, as added by Laws 2003, First Special Session chapter 21, article 2, section 2, is effective beginning for property taxes assessed in 2004, payable in 2005. Laws 2003, First Special Session chapter 21, article 2, section 2, the effective date.

NOTE: Subdivision 67, as added by Laws 2003, chapter 127, article 2, section 9, is effective for assessment year 2005, taxes payable in 2006, and thereafter. Laws 2003, chapter 127, article 2, section 9, the effective date.

272.029 WIND ENERGY PRODUCTION TAX.

[For text of subds 1 to 6, see M.S.2002]

Subd. 7. Exemption. The tax imposed under this section does not apply to electricity produced by wind energy conversion systems located in a job opportunity building zone, designated under section 469.314, for the duration of the zone. The exemption applies beginning for the first calendar year after designation of the zone and applies to each calendar year that begins during the designation of the zone.

History: 1Sp2003 c 21 art 1 s 2

272.12 CONVEYANCES, TAXES PAID BEFORE RECORDING.

When:

- (a) a deed or other instrument conveying land,
- (b) a plat of any town site or addition thereto,

- (c) a survey required pursuant to section 508.47,
- (d) a condominium plat subject to chapter 515 or 515A or a declaration that contains such a plat, or
- (e) a common interest community plat subject to chapter 515B or a declaration that contains such a plat,

is presented to the county auditor for transfer, the auditor shall ascertain from the records if there be taxes delinquent upon the land described therein, or if it has been sold for taxes. An assignment of a sheriff's or referee's certificate of sale, when the certificate of sale describes real estate, and certificates of redemption from mortgage or lien foreclosure sales, when the certificate of redemption encompasses real estate and is issued to a junior creditor, are considered instruments conveying land for the purposes of this section and section 272.121. If there are taxes delinquent, the auditor shall certify to the same; and upon payment of such taxes, or in case no taxes are delinquent, shall transfer the land upon the books of the auditor's office, and note upon the instrument, over official signature, the words, "no delinquent taxes and transfer entered," or, if the land described has been sold or assigned to an actual purchaser for taxes, the words "paid by sale of land described within;" and, unless such statement is made upon such instrument, the county recorder or the registrar of titles shall refuse to receive or record the same; provided, that sheriff's or referees' certificates of sale on execution or foreclosure of a lien or mortgage, certificates of redemption from mortgage or lien foreclosure sales issued to the redeeming mortgagor or lienor, deeds of distribution made by a personal representative in probate proceedings, decrees and judgments, receivers receipts, patents, and copies of town or statutory city plats, in case the original plat filed in the office of the county recorder has been lost or destroyed, and the instruments releasing, removing and discharging reversionary and forfeiture provisions affecting title to land and instruments releasing, removing or discharging easement rights in land or building or other restrictions, may be recorded without such certificate; and, provided that instruments conveying land and, as appurtenant thereto an easement over adjacent tract or tracts of land, may be recorded without such certificate as to the land covered by such easement; and provided further, that any instrument granting an easement made in favor of any public utility or pipe line for conveying gas, liquids or solids in suspension, in the nature of a right-of-way over, along, across or under a tract of land may be recorded without such certificate as to the land covered by such easement. Documents governing homeowners associations of condominiums, townhouses, common interest ownership communities, and other planned unit developments may be recorded without the auditor's certificate to the extent provided in section 515B.1-116(f).

A deed of distribution made by a personal representative in a probate proceeding, a decree, or a judgment that conveys land shall be presented to the county auditor, who shall transfer the land upon the books of the auditor's office and note upon the instrument, over official signature, the words, "transfer entered", and the instrument may then be recorded. A decree or judgment that affects title to land but does not convey land may be recorded without presentation to the auditor.

A violation of this section by the county recorder or the registrar of titles shall be a gross misdemeanor, and, in addition to the punishment therefor, the recorder or registrar shall be liable to the grantee of any instrument so recorded for the amount of any damages sustained.

When, as a condition to permitting the recording of deed or other instrument affecting the title to real estate previously forfeited to the state under the provisions of sections 281.16 to 281.25, county officials, after such real estate has been purchased or repurchased, have required the payment of taxes erroneously assumed to have accrued against such real estate after forfeiture and before the date of purchase or repurchase, the sum required to be so paid shall be refunded to the persons entitled thereto out of moneys in the funds in which the sum so paid was placed. Delinquent taxes are those taxes deemed delinquent under section 279.02.

History: 2003 c 127 art 5 s 10; 1Sp2003 c 4 s 1

272.67 DIVISION OF LAND IN CITIES INTO RURAL AND URBAN DISTRICTS.

Subdivision 1. Any city however organized, except in those counties situated in a metropolitan area as defined in Minnesota Statutes 1961, Section 473.02, Subdivision 5, which contain cities of the first class, may by ordinance adopted in the manner provided in this section divide its area into an urban service district and a rural service district, constituting separate taxing districts for the purpose of all municipal property taxes except those levied for the payment of bonds and judgments and interest thereon. In proceedings for annexation, incorporation, or consolidation being conducted pursuant to chapter 414, the director of the Office of Strategic and Long-Range Planning may divide a municipality into an urban service district and a rural service district, such districts to be designated in accordance with the criteria set out in subdivision 2. Thereafter, said urban service district and rural service district may be changed in the same manner that an ordinance or amendment is changed in accordance with this section.

[For text of subds 2 to 8, see M.S.2002]

History: 2003 c 2 art 5 s 4

272.68 PAYMENT OF TAXES AND ASSESSMENTS ON PROPERTY ACQUIRED BY THE STATE.

Subdivision 1. When the state or a political subdivision of the state, except the state Transportation Department, acquires a fee interest in property before forfeiture, by any means, provision must be made to pay all taxes, including all unpaid special assessments and future installments thereof, unpaid on the property at the date of acquisition. For the purpose of this section, the date of acquisition shall be the date on which the acquiring authority shall be entitled under law to take possession of the property except in cases of condemnation, the date of acquisition shall be the date of the filing of the petition in condemnation. Taxes which become a lien on such property after the date of acquisition and before the condemning authority is by law entitled to actually take possession thereof shall, if paid by the owner, be added to the award, and if not so paid, shall be paid by the condemning authority. Taxes lawfully levied shall not be abated. This subdivision shall not be construed to require the payment of accrued taxes and unpaid assessments on the acquired property which exceed the fair market value thereof. The state or a subdivision acquiring property may make provisions for the apportionment of the taxes and unpaid assessments if less than a complete parcel is acquired.

If such accrued taxes and unpaid assessments are not paid as hereinabove required, then the county auditor of the county in which the acquired property is located shall notify the commissioner of finance of the pertinent facts, and the commissioner of finance shall divert an amount equal to such accrued taxes and unpaid assessments from any funds which are thereafter to be distributed by the commissioner of finance to the acquiring authority, and shall pay over such diverted funds to the county treasurer of the county in which the acquired property is located in payment of such accrued taxes and unpaid assessments.

[For text of subds 2 to 4, see M.S.2002]

History: 2003 c 112 art 2 s 50