272.0212 BORDER DEVELOPMENT ZONE PROPERTY.

Subdivision 1. **Exemption.** All qualified property in a zone is exempt to the extent and for a period up to the duration provided by the zone designation and under sections 469.1731 to 469.1735.

Subd. 2. **Limits on exemption.** (a) Property in a zone is not exempt under this section from the following:

(1) special assessments;

(2) ad valorem property taxes specifically levied for the payment of principal and interest on debt obligations; and

(3) all taxes levied by a school district, except school referendum levies as defined in section 126C.17.

(b) The city may limit the property tax exemption to a shorter period than the duration of the zone or to a percentage of the property taxes payable or both.

Subd. 3. **State aid.** Property exempt under this section is included in the net tax capacity for purposes of computing aids under chapter 477A.

Subd. 4. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Qualified property" means class 1, 3, 4, and 5 property as defined in section 273.13 that is located in a zone and is newly constructed after the zone was designated, including the land that contains the improvements.

(c) "Zone" means a border city development zone designated under the provisions of section 469.1731.

Subd. 5. **Finding required.** The exemption under this section is available to a parcel only if the municipality determines that the granting of the tax exemption is necessary to enable a business to expand within a zone or to attract a business to a zone.

History: *1998 c 389 art 12 s 1; 2002 c 377 art 7 s 1; 2004 c 228 art 3 s 4; 2005 c 152 art 2 s 3,4*