

# MINNESOTA • REVENUE

## PROPERTY TAX Exempt New Natural Gas Electric Generating Facility

March 29, 2009

Department of Revenue  
Analysis of S.F. 1671 (Olseen)

	Yes	No
DOR Administrative Costs/Savings		X

	<b>Fund Impact</b>			
	<b><u>F.Y. 2010</u></b>	<b><u>F.Y. 2011</u></b>	<b><u>F.Y. 2012</u></b>	<b><u>F.Y. 2013</u></b>
		(000's)		
General Fund	\$0	\$0	\$0	\$0

Effective for assessment year 2009, for taxes payable 2010, and thereafter.

### EXPLANATION OF THE BILL

This bill exempts the attached machinery and other personal property of a new natural gas electric generation facility. The qualifications include a generation capacity of between 150 and 780 megawatts, not owned by a public utility, be located within five miles of at least two interstate natural gas pipelines and within one mile of an existing electrical transmission substation, satisfies the requirements for a certificate of need from the Public Utilities Commission (PUC), and requires no more than one mile of electric transmission right-of-way. Construction must be commenced between March 1, 2010 and March 1, 2014. Transmission and lines and other connections are not exempt.

### REVENUE ANALYSIS DETAIL

- According to the PUC, the facility will be located in Lent Township in Chisago County.
- The proposed exemption to the general public utility valuation provisions may have an impact on the local tax base and tax rate in the future and may result in a small increase in property tax refunds paid by the state.

**Number of Taxpayers:** Few taxpayers would be directly affected.

Source: Minnesota Department of Revenue  
Property Tax Division – Research Unit  
[http://www.taxes.state.mn.us/taxes/legal\\_policy](http://www.taxes.state.mn.us/taxes/legal_policy)

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