

MINNESOTA • REVENUE

**2007**  
**Property Tax**  
**Law Summary**

**2007 Minnesota**  
**Legislative Session**

**Property Tax Division**  
**June 2007**

**Memo from the Director**

**Date:** June 4, 2007

**To:** All Property Tax Administrators

**From:** Gordon Folkman, Director  
Property Tax Division

**Subject:** 2007 Property Tax Law Summary

Because of the Governor's veto of Chapter 149, the omnibus tax bill, this summary is incredibly short. Only four of the 150 bills passed this year have tax-related provisions.

It should be noted that, except for a few cases that may involve the Department of Revenue, this summary does not cover the property tax laws that specifically relate to school districts. School related law changes are handled by the Minnesota Department of Education. Please call (651) 582-8566 for more information regarding property taxes and school districts.

If a special session is called to deal with the many tax issues that were included in Chapter 149 and if any tax bills are enacted, we will revise this summary.

## Property Tax Laws

### Miscellaneous

#### Chapter 138, section 10

*Amends Minnesota Statutes, section 272.02, subdivision 2*

Chapter 138 makes changes to the 1991 law that authorized financial assistance for Northwest Airlines (NWA). Part of the assistance was financing for the aircraft heavy maintenance facility at the Duluth airport. In August 2005, the NWA mechanics went on strike and in September 2005, NWA filed for bankruptcy protection. The Duluth facility has not been used since then. The changes in chapter 138 were proposed by the Attorney General and the Department of Finance to facilitate reuse of the Duluth facility.

Under current law, this facility is specifically subject to personal property taxes. Section 10 removes the specific reference to the Duluth facility in the statute imposing personal property taxes on otherwise exempt property. The facility will become exempt as property owned by a governmental unit.

**Effective date:** August 1, 2007.

### Tax Forfeited Lands

#### Chapter 131, article 2, sections 19, 20, 21, 28, 34, 35, 36 and 39

*Uncodified provisions*

Chapter 131 is a Natural Resources bill and article 2 of the bill deals with state lands. The eight sections covered here authorize the private or public sale of seven parcels of property in which the State of Minnesota holds title through tax forfeiture and authorizes Lake County to deviate from the statutory formula of distribution of tax forfeited land sale proceeds in certain instances.

Section 19: Authorizes Crow Wing County to sell a tax forfeited parcel that borders public waters to a private party.

Section 20: Authorizes Crow Wing County to sell a tax forfeited parcel that borders public waters to the City of Crosby.

Section 21: Authorizes Dakota County to sell or convey a tax forfeited parcel that borders public waters to the Township of Ravenna provided that the ownership reverts to the state if the township stops using the parcel for the public purpose of drainage and access to culverts.

Section 28: Authorizes Lake County to sell a tax forfeited parcel that borders public waters to a private party.

Section 34: Authorizes St. Louis County to sell a tax forfeited parcel that borders public waters to a private party who owns an adjoining parcel.

Section 35: Authorizes St. Louis County to sell a tax forfeited parcel that borders public waters using the normal Chapter 282 sale procedures reserving certain easements.

Section 36: Authorizes St. Louis County to sell a tax forfeited parcel by private sale to a private party.

Section 39: Authorizes Lake County to suspend the apportionment of proceeds from the tax forfeited account under certain conditions.

**Effective date:** All sections are effective July 1, 2007.

**Chapter 57, article 1, section 148**

*Amends Minnesota Statutes, section 282.04, subdivision 1*

A county board may sell any timber, including biomass, on tax forfeited land as appraised or scaled.

**Effective date:** July 1, 2007

**Education Bill**

**Chapter 146, article 1, section 20**

*Amends Minnesota Statutes, section 272.029, by adding subdivision 6a*

On the first Wednesday after the settlement date, the county auditor shall report to the commissioner of education on the amount of wind energy payments distributed to each school district.

**Effective date:** July 1, 2008, for settlements made during fiscal year 2009.

**Chapter 146, article 4, section 10**

*Amends Minnesota Statutes, section 272.02, subdivision 64*

Under current law, improvements to real property, and any personal property, of a qualified business located in a Job Opportunity Building Zone (JOBZ ) are exempt from property taxes except for levies to pay general obligation bonds of any taxing authority or certain school referenda levies approved before the designation of the Zone. The property was exempt from other school debt levies.

This provision removes the exemption from other school debt levies. In the future, qualifying JOBZ property will be subject to levies to pay any general obligation bonds and all school debt levies.

**Effective date:** Taxes payable in 2008. (We believe the effective date should include taxes payable in 2008 and thereafter and we expect this will be corrected in future legislation.)

**Chapter 146, article 5, section 9**

*Amends Minnesota Statutes, section 275.065, subdivision 1*

The certification date for the proposed school levy is extended by one week, from September 30 to October 7, for those school districts that have reached an agreement with their home county auditor to the delayed date. This levy is used by the county auditor in preparing Truth-in-Taxation notices.

**Effective date:** July 1, 2007.

**Chapter 146, article 5, section 10**

*Amends Minnesota Statutes, section 275.065, subdivision 1a*

The date for the home county auditor to certify the proposed levy and the proposed local tax rate to the other county auditors for taxing authorities lying in two or more counties is extended from October 5 to October 10 in the cases where the school districts have reached an agreement with their home county auditor to delay the certification date.

**Effective date:** July 1, 2007.