

# **2017 Fall Forum State Assessed Property**

November 1, 2017

This presentation is for educational purposes only. It is meant to accompany several oral presentations on November 1, 2017 and not to be used as a standalone document.

This presentation is based on the facts and circumstances being discussed by several presenters (not all employees of the Department of Revenue). It does not supersede or alter any provisions of Minnesota laws, administrative rules, court cases, or revenue notices.

If you have any questions, contact us at [sa.property@state.mn.us](mailto:sa.property@state.mn.us), 651-556-6091, or consult a tax professional.

# Agenda

- Department of Revenue Welcome and Introductions
- County Auditor Perspective
- Property Record Overview and Operating vs. Non-Operating Property
- Overview of County GIS Research Related to Railroad Operating Property
- Energy Mix Changes
- Administrative Updates
- State Assessed Property Timelines
- Pollution Control Update
- Break-out sessions by Market Segment
- Discussion Forum

# State Assessed Property

Tammi Vaith

Wright County Chief Deputy Auditor/Treasurer

# Utilities

- Preliminary Orders – July
  - Review and compare to prior year orders
  - Contact DOR with corrections, questions or concerns
- Final Orders – August 1
  - Update Tax records prior to PRISM Submission 2 (September 1<sup>st</sup>)
- Corrections – October 1

# Auditor/Treasurer Responsibility

- Review Rural Transmission and Rural Distribution line values
  - Rural Transmission and Distribution Lines are calculated using a countywide average rate
  - Proof values to prior year orders
- Review Power Line parcels
  - New Parcels
  - Classification Change

# Assigning Parcel ID Numbers

- Information needed from the utility and pipeline companies
  - City or Township location
  - Personal Property location
  - Line Location
- Very important for counties to be provided this information to ensure the parcel is being set up in the proper unique taxing area.

# Power Line (Transmission Line) Classifications

- State Assessed Electric Transmission Lines are used to calculate a power line tax which funds the power line credit for taxpayers.
- City/Organized Townships
  - Elec Transm  $\geq$  200kV City or Org Twp, Built After 7/1/1974

10% of the net tax capacity \* local NTC rate



# Administering Power Line Credit

- Unorganized Townships
  - Elec Transm 100-200kV Unorg, Built After 7/1/1974
  - Elec Transm  $\geq$  200kV Unorg, Built After 7/1/1974

10% of the tax receipts

# Administering Power Line Credit

- Qualifying Property Types:

- |   |                            |
|---|----------------------------|
| • Agricultural Homestead – 1a, 1b, 2a, 2b*  | - PRISM Code A and B Types |
| • Nonagricultural Homestead – 1a, 1b  | - PRISM Code D Types       |
| • Nonhomestead Agricultural Land – 2a, 2b*  | - PRISM Code A and B Types |
| • Rental Residential Property – 4a, 4bb(1), 4bb(2), 4b(1), 4c(4), 4c(5)(i), 4c(5)(ii), 4d | - PRISM Code D Types       |
| • Commercial Seasonal Residential Recreational Property – 1c, 4c(1), 4c(9)                | - PRISM Code H12, H13      |
| • Noncommercial Seasonal Residential Recreational Property – 4c(12)                       | - PRISM Code H20           |

\*2b property qualifies only when contiguous to qualifying 2a property.

# Calculating Power Line Credit

- **City or Organized Township**

- Power Line Credit =  $[10\% * \text{Transmission line tax from the line in the city-township}] * \text{Length of transmission line over parcel} / \text{Property owner's right-of-way width} / \text{Total length of line over all property in city-township}$

- **Unorganized Township**

- Power Line Credit =  $\text{Utility Property Tax Credit Fund Amount} * \text{Length of high transmission line over parcel} / \text{Total length of line over all property in unorganized townships in the county}$
- Right-of-Way Power Line Credit Rules
- Length of line on a parcel \* the proportion of the total width on the parcel owned by that property owner

# Calculating Power Line Credit

## City or Organized Township Example:

Parcel A: Power Line Length – 2,643 ft

Shared ROA – 100%

Total Twp Power Line Length – 19,567 ft

Total Transmission Line Tax – \$1,600.06 (10% of tax from the utility line in the city-township)

$$((2,643 * 100\%) / 19,567) * \$1,600.06 = \$216.13$$

Power Line Credit is \$216.13

# Calculating Power Line Credit

- Power Line Credit Max
  - $20\% * \text{Gross Tax on Parcel Prior to State Paid Ag Credit}$
- If the property exceeds 40 acres, the total gross tax shall be multiplied by a fraction (sum of the number of acres in each quarter-quarter/total number of acres on the parcel).

# Calculating Power Line Credit

Parcel A: Gross Tax on Parcel – \$3,962.46

Total Parcel Acres – 155.04

Affected Power Line Acres – 42.00

$$(42.00/155.04)*(.20*\$3,962.46) = \$214.68$$

Credit allowed on parcel is \$214.68

The credit is not applied to a property if it is less than \$10.00



# Excess Credit

- Cities & Townships
  - Remaining funds are distributed to respective taxing districts in proportion to their respective local tax rates
- Unorganized Townships
  - Remaining funds are returned to the general school fund of the county



# Railroad Property

- Orders – June
  - Review and compare to prior year orders
  - Contact DOR with corrections, questions or concerns
- Corrective Orders (if applicable) – August
  - Update Tax records prior to PRISM Submission 2 (September 1<sup>st</sup>)

# Railroad Property

- GIS
- Communication with the Railroad Companies
- Research complete before August 31

# State Assessed vs. Locally Assessed

- Pipelines
  - SA – Personal property which consists of the pipeline system of mains, pipes, and equipment attached thereto of pipeline companies and others engaged in the operations of transporting.
  - LA – All real property of natural gas, crude oil, and petroleum pipeline companies should be assessed by the local assessor of the taxing district in which the real property is located.

# State Assessed vs. Locally Assessed

- Railroad Property
  - SA – Determines the market value of all railroad companies that operate in Minnesota. Market values are determined on the operating property which is used by the railroad for its business operations within Minnesota.
  - LA – Real property which is leased or rented or available for lease or rent to any person which is not a railroad company.

# State Assessed vs. Locally Assessed

- Utilities
  - SA – Structures used for utility purposes
  - LA – Land and structures not used for utility purposes

# Resources

- Power Line Credits & Taxation FAQs and Webinar
  - Department of Revenue website – Search Power Line
  - Email: [proptax.admin@state.mn.us](mailto:proptax.admin@state.mn.us)
- Qualifying Lines – Line Location – Line Valuation
  - Utility Companies – Contact DOR for contact information
  - Email: [sa.property@state.mn.us](mailto:sa.property@state.mn.us)
- PRISM Coding
  - Email: [prism.mdor@state.mn.us](mailto:prism.mdor@state.mn.us)





# Property Records

Holly Soderbeck | Revenue Tax Specialist

State Assessed Property Section

# Property Records

- Information submitted to the department from the companies
- Information provided to the counties from the department
- Property type descriptions and examples



# Information Submitted from Companies

## Utility and Pipeline Companies

- DOR ID
- New, Pre-Existing, Retired
- County
- City/Town Name
- Parcel ID
- Property Name
- Property Type Description
- County Notes
- Prior Year Cost
- Current Year Additions
- Current Year Retirements
- Cost of Specific Exemption
- Current Year Total Cost

# Information Submitted from Companies

## Railroad Companies

- DOR ID
- County
- City/Town Name
- Parcel ID
- School District
- Special Taxing District Code
- Special Taxing District Name
- Tax Increment Financing Division (TIF)
- Property Name
- Number of Operating Acres
- Miles of Mainline Track
- Miles of Other Track
- Structure, Original Cost

# Information Provided to Counties

## Railroad, Utility, and Pipeline Companies

We provide all of the information we receive from the companies in addition to:

- Apportioned Value
- Equalized and Rounded Value
- County's Equalization Percentage
- If the value is Ordered or Recommended (Utility and Pipeline Values Only)

# Property Type Descriptions

## Railroad Operating Property Values:

- Include land, track, and building value
- Ordered
- Equalized, if necessary
- Class 3a (273.13, subdivision 24)

# Property Type Descriptions

## Utility and Pipeline Operating Property Values:

- Do not include land
- Values are separated by property types
- Ordered or recommended
- Structures equalized, if necessary
- Class 3a (273.13, subdivision 24)

# Property Type Descriptions

## Utility and Pipeline Operating Property Values:

### Electric Transmission and Distribution Lines

- Electric Distribution Lines in a City
- Electric Distribution Lines Outside of a City
- Electric Transmission Lines under 69kV
- Electric Transmission Lines 69kV or more Inside a City or Organized Township
- Electric Transmission Lines 69kV or more in an Unorganized Twp
- High Voltage Transmission Lines (200kV or more) in a City or Organized Township, built after 7/1/1974
- High Voltage Transmission Lines (100-200kV) in an Unorganized Township, built after 7/1/1974
- High Voltage Transmission Lines (200kV or more) in an Unorganized Township, built after 7/1/1974

# Property Type Descriptions

## Utility and Pipeline Operating Property Values:

- Personal Property of a Transportation Pipeline
- Personal Property of a Gas Distribution Utility
- Personal Property of a Water Utility
- Other Machinery
- Electric Generation Machinery
- Structure on Owned Land
- Structure on Leased Land

# Machinery and Locally Assessed/Non Taxable Property

Companies must report structures separate from machinery values.

Companies must remove locally assessed property (such as land) and non taxable property (such as communication equipment) from the value of operating property.



# Machinery or Personal Property?

Machinery – tools, implements, and machinery

Personal Property of a Gas Distribution Utility – gas distribution pipeline

Personal Property of a Transportation Pipeline – fluid or gas transportation pipeline

# Company Follow-Up

Companies – please review your property record return and ensure:

- You have the correct property type description
- Locally assessed and non taxable property is not included in your total original cost
- You list structures separately from machinery
- You list machinery separately from pipeline or gas utility personal property
- You list the correct city/township

# Questions?

**State Assessed Property Section**

*[sa.property@state.mn.us](mailto:sa.property@state.mn.us)*

# UTA Rail Road Research



John Jacobson & Aaron Thielen  
Ramsey County Assessor's Office

# Why New SA UTAs?

- Existing SA UTAs:
  - Difficult to match 1-to-1 with county tax parcel boundaries:
    - Complexity of real parcel boundaries and descriptions
    - Watershed changes over the past 10 years

# Real Parcels are Complex and Non-contiguous



# Watershed Boundary Changes

- Within the past 10 years:
  - Watershed consolidations
  - New Watersheds Created
  - Numerous boundary changes
- The result being tax authority groups are affected

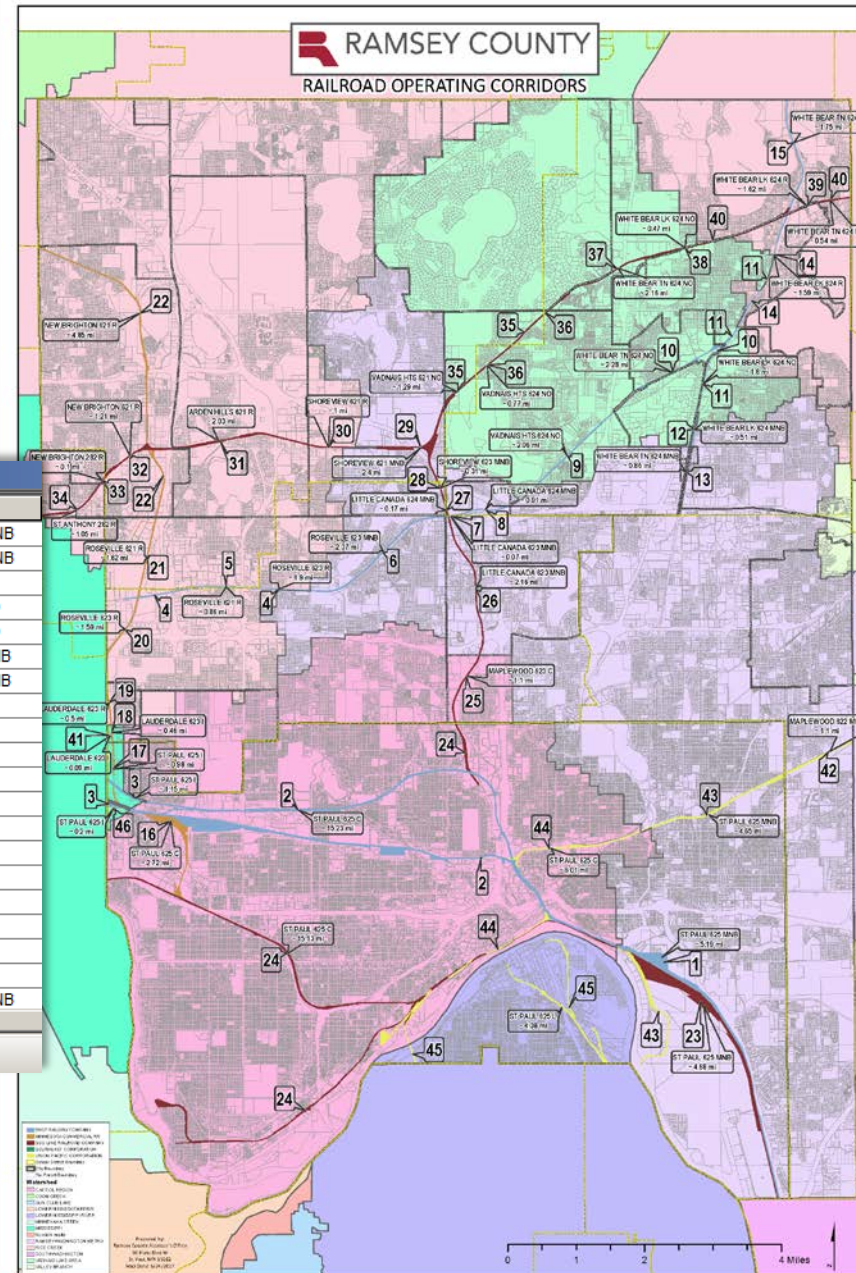
# New GIS Work

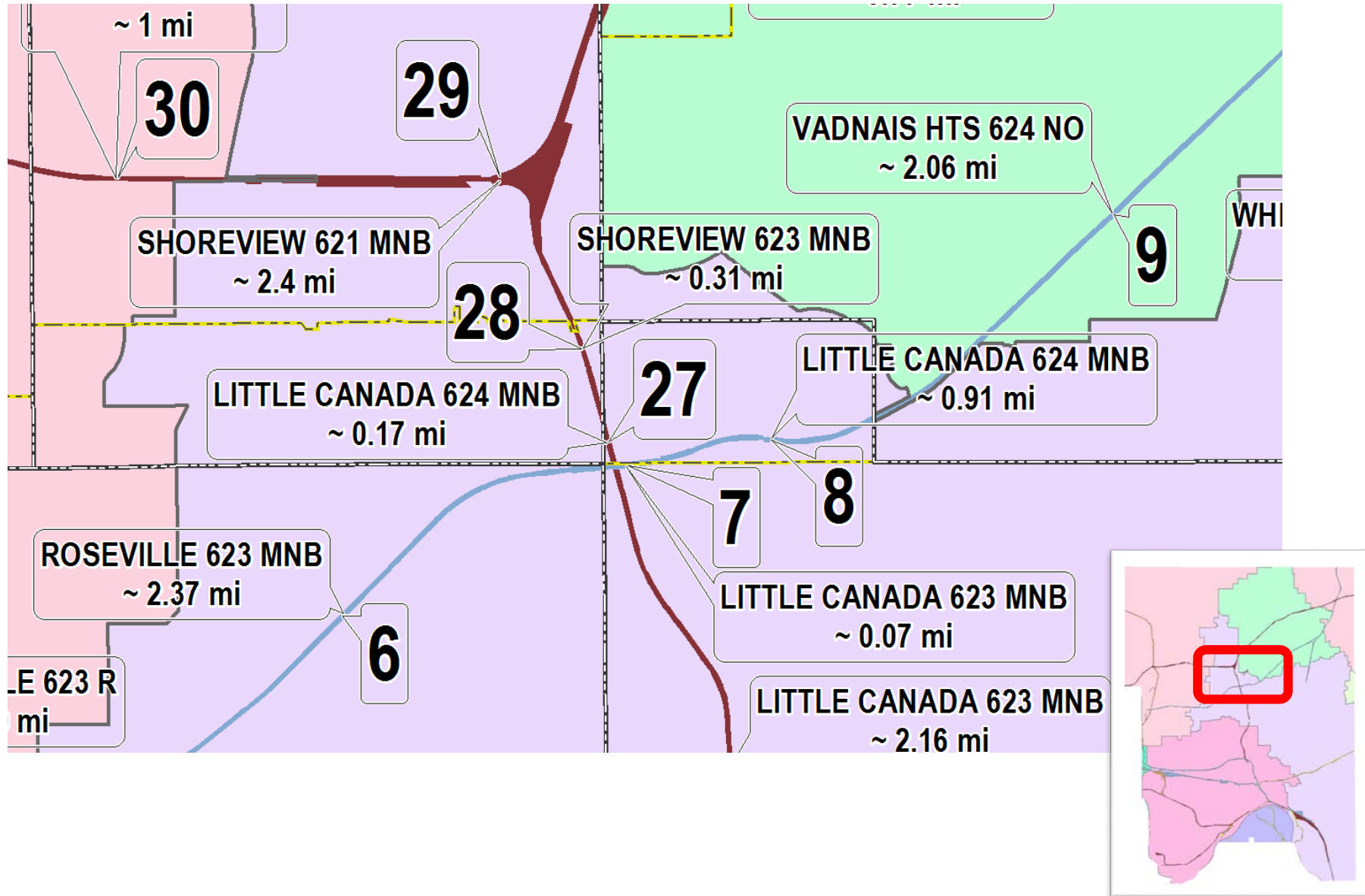
- Created new SA UTAs to conform with real tax parcel and tax authority boundaries:
  - Rail Road entity, municipality, school district, watershed
    - 500+ tax parcels grouped into 46 new UTA boundaries
- Attributed GIS tax parcels queried and compared to tax records



# GIS Data and Maps

RR_Operating						
Shape *	MapKey	RR_entity	CorLength	Tax_ID	Value_	TAG
Polygon	7	BNSF RAILWAY COMPANY	0.07	<Null>	<Null>	LITTLE CANADA 623 MNB
Polygon	8	BNSF RAILWAY COMPANY	0.91	<Null>	<Null>	LITTLE CANADA 624 MNB
Polygon	9	BNSF RAILWAY COMPANY	2.06	<Null>	<Null>	VADNAIS HTS 624 NO
Polygon	10	BNSF RAILWAY COMPANY	2.28	<Null>	<Null>	WHITE BEAR TN 624 NO
Polygon	11	BNSF RAILWAY COMPANY	1.6	<Null>	<Null>	WHITE BEAR LK 624 NO
Polygon	12	BNSF RAILWAY COMPANY	0.51	<Null>	<Null>	WHITE BEAR LK 624 MNB
Polygon	13	BNSF RAILWAY COMPANY	0.86	<Null>	<Null>	WHITE BEAR TN 624 MNB
Polygon	14	BNSF RAILWAY COMPANY	1.59	<Null>	<Null>	WHITE BEAR LK 624 R
Polygon	15	BNSF RAILWAY COMPANY	1.75	<Null>	<Null>	WHITE BEAR TN 624 R
Polygon	16	MINNESOTA COMMERCIAL RR	2.72	<Null>	<Null>	ST PAUL 625 C
Polygon	17	MINNESOTA COMMERCIAL RR	0.98	<Null>	<Null>	ST PAUL 625 I
Polygon	18	MINNESOTA COMMERCIAL RR	0.46	<Null>	<Null>	LAUDERDALE 623 I
Polygon	19	MINNESOTA COMMERCIAL RR	0.5	<Null>	<Null>	LAUDERDALE 623 R
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Polygon	21	MINNESOTA COMMERCIAL RR	1.62	<Null>	<Null>	ROSEVILLE 621 R
Polygon	22	MINNESOTA COMMERCIAL RR	4.85	<Null>	<Null>	NEW BRIGHTON 621 R
Polygon	23	SOO LINE RAILROAD COMPANY	4.68	<Null>	<Null>	ST PAUL 625 MNB
Polygon	24	SOO LINE RAILROAD COMPANY	15.13	<Null>	<Null>	ST PAUL 625 C
Polygon	25	SOO LINE RAILROAD COMPANY	1.1	<Null>	<Null>	MAPLEWOOD 623 C
Polygon	26	SOO LINE RAILROAD COMPANY	2.16	<Null>	<Null>	LITTLE CANADA 623 MNB





# Share and request feedback

- Our data was sent to the various RR entities in the county for feedback.
  - Geodatabase containing data used to generate maps
    - New UTA boundaries
    - Annotation
    - Tax authority boundaries
- Map Key spreadsheet
  - Sheet per RR entity
- PDF Maps by owner and all RR entities

# Status of Project

- Still waiting for a response
  - We are looking forward to the cooperation of the rail road entities.
- Next steps:
  - Update our data with any new information provided by railroad entities.

# Questions or Comments



John Jacobson & Aaron Thielen  
Ramsey County Assessor's Office

# **The Changing Energy Mix**

**by Laureen L. Ross McCalib**

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**State Assessed Fall Forum**

**Minnesota Department of Revenue**

**November 1, 2017**

# Agenda

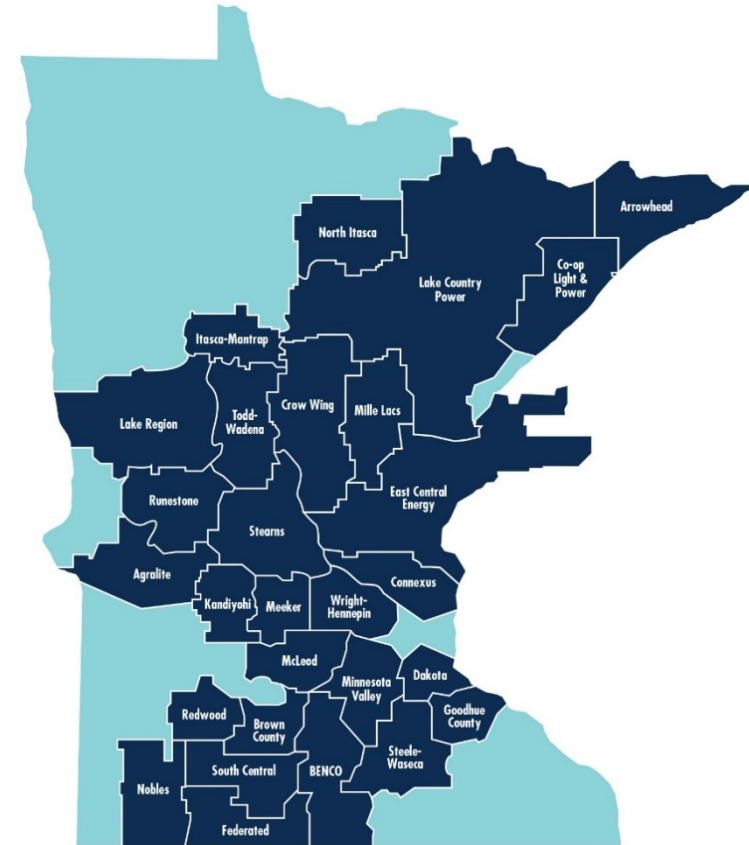
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- ▶ Great River Energy background
- ▶ An industry in transition
- ▶ Emerging technologies



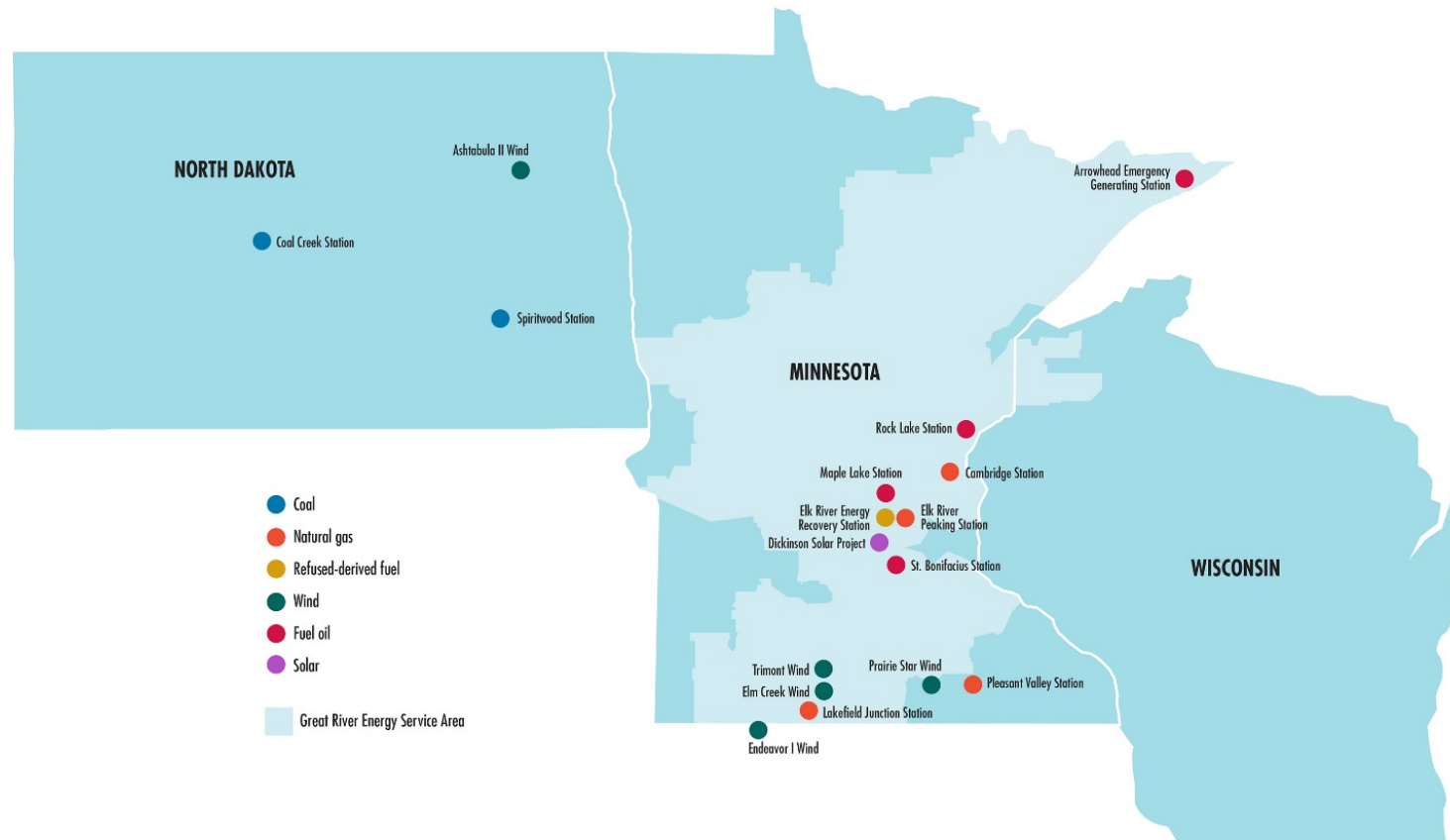
# GRE and our membership

- ▶ 28 member cooperatives – 1.7 million consumers
- ▶ 4<sup>th</sup> largest G&T in the U.S.
  - \$4 billion total assets
  - \$1 billion revenue
- ▶ Governance
  - 24-member board of directors
- ▶ Competitive rates





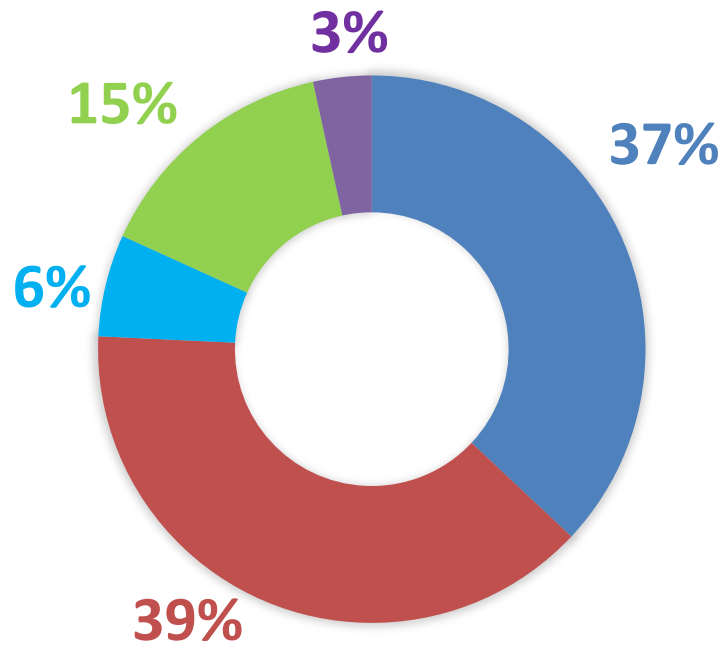
# Energy generation portfolio



# Generation resources 2017

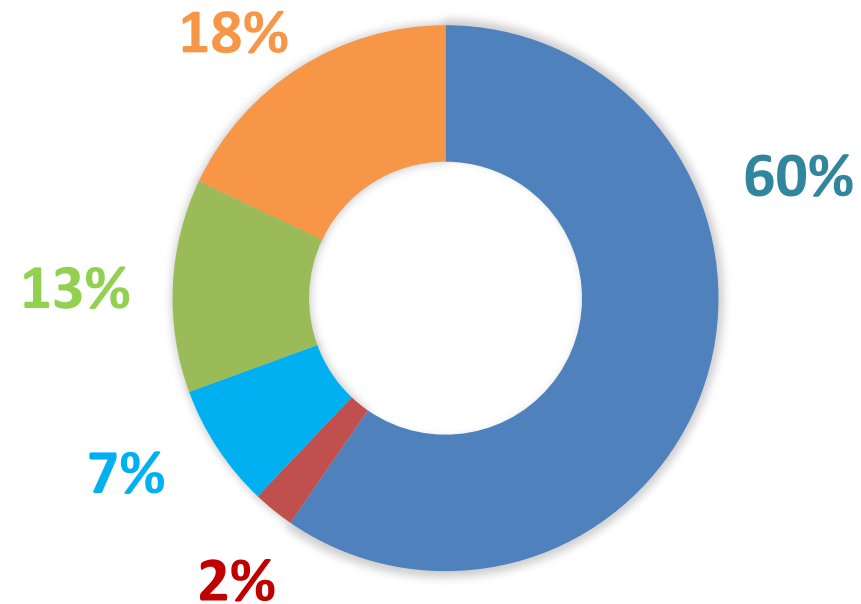
## Capacity

■ Coal ■ Natural Gas ■ Hydro ■ Renewables ■ Fuel Oil



## Energy

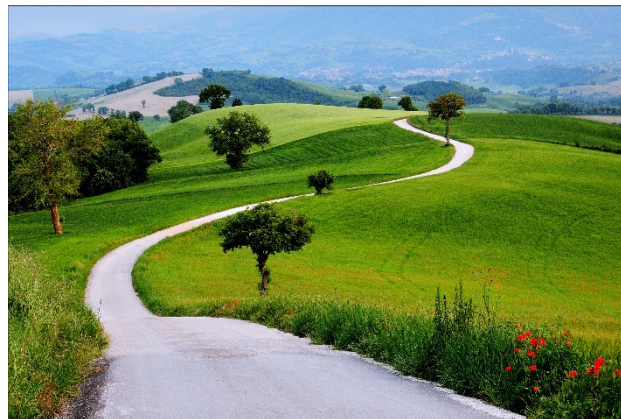
■ Coal ■ Gas ■ Hydro ■ Renewable ■ Market



# Portfolio evolution

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- ▶ Reduce exposure to carbon regulation
- ▶ Move toward less dependence on coal by 2028
- ▶ Meet load growth with conservation, renewable energy, natural gas and the market



# An industry in transition

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## Environmental / Energy Policy

- Mercury & Air Toxics
- Carbon Standards
- Ozone Standards
- State / Federal

## Threat Landscape

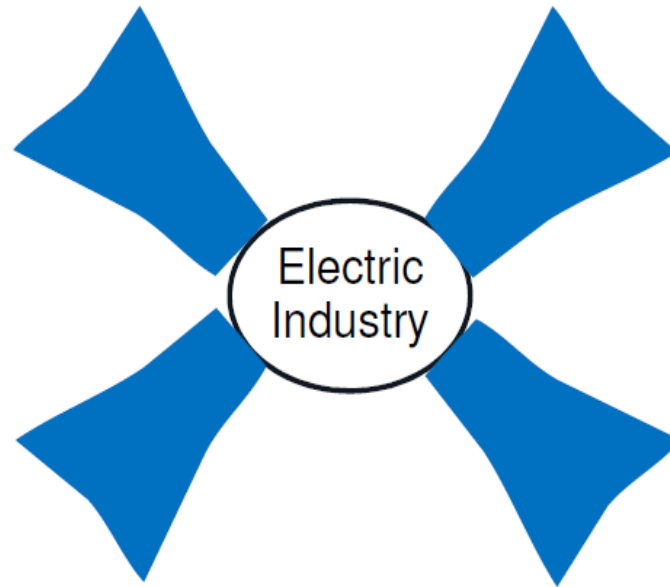
- Cyber Risk
- Physical Risk
- Increased Need for Resiliency

## Portfolio Evolution

- Renewables
- Natural Gas
- Coal
- Nuclear
- Load Growth

## Evolving Technologies

- Distributed Energy Resources
- Storage
- Transmission modernization
- Other ....



# Growth is slowing

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- ▶ Fewer new homes being built
- ▶ Each new home is using less energy
- ▶ Electrification opportunities exist
  - Space heating
  - Water heating
  - Transportation



# Regulatory changes

## ■ Federal

- Federal Energy Regulatory Commission
- Clean Power Plan 
- Department of Energy Grid Resiliency

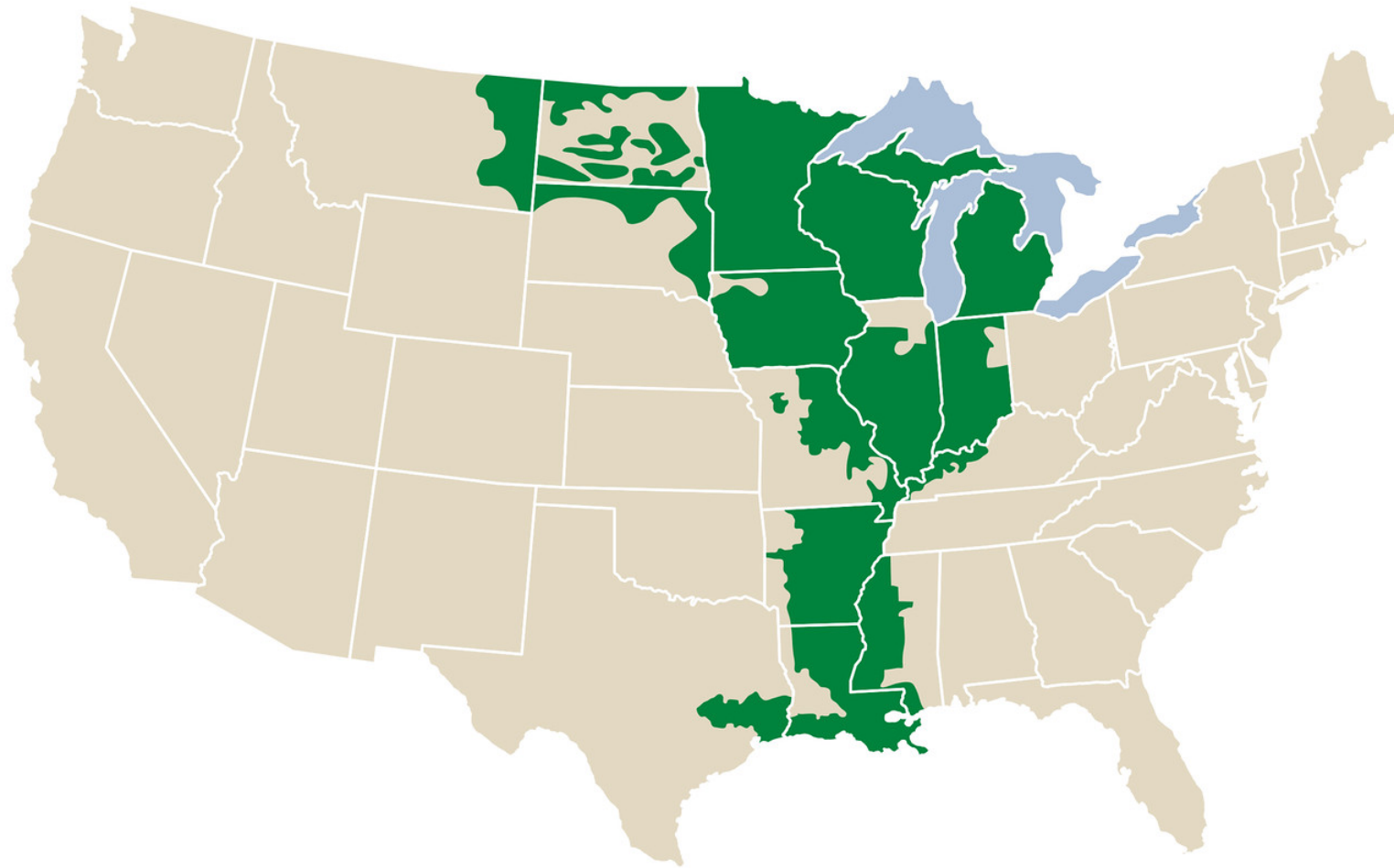
## ■ Minnesota

- Renewable Energy Standards
- Conservation Improvement Programs
- Greenhouse gas emissions reductions



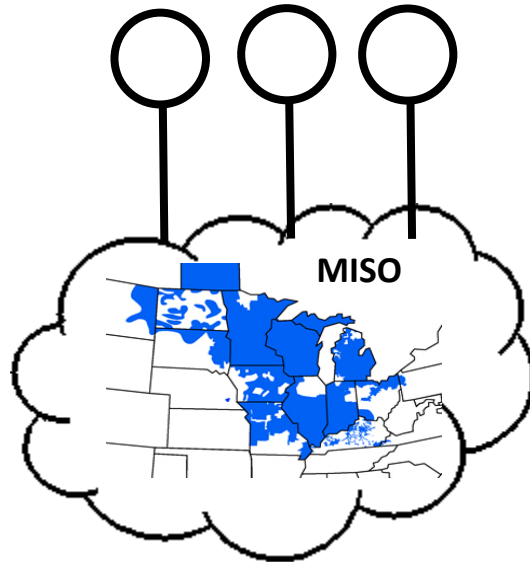
# Midcontinent Independent System Operator

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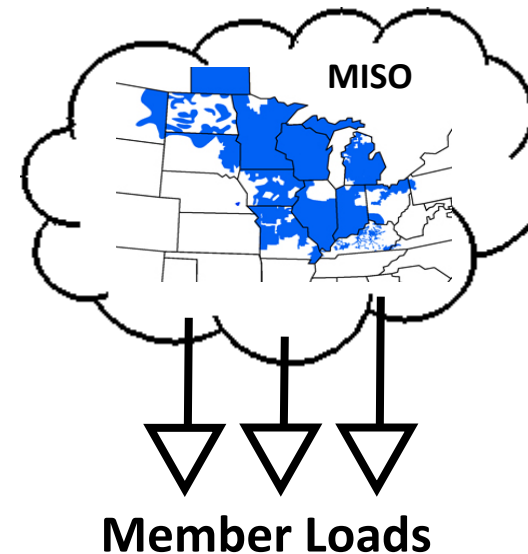


# MISO power supply

Utility sells all generated energy into market



Utility buys all load energy from market



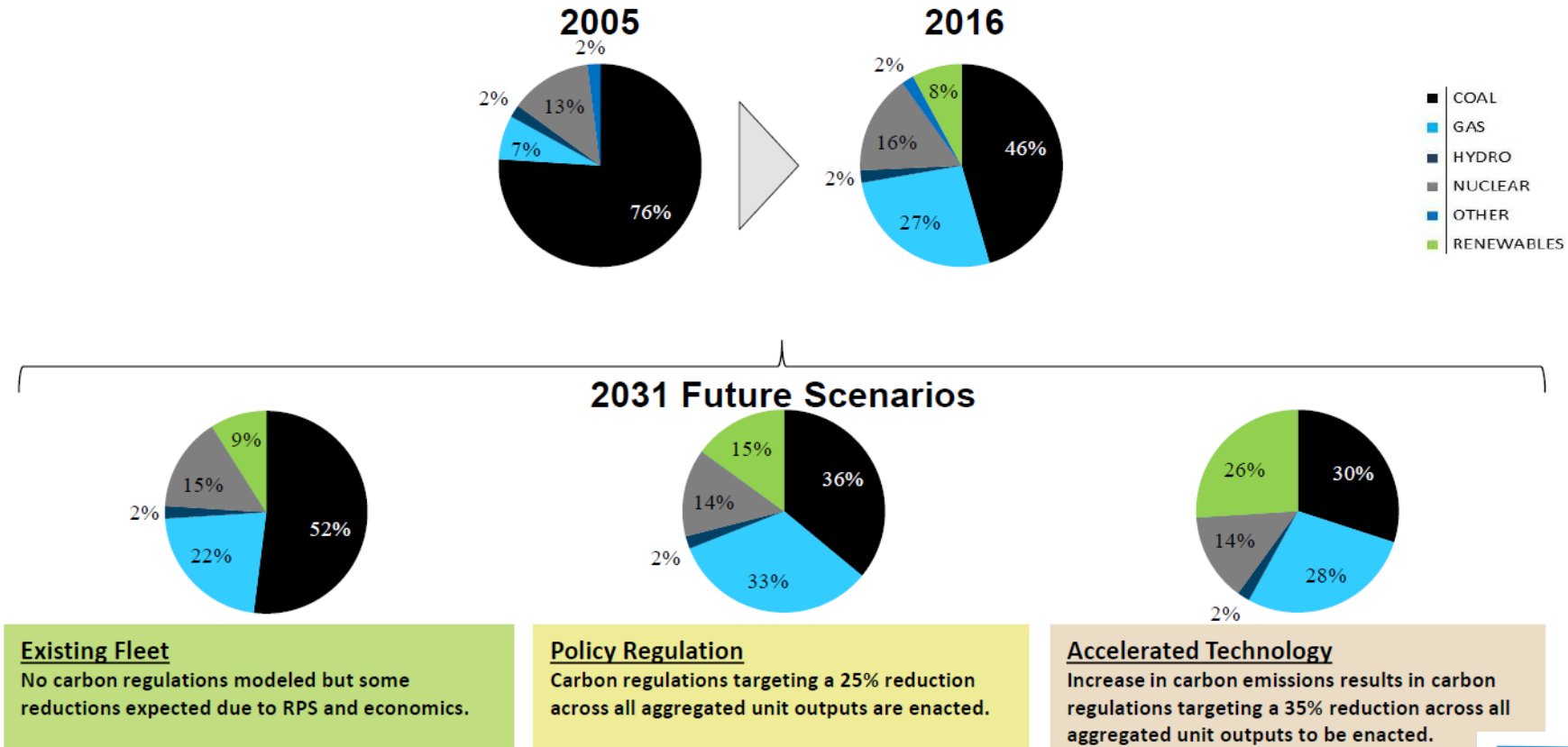
For MISO: Gen = Load

For Utilities: Gen = Revenue  
Load = Expense



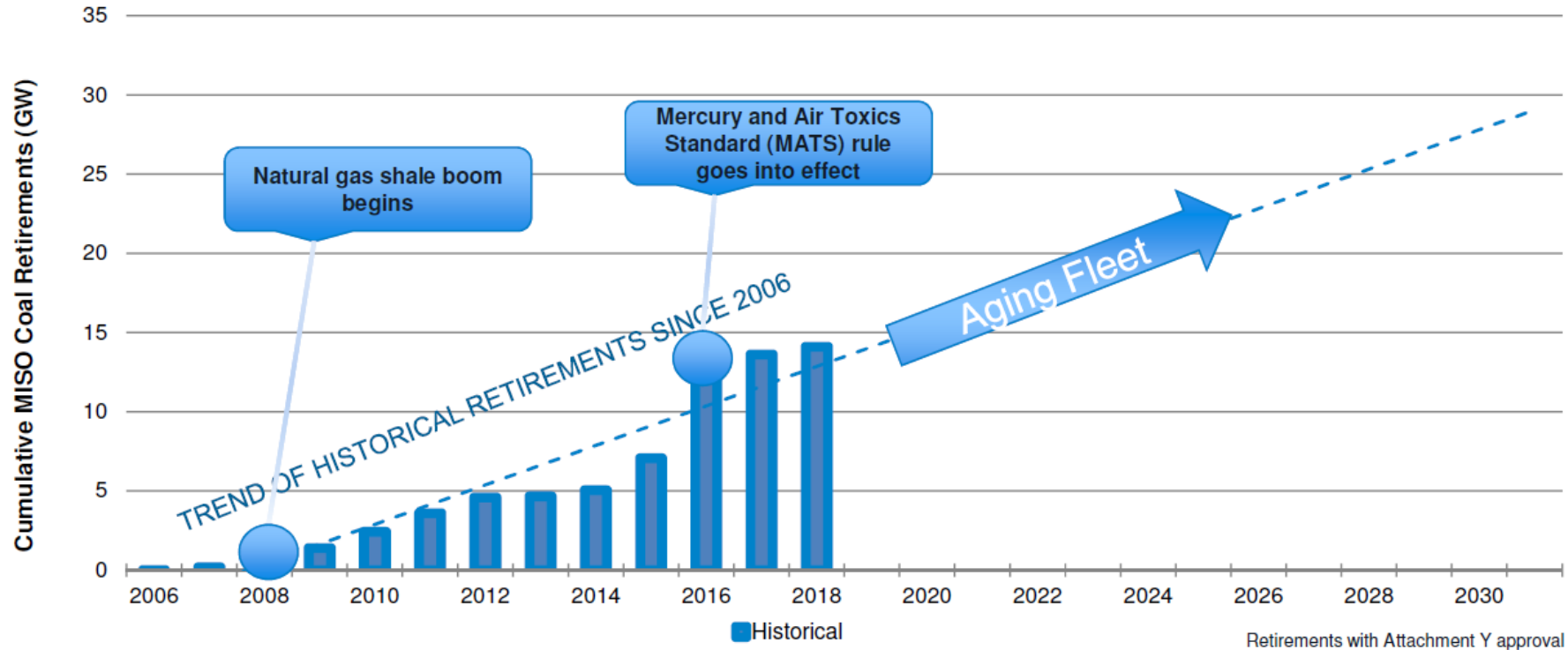
# Fuel types are changing

## MISO Generation Portfolio Evolution



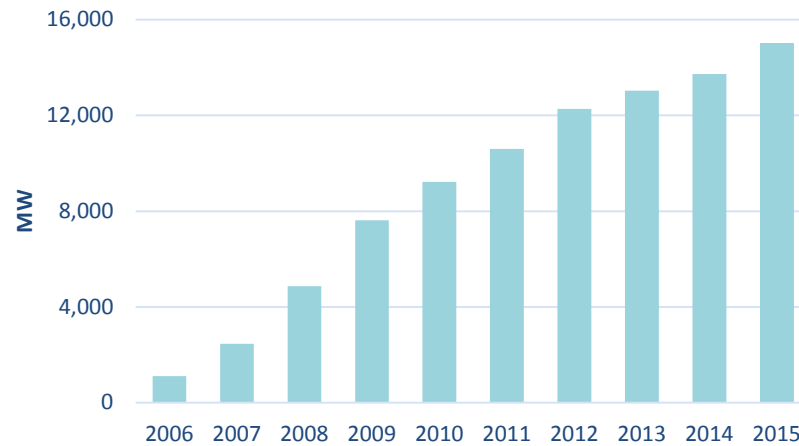
**GREAT RIVER ENERGY™**

# Coal is retiring

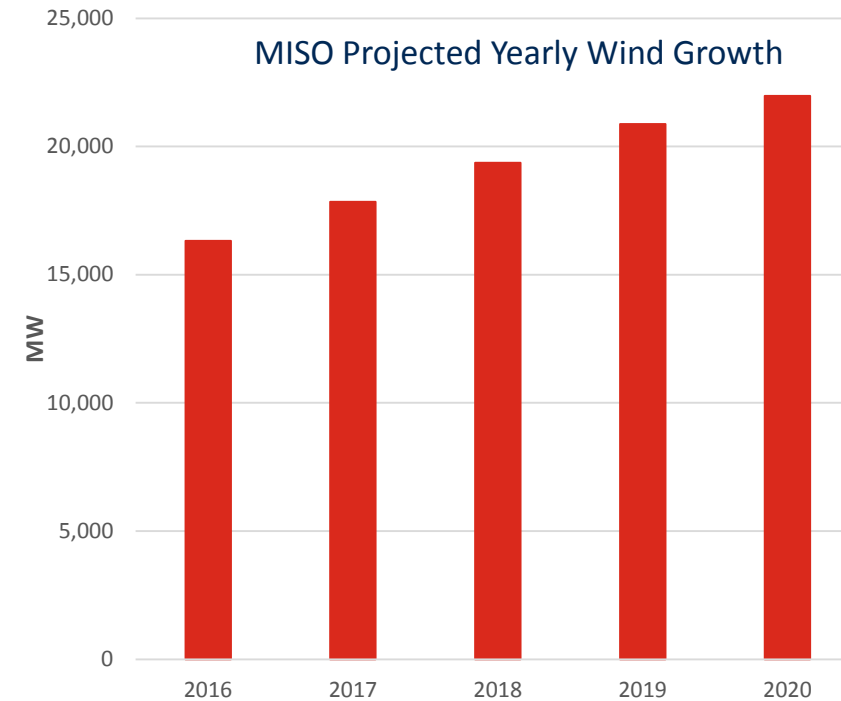


# Wind is growing

MISO Historic Yearly Wind Growth



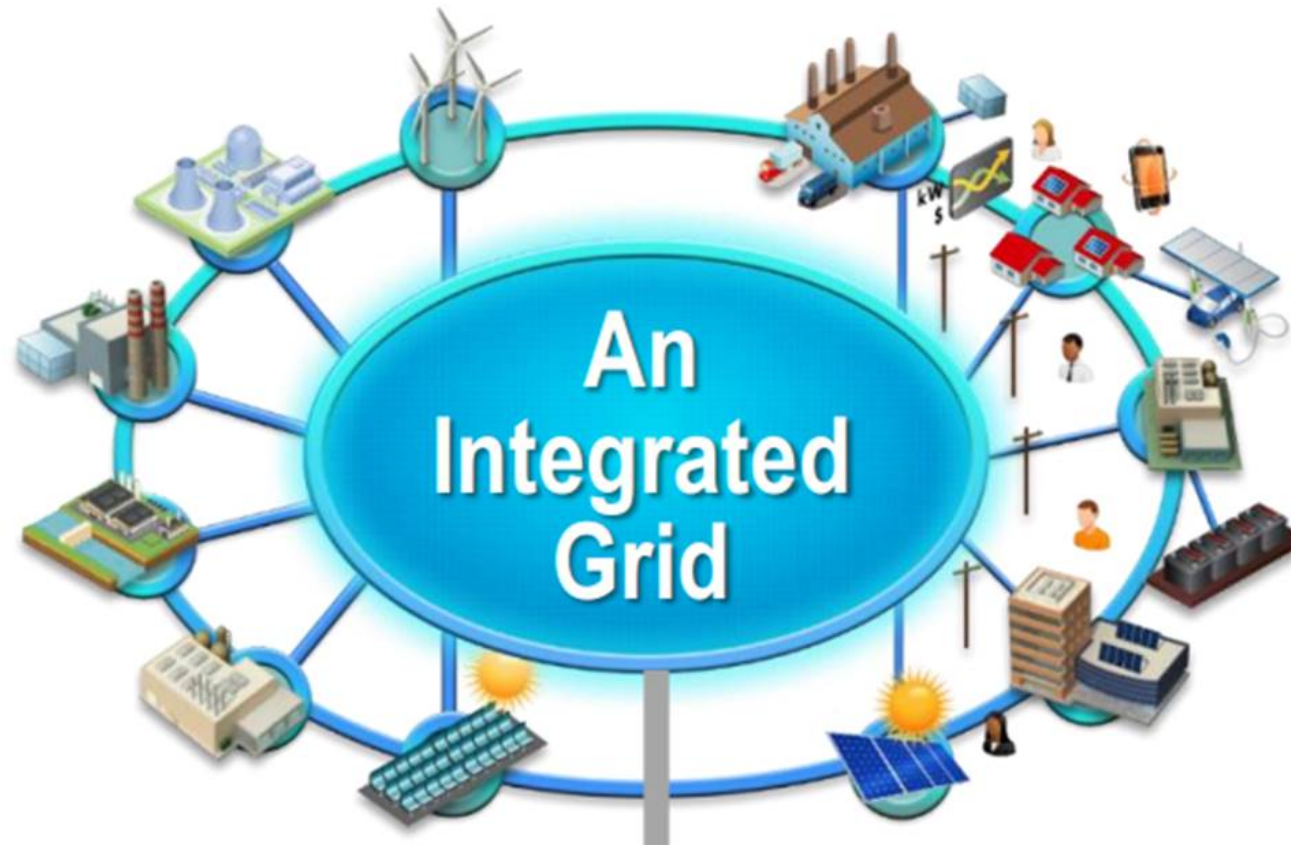
MISO Projected Yearly Wind Growth





# Emerging technologies

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# Energy storage

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# Energy storage

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# GRE Energy Storage Projects

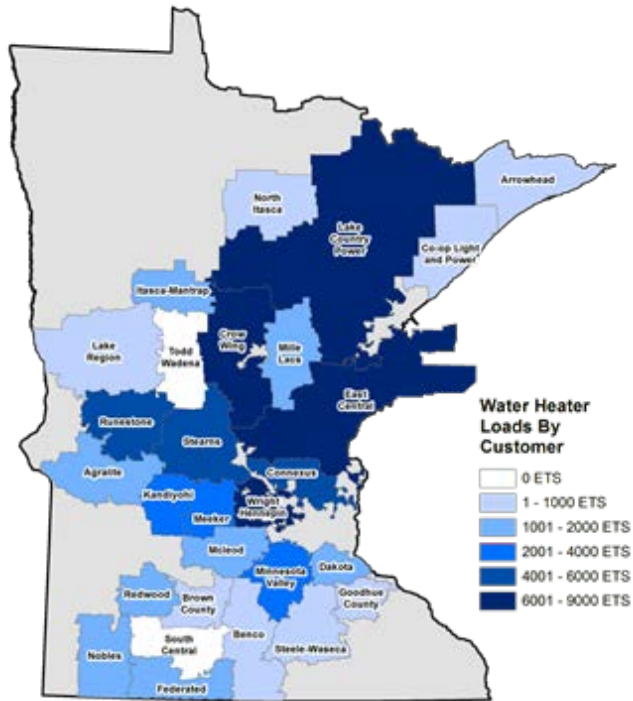
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- ▶ Electric thermal storage
- ▶ ReVolt electric vehicles
- ▶ Electric school bus
- ▶ Grid-Interactive water heating
- ▶ Solar and battery storage
- ▶ Non-wire alternatives





# Electric Thermal Storage



- Large capacity water heaters
- Heat water between 11 pm and 7 am – off-peak
- Each water heater stores an average of 13 kWh each night
- Combined program stores over 300 GWh a year

# Electric vehicles

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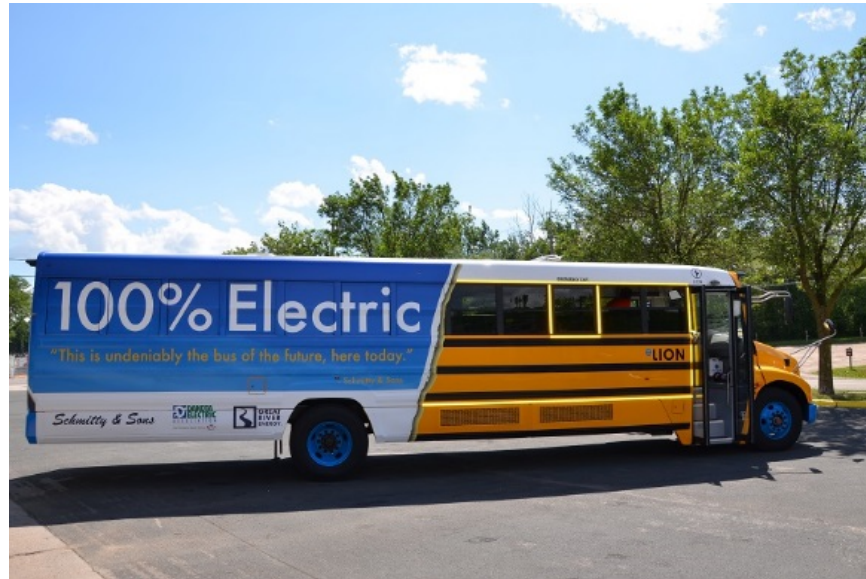
- ▶ Improves load shape with off-peak fueling
  - Uses electricity during night-time hours
  - Market energy prices typically lower
  - Night energy frequently from wind
- ▶ Reduced fuel costs
- ▶ Reduces emissions



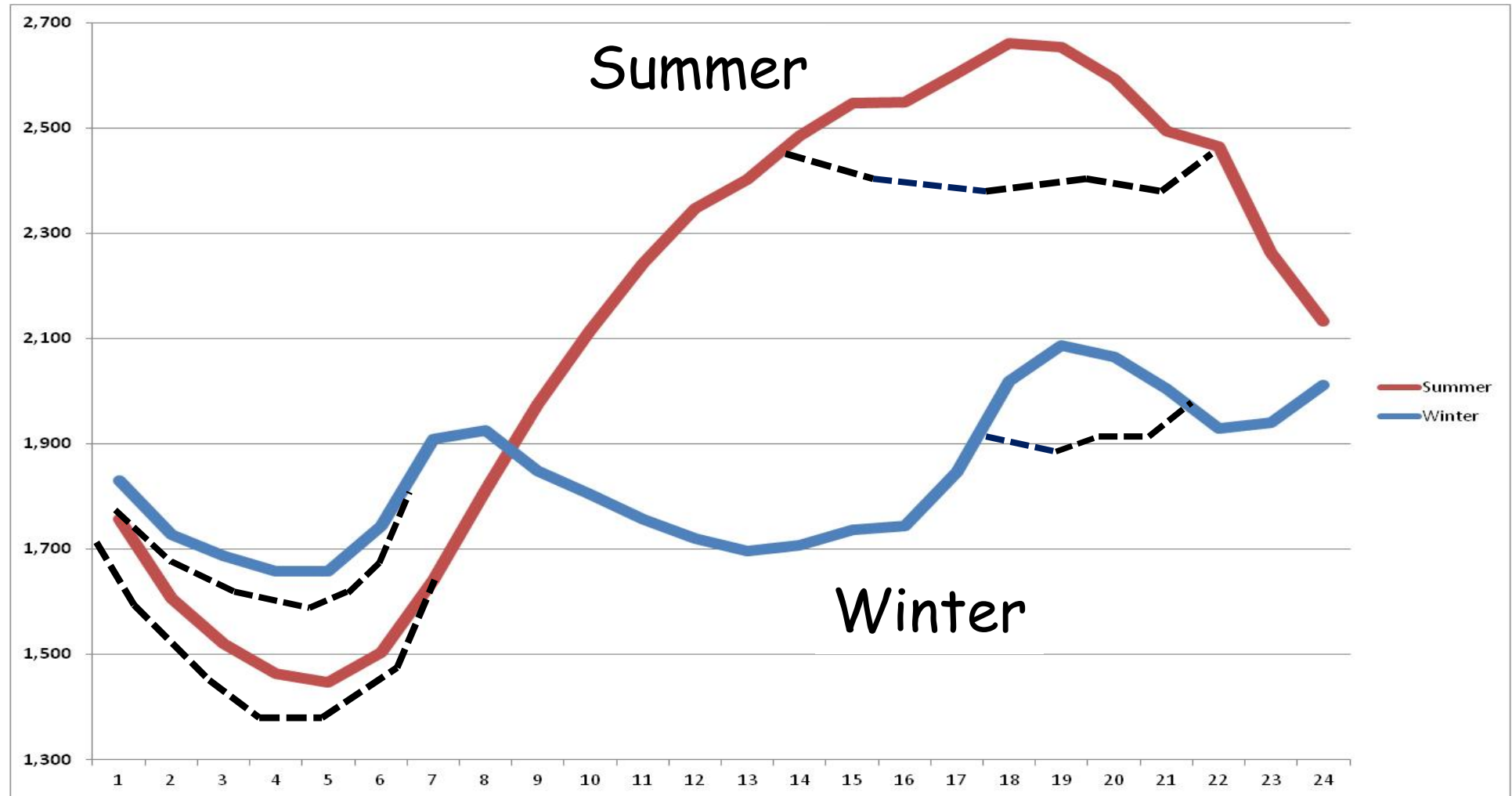
# Battery electric school bus

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- ▶ Showcase a new energy efficient technology
- ▶ Demonstrate performance in cold weather
- ▶ Assess costs, savings and emission reductions



# Impacts load and lowers cost



# We've talked about

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- ▶ Great River Energy
- ▶ An industry in transition
- ▶ Emerging technologies

▶ Questions ?



# Thank you!

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# Utility & Pipeline, Railroad, and County Timeline

Damaris Ledesma | Revenue Tax Specialist

State Assessed Property Section


- Utility and pipeline timeline
- Railroad timeline
- County timeline as it relates to state assessed properties



# Utility & Pipeline Timeline

<b>January 2</b>	<i>Assessment date</i>
<b>January – May</b>	<i>Capitalization Rate study</i>
<b>March 31</b>	<i>Filing deadline</i>
<b>March – July</b>	<i>Valuations are sent to companies</i>
<b>August 1</b>	<i>Final Equalized Orders are sent to county auditors and assessors</i>
<b>October 1</b>	<i>Deadline to issue corrections to county auditors and assessors</i>
<b>October</b>	<i>Final apportioned values are sent to companies</i>
<b>November</b>	<i>Updated Property Record Returns are sent to companies</i>
<b>December 31</b>	<i>Deadline for clerical error corrections</i>

1. select **Businesses**
2. select **Taxes and Fees** tab
3. under Property Taxes select **Utility Property Tax**
4. under “I need more information about...” select **Due Dates**



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Utility Property Tax >Last Updated: 10/27/2017

Due Dates

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November – December	We send updated Property Record Returns to companies to complete for the following assessment (Due March 31)
January 2	Assessment Date (See Minnesota Statute 273.01)
January - May	We complete the <a href="#">Capitalization Rate Study</a>
March 31	Annual deadline to submit the <a href="#">Utility Market Value Return</a> and <a href="#">Utility Property Record Return</a> (See Minnesota Statute 273.371)
March - July	We complete and send property valuations to companies
August 1	We send Utility Final Equalized Orders to county auditors and assessors (See Minnesota Statutes, sections 273.33, 273.37, and 273.3711)
October 1	Deadline for us to send utility value corrections to counties (See Minnesota Statutes, sections 273.33, 273.37, and 273.3711)
October	We send final apportionment to companies
December 31	Deadline for clerical corrections of utility property values (See Minnesota Statutes, sections 273.33, 273.37, and 273.3711)

Contact Us

Utility Property Tax

651-556-6091

7:30 a.m.- 4:00 p.m. Mon.-Fri.

Email

more >

Top FAQs

Who is required to file a Utility Market Value Return?

Where do I send the Utility Market Value Return?

Where do I send the Utility Property Record Return?

Can I get a filing extension?

Where do I send payment for Utility Property Tax?

see all >

Related Information

Collection Information

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# Railroad Timeline

<b>January 2</b>	<i>Assessment date</i>
<b>January – May</b>	<i>Capitalization Rate study</i>
<b>March 31</b>	<i>Filing deadline</i>
<b>March 31 – May 31</b>	<i>Valuations are sent to companies</i>
<b>June 30</b>	<i>Final Equalized Orders are sent to county auditors and assessors</i>
<b>August 31</b>	<i>Deadline to issue corrections to county auditors and assessors</i>
<b>October - November</b>	<i>Updated Property Record Returns are sent to companies</i>
<b>December 1</b>	<i>Annual deadline for updates to operating property</i>
<b>December 15</b>	<i>Deadline to send updates to operating property to counties</i>
<b>December 31</b>	<i>Deadline for clerical error corrections</i>

1. select **Businesses**
2. select **Taxes and Fees** tab
3. under Property Tax select **Railroad Property Tax**
4. select **Tax Information** tab
5. under “I need more information about...” select **Due Dates**



DEPARTMENT OF REVENUE

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**Railroad Property Tax**  
651-556-6091  
7:30 a.m.- 4:00 p.m. Mon.-Fri.  
[Email](#)  
[more >](#)**Top FAQs**  
Who is required to file a Minnesota Annual Report of Railroad Companies?   
Where do I send the Minnesota Annual Report of Railroad Companies?   
Where do I send the Railroad Property Records document?   
Can I get a filing extension?   
Where do I send payment for Railroad Property Tax?   
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# County Timeline

## Current Year

**November** *Proposed property tax statements are sent*

## Following Year

**March 31** *Real and personal property tax statements are sent*

**May 15** *Personal property tax due*

*Real property tax due (first half)*

**October 15** *Real property tax due (second half)*

# Questions?

**State Assessed Property Section**

*[sa.property@state.mn.us](mailto:sa.property@state.mn.us)*

A photograph of an industrial facility, likely a power plant, with several large cylindrical cooling towers and tall smokestacks emitting white steam or smoke against a clear blue sky. The smokestacks have red and white horizontal stripes.

# Updates to Pollution Control Exemption Forms

Jesse Larson | Revenue Tax Specialist

State Assessed Property Section

# Pollution Control Property Tax Exemption

## Overview

- **Pollution Control Exemption Process**
- **PT63 (Application) Changes**
- **PT64 (Statement of Exemption) Changes**



# Pollution Control Property Tax Exemption

## What is the Pollution Control Property Tax Exemption?

- Property tax exemption on property used primarily to reduce or control air, water, and land pollution.
- Administered by the State Assessed Property Section
- Information, instructions and forms regarding the pollution control property tax exemption can be found on DOR's website.

# Pollution Control Property Tax Exemption

## Pollution Control Exemption Process

- Application (PT63) filed by company/owner by emailing to [sa.property@state.mn.us](mailto:sa.property@state.mn.us)
- Applications reviewed by department
  - Minnesota Pollution Control Agency review
- Department will issue an order granting, or denying an exemption



# Pollution Control Property Tax Exemption

## Pollution Control Exemption Process

- If an order has been granted, the company must submit an annual statement of exemption (PT64) by February 15.
- The company must notify the Department if the property is no longer in place or used for pollution control.
- The exempt cost of the pollution control property must be reported on the company's market value return and property record return.

# Pollution Control Property Tax Exemption

## Additional Notes:

- Must have an order from DOR to receive an exemption.
- An order granting an exemption is specific to the individual property, or piece of equipment included in the PT63.

### ***Example:***

*Company A*

*Mercury Eliminator 3000 on Parcel ID 12345 - ORDERED EXEMPT*

~~*Mercury Eliminator 3000 on Parcel ID 54321 - NO ORDER*~~

# Pollution Control Property Tax Exemption

## Changes to the PT63 & PT64

Old PT63

Property Tax Exemption Application

for Property Used for Pollution Control

Print or type

Name of business which occupies or uses the property	Minnesota Tax ID number	Date of application
Name(s) of property owner(s)		
Mailing address	City	State      Zip code
Check box and fill in name of city or township where property is located <input type="checkbox"/> City <input type="checkbox"/> Township		County
Legal description of the real property as shown on tax records		Parcel ID
Purpose of your business		

Equipment, Device, or Real Property for Which Exemption is Requested

<b>Pollution Control equipment, devices, or real property for which the tax exemption is requested</b> <i>(attach an additional sheet if necessary)</i>		
Name of equipment, device or real property	Pollution control agency permit number	Date permit issued
Is the equipment, device, or real property used for the abatement and control of air, water, or land pollution? <input type="checkbox"/> Yes <input type="checkbox"/> No    If yes, please describe:		
Is the property used for any other purpose? <input type="checkbox"/> Yes <input type="checkbox"/> No    What other purpose?		
What specific standard, rule or guideline is the property required by?	Specific location within the permit	

Sign here

Name of equipment, device, or real property	Pollution control agency permit number	Date permit issued
Is the equipment, device, or real property used for the abatement and control of air, water, or land pollution? <input type="checkbox"/> Yes <input type="checkbox"/> No    If yes, please describe:		
Is the property used for any other purpose? <input type="checkbox"/> Yes <input type="checkbox"/> No    What other purpose?		
What specific standard, rule or guideline is the property required by?	Specific location within the permit	

*I declare the real and personal property listed above was constructed or installed after June 1, 1967 and is totally or primarily used for the abatement and control of air, land or water pollution. I certify that the above information is true and correct to the best of my knowledge. I understand that Minnesota Statutes, section 609.41, states that anyone giving false information in order to avoid or reduce their tax obligations is subject to a fine of up to \$3,000 and/or up to one year in prison.*

Signature	Title	Date
Name of Contact Person	Email Address	Phone

Mail to Minnesota Revenue, Mail Station 3340, St. Paul, MN 55146-3340  
or send an electronic version to [sa.property@state.mn.us](mailto:sa.property@state.mn.us)

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New PT63

Property Tax Exemption Application

for Property Used for Pollution Control

Business Information

Name of business which occupies or uses the property		Minnesota Tax ID Number	
Business Mailing Address	City	State	Zip

Pollution control property, equipment or devices for which an exemption is claimed

Name of property, equipment or device		City/Township	County
Parcel ID	Legal description of real property as shown on tax records		
Project Name, Site Description, etc. (optional)		Installation Date	Expected Life
Permit Date		Permit Number	Permit Page Ref.
Standard, rule or guidance that requires the property		Original Cost	
Is the primary use to abate and control air, water or land pollution? <input type="checkbox"/> Yes <input type="checkbox"/> No    If yes, please describe:			
Do you use the property, equipment or device for any other purpose? <input type="checkbox"/> Yes <input type="checkbox"/> No    If yes, please describe:			
<i>Note: Attach a general schematic or engineering drawing showing the location of the property, equipment, or device. If you are applying for more than one property, equipment or device on the same parcel, attach a spreadsheet with the above information listed for each property, equipment or device.</i>			

Signature

I declare the real and personal property listed above was constructed or installed after June 1, 1967 and is totally or primarily used for the abatement and control of air, land or water pollution. I certify that the above information is true and correct to the best of my knowledge. I understand that Minnesota Statutes, section 609.41, states that anyone giving false information in order to avoid or reduce their tax obligations is subject to a fine of up to \$3,000 and/or up to one year in prison.		
Signature	Title	Date
Name of Contact Person	Email	Phone

Send an electronic copy of this application to [sa.property@state.mn.us](mailto:sa.property@state.mn.us)

(9/17)

# Pollution Control Property Tax Exemption

## Changes to the PT63

- One application per parcel ID
  - Can include multiple properties on the same parcel ID (must include supporting schedule)
- Additional required information
  - Installation Date
  - Expected Life
  - Original Cost
- Project Name, Site Description, etc. (optional)



PT-63

### Property Tax Exemption Application

for Property Used for Pollution Control

Business Information	Name of business which occupies or uses the property			Minnesota Tax ID Number	
	Business Mailing Address		City	State	Zip
Pollution control property, equipment or devices for which an exemption is claimed	Name of property, equipment or device			City/Township	County
	Parcel ID	Legal description of real property as shown on tax records			
	Project Name, Site Description, etc. (optional)		Installation Date	Expected Life	Original Cost
	Permit Date	Permit Number	Permit Page Ref.	Standard, rule or guidance that requires the property	
	Is the primary use to abate and control air, water or land pollution? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please describe:				
Signature	Do you use the property, equipment or device for any other purpose? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please describe:				
	<i>Note: Attach a general schematic or engineering drawing showing the location of the property, equipment, or device. If you are applying for more than one property, equipment or device on the same parcel, attach a spreadsheet with the above information listed for each property, equipment or device.</i>				
	I declare the real and personal property listed above was constructed or installed after June 1, 1967 and is totally or primarily used for the abatement and control of air, land or water pollution. I certify that the above information is true and correct to the best of my knowledge. I understand that Minnesota Statutes, section 609.41, states that anyone giving false information in order to avoid or reduce their tax obligations is subject to a fine of up to \$3,000 and/or up to one year in prison.				
Signature		Title		Date	
Name of Contact Person		Email		Phone	

Send an electronic copy of this application to [sa.property@state.mn.us](mailto:sa.property@state.mn.us)

(9/17)

Old PT64



PT-64

**Property Tax Statement of Exemption**

for Property Used for Pollution Control

Print or type

Name of business which occupies or uses the property	Minnesota Tax ID number
Name(s) of property owner(s)	
Mailing address	City State Zip code
Check box and fill in name of city or township where property is located <input type="checkbox"/> City <input type="checkbox"/> Township	County
Legal description of the real property as shown on tax records	Parcel ID
Purpose of your business	

Equipment or Devices for Which Exemption is Claimed

**Equipment or devices for which the tax exemption is claimed**

Name of equipment or device	Date of application	Date of order granting exemption
Name of equipment or device	Date of application	Date of order granting exemption
Name of equipment or device	Date of application	Date of order granting exemption
Name of equipment or device	Date of application	Date of order granting exemption
Name of equipment or device	Date of application	Date of order granting exemption
Name of equipment or device	Date of application	Date of order granting exemption
Name of equipment or device	Date of application	Date of order granting exemption
Name of equipment or device	Date of application	Date of order granting exemption

Sign here

I declare the real and personal property listed above was constructed or installed after June 1, 1967, is currently installed or operated, and is totally or primarily used for the abatement and control of air, land or water pollution. I certify that the above information is true and correct to the best of my knowledge. I understand that Minnesota Statutes, section 609.41, states that anyone giving false information in order to avoid or reduce their tax obligations is subject to a fine of up to \$3,000 and/or up to one year in prison.

Signature	Title	Date
Name of Contact Person	Email Address	Phone

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or send an electronic version to [sa\\_property@state.mn.us](mailto:sa_property@state.mn.us)

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New PT64



PT-64

**Property Tax Statement of Exemption**

for Property Used for Pollution Control

Business Information

Name of business which occupies or uses the property		Minnesota Tax ID Number	
Business Mailing Address	City	State	Zip

Pollution control property, equipment or devices for which the exemption is claimed

Parcel ID	City/Township	County	Property Name, Site Description, etc. (optional)		
Legal description of real property as shown on tax records					
Name of Property, Equipment or Device	Application Date	Order Date	Original Cost	Cease Date	

Note: Only include property, equipment or devices that have received an order granting a property tax exemption. If you need to list more than twelve items of property, equipment, or devices, attach a spreadsheet with the above information listed for each property, equipment, or device. **If you have more than one parcel with exempt property, you must submit a separate PT-64.**

Signature

I declare the real and personal property listed above was constructed or installed after June 1, 1967 and is totally or primarily used for the abatement and control of air, land or water pollution. If it is no longer totally or primarily used for the abatement and control of air, land or water pollution, I listed the date (cease date) that the property no longer qualifies. I certify that the above information is true and correct to the best of my knowledge. I understand that Minnesota Statutes, section 609.41, states that anyone giving false information in order to avoid or reduce their tax obligations is subject to a fine of up to \$3,000 and/or up to one year in prison.

Signature	Title	Date
Name of Contact Person	Email	Phone

Send an electronic copy of this application to [sa\\_property@state.mn.us](mailto:sa_property@state.mn.us)

(9/17)



# Pollution Control

## Changes to the PT64

- One statement per parcel ID
  - Can include multiple properties on the same parcel ID (must include supporting schedule)
- Additional required information
  - Original Cost
  - Cease Date
- Project Name, Site Description, etc. (optional)

### Property Tax Statement of Exemption

for Property Used for Pollution Control

Business Information	Name of business which occupies or uses the property			Minnesota Tax ID Number	
	Business Mailing Address		City	State	Zip
Pollution control property, equipment or devices for which the exemption is claimed	Parcel ID	City/Township	County	Property Name, Site Description, etc. (optional)	
	Legal description of real property as shown on tax records				
	Name of Property, Equipment or Device	Application Date	Order Date	Original Cost	Cease Date
Signature	<i>Note: Only include property, equipment or devices that have received an order granting a property tax exemption. If you need to list more than twelve items of property, equipment, or devices, attach a spreadsheet with the above information listed for each property, equipment, or device. If you have more than one parcel with exempt property, you must submit a separate PT-64.</i>				
	<i>I declare the real and personal property listed above was constructed or installed after June 1, 1967 and is totally or primarily used for the abatement and control of air, land or water pollution. If it is no longer totally or primarily used for the abatement and control of air, land or water pollution, I listed the date (cease date) that the property no longer qualifies. I certify that the above information is true and correct to the best of my knowledge. I understand that Minnesota Statutes, section 609.41, states that anyone giving false information in order to avoid or reduce their tax obligations is subject to a fine of up to \$3,000 and/or up to one year in prison.</i>				
	Signature	Title		Date	
	Name of Contact Person		Email	Phone	

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# Questions?

**State Assessed Property Section**

*[sa.property@state.mn.us](mailto:sa.property@state.mn.us)*

# Administrative Updates

Jon Van Nurden | Supervisor

State Assessed Property Section

# Income Property Assessment Data

- Certain property tax assessment data for income producing property is now classified as private or non-public data for the state, which is how it has been classified for political subdivisions:
  - detailed income and expense figures
  - average vacancy factors
  - verified net rentable areas or net usable areas, whichever is appropriate
  - anticipated income and expenses
  - projected vacancy factors
  - lease information

# Appeals to the Commissioner

- Informal Appeals
- Administrative Appeals

# Appeals to the Commissioner

- ~~Informal Appeals~~
- Administrative Appeals
  - Companies that filed their returns on time may appeal administratively to the commissioner prior to bringing an action in court.

# Administrative Appeals

- In writing.
- Within 30 days after the notice date of the valuation.
- The request need must contain the following information:
  - name and address of the company;
  - date;
  - Minnesota identification number;
  - the assessment year or period involved;
  - the findings in the valuation that the company disputes;
  - a summary statement specifying the reasons for disputing each item; and
  - the signature of the company's duly authorized agent or representative.

# Administrative Appeals

- Please include any documents or information that supports your appeal such as:
  - Your complete list of issues/concerns and supporting documents
  - Your proposed market value, including the methods you used to arrive at this amount
  - Financial forecasts including, but not limited to, income, expense, and capital expenditures
  - An appraisal of the company (if one was performed)



# Administrative Appeals

- The department will schedule a conference with you within 20 days of your appeal request.
  - You can choose not to participate in a conference.
- The department will issue an appeal determination within 30 days of the appeal conference.
  - The appeal determination is appealable to Minnesota Tax Court and the department will provide you with appeal information at that time.

# Administrative Appeals

- Settlement Agreement
- Tax Court Appeals

# Other Administrative Issues

- Appraisals
- Other models
- Deductions for Exempt and Locally-Assessed Property
- Operating Income and Expenses

## Break-Out Sessions

- Gas Transmission and Fluid Transportation Pipelines
- Railroads
- Electric and Gas Utilities

# Discussion

# Thank you for attending!

**Please leave your name tag at the table on your way out.**

**State Assessed Property Section**

*[sa.property@state.mn.us](mailto:sa.property@state.mn.us)*