

Property
Tax Law
Summary

2014

A summary of laws passed during the 2014 regular legislative session that impact property tax administration statewide.

MINNESOTA • REVENUE

Date: July 18, 2014
To: All Property Tax Administrators
From: John Hagen, Director – Property Tax Division
Subject: 2014 Property Tax Law Summary

The Property Tax Division of the Minnesota Department of Revenue is pleased to provide this summary of the law changes related to property taxes that were enacted during the 2014 session of the Minnesota Legislature. The omnibus tax bill was signed into law on May 20, 2014.

The *Property Tax Law Summary* provides property tax administrators and their service organizations with an organized and condensed source of information about this year's legislative changes that affect property tax laws.

Except for a few cases that may involve the Department of Revenue, this summary does not cover property tax laws specifically relating to school districts. This dimension of the property tax system is covered by the Minnesota Department of Education, which can be reached at 651-582-8566.

The *Property Tax Law Summary* could not have been produced without the knowledge and skills of many people, inside and outside the Property Tax Division. The division wishes to acknowledge the contributions of the department's Appeals and Legal Services Division, Minnesota House and Senate Research staff, and all others who provided invaluable information in developing this new law summary.

We could not do our work without the help of property tax administrators statewide. The work you do to implement property tax laws and to fairly and equitably administer property taxes is not unnoticed. We thank you sincerely.

If you have suggestions for improving future editions of the property tax law summary, please contact Andrea Fish at andrea.fish@state.mn.us.

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Assessment and Valuation

General Provisions

Real Property [Definition]

Chapter 308, Article 2, section 9

Amends Minnesota Statutes, section 272.03, subdivision 1

This provision changes the definition of taxable real property to exclude certain business production property. Under the new language, property that is primarily used for production of biofuels, wine, beer, distilled beverages, or dairy products is considered personal property equipment, and is exempt from property taxes. The language also clarifies that property used primarily for storage of biofuels, wine, beer, distilled beverages, or dairy products is still considered real estate and is subject to taxes.

These changes affect only property used to produce biofuels, wine, beer, distilled beverages, or to process dairy products. No other industries' properties are affected by this redefinition.

External tanks or bins used only to temporarily hold materials or a finished product are likely taxable if the item leaving storage is the same item that went in. How long the storage lasts is irrelevant. For example, at a dairy facility where milk is stored in tanks for a short time, those tanks are considered taxable real property because the same item (milk) goes into the tank as comes out of the tank.

Special purpose, manufacturing, or processing machinery which can only be used in one of the named industries are now considered exempt personal property equipment. However, components at those facilities that are normally used by other businesses or property owners are still considered taxable real property. For example, special furnaces used to temper metals and installed in part of a building are considered production equipment (and therefore exempt from property taxes), but heating or refrigerating equipment used to heat or cool a building is part of the real estate (and therefore taxable).

Additionally, this definition only includes *production process equipment*. Other business property (non-production) is still taxable, as is equipment at facilities that are not one of the identified industry production facilities. For example, this definition does not affect the tax treatment of grain silos.

History: This law change was developed in response to the the 2014 Report and Study on Business Production Property. This study was required by Laws 2013, Chapter 143, Article 4, section 46. The study involved participants from the affected industries, as well as the Minnesota Association of Assessing Officers.

The law updates the assessment and taxation of certain real property used in the production of biofuels, wine, beer, distilled beverages and dairy products. Prior to this law change, the definition of real property preceded the first ethanol facility in Minnesota

Effective Date: Beginning with assessment year 2015.

**Listing and Assessment, Time [correction of clerical errors]
Chapter 308, Article 10, section 3**

Amends Minnesota Statutes, section 273.01

This section clarifies that County Assessors may correct mistakes due to clerical errors and extend homestead to property being taxed as *personal* property, even after the local and county boards of appeal and equalization have adjourned.

History: Previously, statute read as if this provision only applied to *real* property. It was not clear whether or not this provision included property being taxed as *personal* property. This section makes it clear that changes due to clerical mistakes or to extend homestead are acceptable for both real and personal property. This was a Department of Revenue-recommended technical clarification.

Effective Date: For assessment year 2014, taxes payable in 2015, and thereafter.

State Assessed Property

**Efficiency Determination and Certification [sliding scale exclusion]
Chapter 308, Article 2, section 5**

Amends section 272.0211, subdivision 1

This section requires the Commissioner of Revenue to develop an electronic notification system to notify interested parties (such as County Assessors, City Clerks, and school district Superintendents) when electric power generation facilities have filed an application for the sliding scale market value exclusion. The commissioner will post these notifications on the Department of Revenue website.

History: This amendment was proposed by the Coalition of Utility Cities for the 2014 Legislative Session to have advance notice when facilities apply for the sliding scale market value exclusion.

Effective Date: The day following final enactment.

Sliding Scale Exclusion **Chapter 308, Article 2, section 6**

Amends section 272.0211, subdivision 2

This section requires the Commissioner of Revenue to develop an electronic notification system to notify interested parties (such as County Assessors, City Clerks, and school district Superintendents) of the sliding scale market value exclusion percentage after the efficiency of the facility has been determined by the Department of Commerce. The commissioner will post these notifications on the Department of Revenue website.

History: This amendment was proposed by the Coalition of Utility Cities for the 2014 Legislative Session to have advance notice when facilities apply for the sliding scale market value exclusion.

Effective Date: The day following final enactment.

Eligibility [Sliding Scale Market Value Exclusion] **Chapter 308, Article 2, section 7**

Amends section 272.0211, subdivision 4

This section provides that, to be eligible for the sliding scale market value exclusion, a facility must have already been certified for exclusion for property taxes payable in 2015, or be converted from coal to an alternative fuel and must have a nameplate capacity prior to the conversion of less than 75 megawatts. This eligibility requirement did not previously exist.

History: The sliding scale market value exclusion for electric power generation efficiency was originally created under Laws 1996, Chapter 444, for Koch Refining, which is now known as Flint Hills Resources. At the time, existing power production facilities in Minnesota could only meet the required efficiency level by implementing significant and expensive changes. Only cogeneration facilities were able to achieve the required efficiency. The formula was amended under Laws 2005, Chapter 151, to align with updated efficiency standards and technology.

Effective Date: For assessment year 2015 and thereafter.

Solar Energy Production Tax **Chapter 308, Article 2, section 8**

Adds section 272.0295

This section creates a new production tax of \$1.20 per megawatt-hour produced on solar energy generating systems in lieu of property taxes for systems with an alternating current (AC) capacity over 1 megawatt. Systems with AC capacities of 1 megawatt or less are exempt from the solar energy production tax. If there is a dispute about the capacity of the system, the determination will be made by the Department of Commerce.

The owners of affected systems must annually file a report by January 15 with the Department of Revenue. The department will annually calculate the amount of solar energy production tax due and

notify the owners of the systems and County Auditors by February 28. System owners will pay the tax to the County Treasurer, who will distribute 80 percent to counties and 20 percent to cities and townships.

History: This law change was suggested by Geronimo Energy in 2013 and is based largely on the Wind Energy Production Tax in M.S. 272.029. This was in the course of development of new solar energy generating facilities planned to meet the solar energy mandates established in 2013.

Effective Date: Beginning with taxes payable in 2015.

Certification to County Assessors [railroad assessments]

Chapter 308, Article 10, section 1

Amends section 270.87

This section grants the Commissioner of Revenue the authority to correct clerical errors to the market values certified to county assessors for railroad operating property until December 31 of the assessment year.

History: The commissioner previously had the authority to correct erroneous certifications until August 31. However, there was no authority to make later clerical corrections.

Effective Date: The day following final enactment.

Correction of Errors [Wind Energy Production Tax]

Chapter 308, Article 10, section 2

Amends section 272.029, subdivision 4a

This section grants the Commissioner of Revenue the authority to correct clerical errors to the wind energy production tax until December 31.

History: The commissioner previously had the authority to correct calculation errors for the production tax until April 1. There was no authority to make later clerical corrections.

Effective Date: The day following final enactment.

Listing and Assessment by Commissioner [pipeline assessments] Chapter 308, Article 10, section 6

Amends section 273.33, subdivision 2

This section grants the Commissioner of Revenue the authority to correct clerical errors to the market values certified to county auditors for pipeline property until December 31 of the assessment year.

History: The commissioner previously had the authority to correct erroneous certifications until October 1. However, there was no authority to make later clerical corrections.

Effective Date: The day following final enactment.

Listing and Assessment by Commissioner [utility property assessments] Chapter 308, Article 10, section 7

Amends section 273.37, subdivision 2

This section grants the Commissioner of Revenue the authority to correct clerical errors to the market values certified to county auditors for utility property until December 31 of the assessment year.

History: The commissioner previously had the authority to correct erroneous certifications until October 1. However, there was no authority to make later clerical corrections.

Effective Date: The day following final enactment.

Recommended and Ordered Values Chapter 308, Article 10, section 8

Amends Minnesota Statutes 2012, section 273.3711

This section grants the Commissioner or Revenue the authority to correct clerical errors to the recommended market values certified to county auditors for property until December 31 of the assessment year.

History: The commissioner previously had the authority to correct erroneous certifications until October 1. However, there was no authority to make later clerical corrections.

Effective Date: The day following final enactment.

Exempt Property

Water and Wastewater Treatment Facilities

Chapter 258, section 4

Repeals section 272.02, subdivision 63

Under this subdivision, facilities owned by water and wastewater treatment providers who have contracted to provide capital intensive public services to a municipality were exempt to the extent provided in section 471A.05. This section is repealed. Minnesota Statute 471A.05 is also repealed by Chapter 258, section 4.

Effective date: August 1, 2014.

Personal Property Used for Pollution Control

Chapter 308, Article 2, section 2

Amends section 272.02, subdivision 10

This section requires the Commissioner of Revenue to develop an electronic notification system to notify interested parties (such as County Assessors, City Clerks, and school district Superintendents) when electric power generation facilities have filed an application for the pollution control exemption, and when the commissioner grants the exemption. The commissioner will post these notifications on the Department of Revenue website.

History: These amendments were proposed by the Coalition of Utility Cities for the 2014 Legislative Session to receive advance notice when new property receives the pollution control exemption.

Effective Date: The day following final enactment.

Solar Energy-Generating Systems

Chapter 308, Article 2, section 3

Amends section 272.02, subdivision 24

This section amends the existing exemption of solar photovoltaic devices to instead exempt “solar energy-generation systems” as defined in the newly enacted section 272.0295 (see Article 2, section 8).

This provision also states that if the real property on which a solar energy generating system is located is used primarily for solar energy production and is subject to the solar energy production tax under section 272.0295, the real property is to be classified as class 3a. If the real property is *not* used primarily for solar energy production and is not subject to the production tax, then the real property is classified without regard to the system.

History: Prior legislation exempted electric power photovoltaic devices, as defined in section 216C.06, subdivision 16, which were installed after January 1, 1992, and used to produce or store electric power. This change identifies how property is classified if the real property upon which a solar energy

generation system is located is used primarily for solar energy production subject to production tax under section 272.0295. This new language also broadens the definition of exempt solar energy property, rather than limiting it to photovoltaic devices. Photovoltaic devices that were previously exempted under section 272.02, subdivision 24 are still eligible for exemption a solar energy producing systems. Prior language did not have guidelines for classifying such property.

Effective Date: For assessments in 2015, taxes payable in 2016, and thereafter.

Electric Generation Facility; Personal Property Chapter 308, Article 2, section 4

Amends section 272.02, subdivision 93

This section resets the timeframe for when construction needs to begin for a simple-cycle electric generation facility of 40 to 125 megawatts that at the time of construction must:

- use natural gas as a fuel source;
- be within 2 miles of parallel existing 36-inch natural gas pipelines and a 115-kilovolt electric transmission line;
- be designed to provide peaking or contingency services;
- satisfy a resource deficiency in an approved integrated resource plan; and
- have an agreement with the host county, township, and school district for payment in lieu of taxes.

The required timeframe is January 1, 2015 through January 1, 2019. (The previous timeframe was January 1, 2010 through January 1, 2014.)

History: The exemption in subdivision 93 was added by Laws 2009, Chapter 88, Article 2, section 10, and was effective for assessments in 2011 (for taxes payable in 2012) and thereafter. This exemption was targeted to a planned facility in Beltrami County, but the facility was not built during the original timeframe of the section.

Effective Date: For assessments in 2015, taxes payable in 2016, and thereafter.

Exclusions, Valuations, and Deferrals

Conservation Property Tax Valuation

Chapter 150, Article 4, section 5

Amends section 273.117

This section clarifies a law change made last year which states that the assessor cannot reduce the value of real property subject to a conservation restriction or easement if:

- The restriction or easement is for a conservation purpose and is recorded on the property
- The property is being used in accordance with the terms of the conservation restriction or easement

This section clarifies that the restriction on reducing value does not apply to: restrictions or easements covering riparian buffers along lakes, rivers and streams that are used for water quality; easements granted by a county that has adopted a program by referendum to protect farmland and natural areas since 1999; or conservation restrictions or easements entered into before May 23, 2013.

History: This change was initially made during the 2013 Legislative Session, and the changes made in Chapter 150 clarify the application of the 2013 law. This is a technical fix to the language and does not represent new guidance from last year.

Effective Date: This section is effective the day following final enactment.

Homestead of Disabled Veteran or Family Caregiver [Extension for surviving spouses]

Chapter 308, Article 2, section 10

Amends section 273.13, subdivision 34

This section extends the time period for the surviving spouse of a permanently and totally disabled veteran to keep receiving the disabled veteran's property tax homestead benefit. The new period is 8 taxes payable years after the year of the veteran's death; the previous period was 5 years. The amended statute provides the same extension for surviving spouses of military personnel who are killed in action.

Effective Date: For taxes payable in 2015, and for homesteads that initially qualified for the exclusion for taxes payable in 2009 and thereafter.

Classification

Revisor's Instruction [Classification rates] Chapter 308, Article 10, section 12

Uncodified provision

This section requires the Revisor of Statutes to change the terms "class rate" or "class rates" to "classification rate" or "classification rates" or similar terms wherever they appear in Minnesota Statutes when the terms are used to refer to the calculation of net tax capacity in the property tax system. The Department of Revenue will help make these corrections. This change will add consistent language to how we describe classification rates for purposes of property tax administration.

Effective Date: Beginning with assessment year 2014.

Homestead

Homestead owned by or leased to family farm corporation, joint farm venture, limited liability company, or partnership Chapter 157, Article 2, section 4

Amends section 273.124, subdivision 8

This language amends the definition of "limited liability company" to include the meaning contained in Minnesota Statutes, section 322C.0102, subdivision 12. This is in addition to the definitions contained in sections 322B.03, subdivision 28 and 500.24, subdivision 2.

Note: Section 322C.0102 was also created by Chapter 157.

Effective Date: August 1, 2015.

Class 4

Class 4 [Classification Rates; Class 4c(5)(ii)] Chapter 308, Article 10, section 4

Amends section 273.13, subdivision 25

This language clarifies that the classification rate for class 4c(5)(ii) manufactured home park property is 0.75 percent if more than 50 percent of the lots in the park are occupied by shareholders in the cooperative corporation or association that owns the park.

History: The language for the class rate for class 4c(5)(ii) property originally allowed for it to be "the same class rate as 4d property" if more than 50 percent of the lots were shareholder-occupied. The class rate for 4d low-income rental housing property was changed during the 2013 legislative session, but the Legislature did not intend to change the rate for 4c(5)(ii) property at that time. This new language removes the cross-reference to the 4d property rate, and sets the rate at a fixed amount.

Effective Date: Beginning with assessment year 2014.

Appeals

Ordinary board; meetings, deadlines, grievances [Local Boards of Appeal and Equalization]

Chapter 308, Article 10, section 9

Amends section 274.01, subdivision 1

This section allows local board of appeal and equalization meetings to take place at a central location within the county that the jurisdiction is located in, or at the office of the clerk, to review the assessment and classification of a property.

History: Previously, statute required the board to meet at the office of the clerk. Sometimes these offices do not meet accessibility requirements under the Americans With Disabilities Act. They may also lack utilities, be unsafe for the board members, or may be difficult for appellants and/or county staff to get to. This section allows those local boards and county staff to meet in a central location within the county if they chose.

Effective Date: The day following final enactment.

Proof of compliance; transfer of duties [Local Boards of Appeal and Equalization]

Chapter 308, Article 10, section 10

Amends section 274.014, subdivision 3

This section changes the compliance certification date for local board of appeal and equalization meetings to February 1 (instead of December 1).

History: Previously, statute stated that any city or town that conducts a board of appeal and equalization meeting must provide proof of training and quorum compliance to the County Assessor by December 1 of the year prior to the assessment year that the board would meet. The new date, February 1 of the same assessment year, gives more time for new and returning board members to receive the required training prior to the deadline.

Effective Date: This section is effective beginning with local boards of appeal and equalization meetings held after February 1, 2016.

Reporting

School District Adjusted Net Tax Capacity Report Deadline Chapter 308, Article 10, section 5

Amends section 273.1325, subdivision 1.

This section changes the date the Department of Revenue files its annual school district adjusted net tax capacity report with the Minnesota Department of Education (MDE) to June 30 (instead of June 15).

History: Moving the deadline to June 30 coincides with the date MDE needs the data for its calculations, and allows DOR to use the more current information available from the Abstract of Tax Lists.

Effective Date: January 1, 2014.

Property Tax Aids and Credits

County Program Aid

Supplemental County Program Aid Payments Chapter 150, Article 4, section 6

Uncodified provision

This section provides supplemental county program aid payments to Beltrami and Mahnomen Counties. The supplemental aid payments will be paid in the same manner and at the same time as regular county program aid payments. These amounts are added to the appropriation for county need aid under section 477A.03, subdivision 2b, paragraph (a), but set aside before apportioning the remaining amount of \$100,795,000 as provided in section 477A.0124, subdivision 3.

For aids payable in 2015 through 2024 only, the total aid paid to Beltrami County is increased by \$3,000,000. This amount shall be used for out-of-home placement costs.

For aids payable in 2015 only, the total aid paid to Mahnomen County is increased by \$1,500,000. Mahnomen County shall pay \$750,000 of this amount to the White Earth Band of Ojibwe for transition costs associated with health and human services.

County need aid

<u>Payable 2014</u>	<u>Payable 2015</u>	<u>Payable 2016-2024</u>
\$100,795,000 appropriation	\$105,295,000 appropriation	\$103,795,000 appropriation
Apportioned as usual	\$100,795,000 apportioned as usual	\$100,795,000 apportioned as usual
	\$3,000,000 supplemental for Beltrami County	\$3,000,000 supplemental for Beltrami County
	\$1,500,000 supplemental for Mahnommen County	

Effective Date: Aids payable in 2015 to 2024.

**Aquatic Invasive Species Prevention Aid
Chapter 308, Article 1, section 11**

Adds section 477A.19

This section creates a new aid program to provide funding to counties to prevent the introduction and spread of aquatic invasive species.

- Subdivision 1 defines the terms used in the section:
 - “Aquatic invasive species” means nonnative aquatic organisms that invade water beyond their natural and historic range.
 - “Watercraft trailer launch” means any public water access site designed for launching watercraft.
 - “Watercraft trailer parking space” means a parking space designed for a boat trailer at any public water access site designed for launching watercraft.

- Subdivision 2 provides the formula for allocating the funds appropriated for aquatic invasive species prevention aid. The funds will be allocated to all counties in the state as follows:
 - 50 percent based on each county's share of watercraft trailer launches; and
 - 50 percent based on each county's share of watercraft trailer parking spaces.

- Subdivision 3 outlines the use of the funds appropriated under this aid program. A county that receives this aid must use the proceeds solely to prevent the introduction or limit the spread of aquatic invasive species at all access sites within the county. The county must establish guidelines for the use of the proceeds.

The guidelines set by the county board may include, but are not limited to, providing for site-level management; countywide awareness; and other procedures that the county finds necessary to achieve compliance. The county may appropriate the proceeds directly, or may use any portion of the proceeds to provide funding for a joint powers board or cooperative agreement with another political subdivision, a soil and water conservation district in the county, a watershed district in the county, or a lake association located in the county. Any

money the county appropriates to a different entity or political subdivision must be used as required under this section. Each county must submit a copy of its guidelines to the Department of Natural Resources by December 31 of the year the payments are received.

- Subdivision 4 sets the process for the certification of aid payments under this section. On or before August 1 of each year, the Commissioner of Revenue shall certify the amount to be paid to each county in the following year. The commissioner shall pay aquatic invasive species prevention aid to counties annually at the times provided in Minnesota Statutes, section 477A.015 (local government aid payment dates). For aids payable in 2014 only, the commissioner must certify the amount to be paid to each county by July 1 and must make the payments by July 20 (the same date that the first installment of local government aid is due under Minnesota Statutes, section 477A.015).

The program aid is \$4,500,000 for 2014 and \$10,000,000 each year thereafter, appropriated from the general fund.

Effective Date: Beginning with aids payable in 2014.

Supplemental County Program Aid for 2014 **Chapter 308, Article 1, section 13**

Uncodified provision

This section provides supplemental county program aid payments in 2014 for any county that was certified to receive less aid in 2014 than it received in 2013. The supplemental aid is equal to the difference between the two amounts.

Effective Date: July 1, 2014.

Local Government Aid

City Formula Aid

Chapter 308, Article 1, section 5

Amends section 477A.013, subdivision 8

This section makes two changes to the LGA formula for aids payable in 2015:

1. Paragraph (b) of this section changes the language from “certified” aid to “formula” aid. This results in aid adjustments being removed from the equation. (Certified aid, which is stricken from the language, equals formula aid plus aid adjustments.)
2. Paragraph (c) of this section creates a new cap on certified aids payable in 2015. If a city’s previous year’s certified aid is larger than its unmet need plus its aid adjustment, “unmet need plus aid adjustments” is certified (instead of the current “formula need plus aid adjustments”).

History: This section alters the Local Government Aid (LGA) formula to more accurately reflect the original intent of the 2013 changes to the LGA formula.

Without these changes, if LGA appropriations are increased, cities above and beyond their unmet need will see a decrease in their LGA faster than anticipated. Conversely, if LGA appropriations are reduced, cities not reaching their unmet need will not see their LGA increase as quickly as intended.

Effective Date: For aids payable in calendar year 2015 and thereafter.

Cities

Chapter 308, Article 1, section 6

Amends section 477A.03, subdivision 2a

This section sets the aids payable for 2015 at \$516,898,012. For aids payable in 2016 and thereafter, it sets the total aid at \$519,398,012.

Effective Date: For aids payable in calendar year 2015 and thereafter.

2013 City Aid Penalty Forgiveness; City of Bluffton Chapter 308, Article 1, section 15

Uncodified Provision

This section authorizes the retroactive payment of aids that were withheld from the City of Bluffton in calendar years 2011, 2012, and 2013, provided that the State Auditor's Office certifies that it received audited financial statements from the city for calendar years 2010, 2011, and 2012 by December 31, 2013, and for calendar year 2013 by June 30, 2014. These withheld payments will be paid between 2014 and 2016 at the times provided under Minnesota Statutes, section 477A.015.

History: Cities are required to comply with Minnesota Statutes 477A.017, which provides for uniform financial accounting and reporting standards in conformity with national standards. Those cities that fail to comply with these standards are not eligible to receive their Local Government Aid distributions. Bluffton failed to comply in calendar years 2011, 2012, and 2013.

Effective Date: This section is effective the day following final enactment.

Other Property Tax Aids

Fire State Aid

Chapter 296, Article 12, section 2

Amends section 69.051, subdivision 3

This section exempts certain municipalities from the requirement to file financial reports with State Auditor's Office to qualify for fire state aid. These municipalities provide retirement coverage through the public employees' police and fire retirement plan. These entities are exempt from the filing requirement if the executive director of the Public Employees Retirement Association certifies that the municipality's employer contribution for its firefighters under section 353.65, subdivision 3 was equal to or greater than its fire state aid for the previous calendar year.

Effective Date: Applies to fire state aid payable on October 1, 2014.

Supplemental Benefit Reimbursement

Chapter 296, Article 12, section 17

Amends section 424A.10, subdivision 10

This section provides that the regular lump-sum distribution on which the supplemental benefit is based should be the pre-tax distribution amount, excluding any interest that was credited during a volunteer firefighter's deferral period. This clarifies the amount to be used when a volunteer firefighters' relief association makes the supplemental benefit payment and files for reimbursement from the Commissioner of Revenue.

Effective Date: The day following final enactment.

Volunteer Retention Stipend Aid Pilot

Chapter 308, Article 1, section 1

Adds section 69.022

This section creates a 3-year pilot program to pay \$500 stipends to volunteer firefighters, volunteer ambulance attendants, and volunteer emergency medical responders who serve an emergency medical services provider, independent nonprofit firefighting corporation, or municipality located in the pilot area.

The pilot area includes the following counties, grouped by area of the state:

- Southern: Faribault, Fillmore, Freeborn, Houston, and Watonwan
- West central: Chippewa, Kandiyohi, Redwood, and Renville
- Central: Morrison and Todd
- North central: Beltrami, Clearwater, and Mahnomen

By June 1 of the payable year, the Commissioner of Public Safety must certify to the Commissioner of Revenue each qualified volunteer's name and qualified entity for the previous calendar year, as well as the total amount of aid to be paid to each qualified entity.

By July 15 of 2015, 2016, and 2017, the Commissioner of Revenue will pay the aid to qualifying entities based on service provided in the previous calendar year. Each qualifying entity must pay the \$500 stipend to qualified volunteers no later than September 15 of the year in which the aid is received. The amount necessary to pay the aid is appropriated from the general fund.

The Commissioner of Public Safety must report on the aid to the Legislature by January 15, 2018.

Effective Date: The day following final enactment.

**Disparity Reduction Credit
Chapter 308, Article 1, section 3**

Amends section 273.1398, subdivision 4

This section amends the disparity reduction credit so that all cities that are eligible to have an Enterprise Zone under section 469.166 qualify for the credit (instead of only the cities with established zones). The cities that qualify are Breckenridge, Dilworth, East Grand Forks, Moorhead, and Ortonville.

The credit is also increased to reduce the effective tax rate on class 3a commercial/industrial and 4a "apartment" property to 1.6 percent (from 1.9 percent).

Effective Date: Beginning with taxes payable in 2015.

**Police and Firefighter Retirement Supplemental State Aid
Chapter 308, Article 1, section 4
Chapter 296, Article 9, section 4**

Amends section 423A.022, subdivision 2

This section adds language to include independent nonprofit firefighting corporations as "municipalities" for this aid program. It also adjusts the percentage paid to the Public Employees Retirement Association so that all the percentages together equal 100%. For aids payable 2014 and thereafter, the percentages and amounts are as follows:

Public Employees Retirement Association (PERA) for the public employees police and fire retirement plan	58.064%	\$8,999,920
Municipalities employing firefighters other than those covered by the PERA police and fire retirement plan	35.484%	\$5,500,020
Minnesota State Retirement System (MSRS) for the state patrol retirement fund	6.452%	\$1,000,060
Total	100.000%	\$15,500,000

History: Independent nonprofit firefighting corporations were inadvertently left out of the aid program when it was created in 2013. And the percentages provided in the aid's first year totaled 100.01%, though the actual amounts paid were reduced slightly to not exceed the \$15,500,000 appropriation.

Effective Date: The change in the allocation percentages included in Chapter 308 is effective July 1, 2014; the change in Chapter 296 is effective the day following final enactment.

Business Production Property Transition Aid Chapter 308, Article 1, section 10

Uncodified provision

This section creates a new aid program providing transitional relief for cities and townships whose net tax capacity is reduced from assessment year 2014 to assessment year 2015 due to the change in the definition of real property in Minnesota Statutes, section 272.03, subdivision 1. (This change was enacted by Chapter 308, Article 2, section 9.)

- Subdivision 1 defines the terms used in the section:
 - "Local unit" means a home rule charter or statutory city, or a town.
 - "Net tax capacity differential" means the positive difference, if any, by which the local unit's net tax capacity was reduced from assessment year 2014 to assessment year 2015.

- Subdivision 2 provides for the aid eligibility and payment structure of the program. If a local unit has a net tax capacity differential that exceeds 5 percent of its 2015 net tax capacity, the local unit is eligible for transition aid. The aid equals the difference in net tax capacity multiplied by that year's tax rate. The aid is phased out as follows:
 - 100% of the transition aid is paid in taxes payable 2016,
 - 80% of the aid amount paid in 2017,
 - 60% of the aid amount is paid in 2018,
 - 40% of the aid amount is paid in 2019,
 - 20% of the aid amount is paid 2020, and
 - no aid is paid after 2020.

The Commissioner of Revenue will certify the aid to local units of government by August 1 of each year.

An appropriation amount sufficient to pay transition aid is annually appropriated from the general fund.

History: It was anticipated that the redefinition of real property in section 272.03, subdivision 1, enacted by Chapter 308 would cause a shift in property tax burdens for all property types in a jurisdiction that has a large amount of taxable property value become exempt. The commissioner recommended providing transition aid to accompany the redefinition of real property in a report to the Legislature on business and production property. The transition aid is estimated to be \$160,000 for three jurisdictions beginning in fiscal year 2017.

Effective Date: Beginning with assessment year 2015.

Additional Supplemental Aid Revision for Omitted 2013 Independent Firefighting Corporations
Chapter 308, Article 1, section 12
Chapter 296, Article 9, section 6

Uncodified provisions

These changes provide a mechanism to pay independent nonprofit firefighting corporations the amounts they would have received October 1, 2013, if they had not inadvertently been left out of the aid program when it was created. This affects only the aid payable on October 1, 2014. The amount that would have been paid to the omitted entities will be deducted from the \$5,500,020 appropriated for municipalities employing firefighters other than those covered by the Public Employees Retirement Association (PERA) police and fire retirement plan. The remainder will then be allocated to all qualifying municipalities as provided in section 423A.022, subdivision 2, paragraph (a), clause (2). Both amounts will be paid October 1, 2014.

History: Independent nonprofit firefighting corporations were inadvertently left out of the aid program when it was created in 2013.

Effective Date: July 1, 2014.

Debt Service Aid (Lewis and Clark Joint Powers Board)
Chapter 308, Article 7, section 2
Chapter 313, section 5

Adds and amends section 477A.20

These sections create an aid program for the Lewis and Clark Joint Powers Board to pay the debt service on local bonds issued to finance the Lewis and Clark water project under Minnesota Statutes, section 469.352.

The aid is equal to the principal and interest payment for bonds issued in the succeeding calendar year under section 469.352 *less* the sum of:

- 1) the combined adjusted net tax capacity of Rock County and Nobles County for the assessment year prior to the aid payable year multiplied by 1.5 percent *and*
- 2) 50 percent of any federal aid received to fund the project in the calendar year.

By June 1 of the aid payable year, the Lewis and Clark Joint Powers Board must certify to the Commissioner of Revenue any federal aid allocated to the project for the calendar year and the principle and interest due in the succeeding year. The commissioner will calculate the aid and certify the amount to be paid before July 1 of the aid distribution year. The aid will be paid in two installments on July 20 and December 26 (the dates specified for payments of local government aid under section 477A.015). The amount needed to pay this aid is appropriated from the general fund.

The joint powers board must allocate the aid to the municipalities issuing bonds under section 469.352 in proportion to their principal and interest payments.

If the deduction of 50 percent of any federal aid received eliminates the aid payment in a calendar year, then the excess of the deduction must be carried over to reduce the principal and interest in the succeeding year or years used to calculate aid.

If federal grants and aid received for the project - not deducted as 50 percent of any federal aid received - exceed the total debt service payments for bonds issued under section 469.352 (other than payments made with state aid under this section), the joint powers board must repay the excess to the Commissioner of Revenue for deposit in the general fund. The repayment may not exceed the sum of state aid payments under this section and any other grants made by the state for the project.

This section expires at the earlier of January 1, 2039, or when the bonds authorized under section 469.352 have been paid or annulled.

Effective Date: Beginning with aids payable in 2015.

Police and Firefighter Retirement Supplemental State Aid

Chapter 308, Article 9, section 83

Chapter 296, Article 9, section 5

Amend section 423A.022, subdivision 3

The section in Chapter 296 removes paragraph (b), which contained irrelevant language that is no longer needed to administer the aid. This section in Chapter 308 removes the same language and additional irrelevant language in paragraph (a).

History: The language removed by both chapters was needed for an earlier version of the aid program considered by the 2013 Legislature, but is not needed to administer the program that passed into law.

Effective Date: The day following final enactment.

Reallocation of Amortization Aid

Chapter 308, Article 10, section 11

Chapter 296, Article 6, section 45

Chapter 296, Article 9, section 3

Amend section 423A.02, subdivision 3

The sections in Chapter 308 and Chapter 296, Article 9, are technical corrections to a cross-reference error that was included in legislation in 2013. They validate aid payments that were made in 2013.

The section in Chapter 296, Article 6, removes the Duluth Teachers Retirement Fund Association from receiving 10 percent of the reallocation of amortization aid and increases the percentage for the Teachers Retirement Association from to 60 percent (from 50 percent). This change is subject to the approval of various entities of the consolidation of the Duluth Teachers Retirement Fund Association into the Teachers Retirement Association (see the effective date).

History: A letter of legislative intent in July 2013 clarified that a cross-reference to amortization aid was stricken in Laws 2013, Chapter 11, Article 5, section 73, rather than a cross-reference to supplemental amortization aid, which was repealed in 2013. This potentially could have impacted other aid payments, including minimum fire aid. Part of this 2014 legislation corrected the oversight and validated the payments that were made in 2013.

Effective Date: Chapter 308, Article 10, section 11, and Chapter 296, Article 9, section 3, are effective retroactively from July 1, 2013. Chapter 296, Article 6, section 45, is effective June 30, 2015, if various entities approve the consolidation of the Duluth Teachers Retirement Fund Association into the Teachers Retirement Association before October 1, 2014 (see Chapter 296, Article 6, section 49).

Agricultural Homestead Market Value Credit

Agricultural Homestead Market Value Credit Chapter 308, Article 1, section 2

Amends section 273.1394, subdivision 2

The agricultural homestead market value credit calculation was amended by increasing the rate of the agricultural homestead market value credit. The credit equals 0.3 percent of the first \$115,000 of the property's agricultural credit market value plus 0.1 percent of the property's agricultural credit market value in excess of \$115,000. The credit reaches a maximum of \$490 at a market value of \$260,000, and then levels off; the maximum credit is not reduced. Under prior law, the credit reached a maximum of \$345 at \$115,000 of value, but then decreased to \$230 at a value of \$345,000 and over.

Effective Date: Beginning with taxes payable in 2015.

Supplemental Agricultural Credit for Taxes Payable in 2014 Only Chapter 308, Article 1, section 14

Uncodified provision

This section provides that each agricultural homestead qualifying for a credit for taxes payable in 2014 under Minnesota Statutes, section 273.1384, is eligible for a supplemental credit equal to the lesser of: (1) \$205, or (2) the net property taxes payable on the property, excluding the taxes attributable to the house, garage, and surrounding one acre of land.

By August 15, 2014, the county auditor must provide to the Commissioner of Revenue the information needed to determine eligibility and to calculate the supplemental agricultural credit.

The commissioner must pay the supplemental credit to each qualifying taxpayer by October 15, 2014.

The amount necessary to make the payment for the supplemental agricultural credit is appropriated from the general fund for fiscal year 2015.

Effective Date: The day following final enactment.

Economic Development and Tax Increment Financing

Economic Development

City of Jackson; Limitation on Abatements

Chapter 308, Article 2, section 18

Uncodified provision

This section allows the City of Jackson to grant economic development abatements as described in Minnesota Statutes, section 469.1813, but allows the city to grant abatements above the limitation described in subdivision 8 of that section. Under this language, the city may grant an economic development abatement that may not exceed the greater of:

1. 10 percent of the city's net tax capacity for the taxes payable year to which the abatement applies; or
2. \$240,000.

Effective Date: Taxes payable in 2015 through taxes payable in 2019.

Housing Improvement Areas [Ramsey County]

Chapter 308 Article 6, Section 1

Adds section 383A.155.

This section grants the Ramsey County Housing and Redevelopment Authority the power to establish housing improvement areas in Ramsey County. The Redevelopment Authority may exercise powers as delineated in Minnesota Statutes 428A.13 to 428A.21, except with respect to the special rules for public hearings and city council approval provided in this section.

Effective Date: The day following final enactment.

Tax Credit Allocation Threshold Criteria [Dakota County]

Chapter 308 Article 6, Section 2

Amends section 383D.41 by adding subdivision 11

This section allows the Dakota County Community Development Agency to allocate tax credits for up to three projects. These projects must be new construction or substantial rehabilitation of multifamily housing projects that are not restricted to those age 55 and older. All projects must also meet specific geographic requirements related to public transportation.

Effective Date: Effective beginning with the 2015 allocation of the tax credit.

TIF General Provisions

Five Year Rule Extension [TIF redevelopment districts]

Chapter 308 Article 6, section 3

Amends section 469.1763, subdivision 3

This section adds a special provision for tax increment financing (TIF) redevelopment districts certified after April 20, 2009, and before June 30, 2012. For redevelopment districts certified during this period, this provision extends the usual 5-year rule to 8 years.

History: This legislation came about as a result of the recent recession in Minnesota. Many TIF districts were on the verge of being decertified due to the lack of development during the 5-year period, so the Legislature extended these TIF districts by 3 years.

Effective Date: Effective for districts for which the request for certification was made after April 20, 2009.

Tax Increment Relationship to Chapters 276A and 473F

Chapter 308, Article 6, section 4

Amends section 469.177, subdivision 3

This section eliminates language exempting economic development districts with request for certification before June 30, 1997 from the general provisions.

Effective Date: For districts for which the request for certification is made after June 30, 2014.

TIF Specific Districts

City of Bloomington; Old Cedar Ave Bridge

Chapter 308 Article 6, section 5

Amends Minnesota Laws 2013, chapter 143, article 9, section 23

This section adds a provision that allows the City of Bloomington to use any remaining funds in its TIF account for expenditures related to the Old Cedar Avenue Bridge (such as signage, pedestrian trails, kiosks, or other way-finding aids for users of the bridge) after completion of the repair, restoration, or replacement of the bridge in Bloomington.

History: Bloomington expects to have funds left over from construction and wanted to use the funds for small projects related to, but not necessarily covered by, the existing TIF plan.

Effective Date: Effective without local approval under Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

**City of Baxter; Project Requirement
Chapter 308, Article 6, section 6**

Uncodified provision

This section allows the City of Baxter to expand its Isle Drive Tax Increment Financing District to include a specific parcel in the city. It also resets the original tax capacity of the district. The increment derived from the Isle Drive TIF District may be used to pay for expenditures under the project's TIF plan as amended in M.S. 469.175, subd. 4.

Effective Date: July 1, 2014.

**City of Eagan
Chapter 308, Article 6, section 7**

Uncodified provision

This section allows the City of Eagan to compute tax increment for the Cedar Grove TIF District using the current local tax rate, effective for taxes payable in 2015. This section also extends the 5-year rule to 13 years and extends the operation of the district through December 31, 2032.

Effective Date: Effective upon compliance of the governing bodies of Eagan, Dakota County, and Independent School District No. 191.

**City of Edina
Chapter 308, Article 6, section 8**

Uncodified provision

This section allows the City of Edina, or its development authority, to establish one or more tax increment financing housing districts in the Southeast Edina Redevelopment Project Area. The authority to create these districts expires on June 30, 2017. This section also contains special rules for governing the districts. The amount of increment that may be spent on activities located outside the geographic area of the district is also increased by an additional 25 percentage points over the general rule.

Effective Date: Effective upon compliance by the governing body of the city of Edina with the requirements of M.S. 645.021, subdivisions 2 and 3.

City of Maple Grove
Chapter 308, Article 6, section 9

Uncodified provision

This section establishes a tax increment financing district in the City of Maple Grove. Specifically, this section describes the geographic project area as well as the special rules that will apply to any redevelopment district, renewal and renovation district, soil condition district, or soil deficiency district that the city may approve.

Effective Date: Effective upon compliance with M.S. 645.021 subdivision 3.

City of Mound
Chapter 308, Article 6, section 10

Uncodified provision

This section extends the City of Mound's TIF 5- year rule period to 13 years.

Effective Date: Effective upon compliance with the requirements of M.S. 645.021, subdivisions 2 and 3.

City of North St. Paul; Parcels Deemed Occupied
Chapter 308, Article 6, section 11

Uncodified provision

This section states that a certain parcel in the City of North St. Paul is deemed to meet the statutory requirements for a redevelopment tax increment financing district, provided it meets the following conditions:

1. Buildings located on the parcel were demolished after North St. Paul adopted a resolution under M.S. 469.174, subd. 10.
2. Buildings were removed either by the city or by the owner of the property.
3. The request for certification of the parcel as part of the district is filed with the county auditor by December 31, 2017.

The city may also elect to use the current value for purposes of calculating original net tax capacity.

Effective Date: Effective upon compliance with M.S. 645.021, subdivisions 2 and 3.

City of Savage

Chapter 308, Article 6, section 12

Uncodified provision

This section creates a new TIF district in City of Savage and lays out the project area as well as the special rules for the district. These special rules apply only to redevelopment, renewal and renovation, soil condition, and soil deficiency districts established by the city or its development authority. These special rules include, but are not limited to: an 80% threshold on the total number of parcels in the area subject to substandard conditions, an extension of the 5-year rule to 8 years, and special allowances for how increment may be spent outside the district.

Effective Date: Effective upon compliance with M.S. 645.021, subdivision 3.

Shoreview Tax Increment Financing Pilot Project

Chapter 308, Article 6, section 13

Uncodified provision

This section creates a pilot program for the City of Shoreview. Under this program, Shoreview may designate up to three economic development TIF districts in the city – subject to the special rules of this section. These special rules allow “qualified businesses” either already operating in Shoreview, or not substantially operating in Minnesota at all, to receive assistance in the form of TIF increment, provided a number of special requirements are met. The authority to establish or approve TIF plans and request certification expires on June 30, 2019.

Effective Date: Effective upon compliance with M.S. 645.021, subdivision 3.

Payment in Lieu of Taxation (PILT)

Payment in Lieu of Tax by Land Type

Chapter 308, Article 1, section 7

Amends section 477A.12, subdivision 1

This section provides counties with the option to choose the greater of a \$5.1333 per acre payment or a payment equal to 0.75 percent of the value of wildlife management lands within the county. This section also provides a formula for distributing \$300,000 for ditch assessments among counties with consolidated conservation land. The distribution will be in proportion to each county's percentage of the total annual ditch assessments. This section also provides for the Department of Revenue to make the payments for wildlife management lands and ditch assessments that could not be made in 2013 by June 30, 2014.

History: The payment option for wildlife management lands was inadvertently left out when significant changes were made in the PILT program in 2013 to pull all of the related land provisions together and increase payments for various types of land.

Effective Date: Retroactively to payments made for wildlife management lands in 2013 and later; for payments for ditch assessments made in 2014 and later.

Payment in Lieu of Tax Procedures

Chapter 308, Article 1, section 8

Amends section 477A.12, subdivision 2

This section requires County Auditors to certify by May 31 to the Department of Natural Resources the county's ditch assessment for state-owned land subject to Minnesota Statutes, section 84A.55, subdivision 9. Two or more counties can submit a joint certification through a Joint Powers Board. By June 15 of the payment year, the Commissioner of Natural Resources will certify the ditch assessments to the Commissioner of Revenue. Then the Commissioner of Revenue will determine the distribution by July 15 and make the payments on July 20. (However, the 2013 payment is due by June 30, 2014.)

History: Legislation in 2013 provided an appropriation for ditch assessments, but another provision in law limited the amount that could be distributed, making the appropriation un-administrable.

Effective Date: For assessments payable in calendar 2014 and later.

Payment in Lieu of Tax Township Distribution

Chapter 308, Article 1, section 9

Amends section 477A.14, subdivision 1

This section provides that townships with land that qualifies for payment are to receive 10% of the amount received by the county for each of five land types within that township.

History: In 2013, legislation included a drafting error that made the payments to townships un-administrable. The Department of Revenue worked with the Governor's Office, Department of Natural Resources, Association of Minnesota Counties, and the Minnesota Association of Townships to clarify legislative intent and advised the Legislature that it would administer the payments as they understood its intent.

Effective Date: Retroactive for payments made in calendar year 2013 and thereafter.

Taxing Authority and Levies

Taxing Districts

Board Plan and Program (Cedar Lake Area Water and Sanitary Sewer District) Chapter 308, Article 2, section 16

Amends Laws 1999, Chapter 243, Article 14, section 5, subdivision 1

This section increases the maximum number of connections the Cedar Lake Area Water and Sanitary District's comprehensive plan may provide to 364 connections (from 325 connections).

Effective Date: Upon local approval.

Helena Township, Scott County; Removal of Subordinate Service District Chapter 308, Article 2, section 17

Uncodified provision

This section applies to the subordinate service district established in Helena Township (Scott County) for the Silver Maple Bay Estates. It provides for the removal of the district and the disbursement of any surplus money or taxes generated by it after any outstanding obligations of the district have been paid in full. Any surplus not refunded under this section must be transferred to the town's general fund.

Effective Date: The day following final enactment.

Carlton County; Levy for Soil and Water Conservation District Chapter 308, Article 8, section 5

Uncodified provision

This section authorizes the Carlton County Soil and Water Conservation District to levy for the costs of planning, constructing, and equipping an office and storage facility for the district. It adds the Carlton County Soil and Water Conservation District to the list of special taxing districts with levy authority.

The levy authority expires after the principal, interest, and any costs of a loan to finance the project have been paid off, or if the district is unable to obtain a loan for the project prior to May 1, 2017. Upon expiration of this section, any amount remaining in the account must be transferred to the general account of the county and used to reduce any amount to be levied for the district by the county under Minnesota Statutes, section 103C.331, subdivision 16, for the following year, and any subsequent years, until the amount remaining is exhausted.

Effective Date: The day following compliance by Carlton County with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Levies

Apportionment of Levy

Chapter 150, Article 6, section 5

Amends section 276A.06, subdivision 3

This section removes language related to payable year 2002 and adds language for 2014 and beyond providing new requirements for apportionment of the levy for the Iron Range Fiscal Disparities program.

Effective Date: Beginning with taxes payable in year 2015.

Areawide Tax Rate

Chapter 150 Article 6, section 6

Amends section 276A.06, subdivision 5

This section adds language to include the school fund allocation in the area-wide tax rate for the Iron Range Fiscal Disparities program.

Effective Date: Effective beginning with taxes payable in year 2015.

Proposed Levy

Chapter 308, Article 2, section 11

Amends section 275.065, subdivision 1

This section extends the deadline to certify the proposed property tax levy for counties and home rule or statutory cities to September 30 (instead of September 15). The bill retains the current deadlines for towns, special taxing districts and schools.

Effective Date: Beginning with taxes payable in 2015.

Authority to Levy Property Taxes and Incur Debt

Chapter 308, Article 2, section 14

Amends section 383E.21, subdivision 1

This section expands Anoka County's authority to levy property taxes to pay for bonds to fund countywide public safety improvements and equipment.

Effective Date: Retroactively for taxes payable in 2013 and thereafter. This section expires under Minnesota Statutes, section 383E.21, subdivision 3.

Treatment of Levy
Chapter 308, Article 2, section 15

Amends section 383E.21, subdivision 2

This section allows the levy for bond repayment and taxes to fund public safety capital improvements or equipment projects approved by the Anoka County Joint Law Enforcement Council to be listed separately on the proposed property tax notice and the property tax statement.

Effective Date: Retroactively for taxes payable in 2013. This section expires under Minnesota Statutes, section 383E.21, subdivision 3.

Delinquency and Forfeiture

Interest Rate on Confession of Judgment Contracts: Qualifying Property Chapter 308, Article 2, section 12

Amends section 279.03, subdivision 2

This section establishes a new interest rate for confession of judgment contracts on parcels classified as 1a or 1b and used as the homestead of the owner. The new rate is the greater of: (a) 5%; or (b) 2% over the prime rate charged by banks to their most creditworthy borrowers. The interest rate cannot exceed the maximum rate of 14%. Relative homesteads and repurchase agreements are not subject to the new interest rate.

By November 1 of each year, the Department of Revenue will certify to county auditors the interest rate for confessions of judgment for 1a and 1b homesteads entered into the following year.

If default occurs in the confession of judgment contract payments, the taxes and penalties due are then calculated under the rate for delinquent taxes, penalties, and costs provided in Minnesota Statutes, section 279.03, subdivision 1a. If a second confession of judgment contract for 1a or 1b qualified property is entered into, the contract may be subject to the new interest rate.

History: Prior legislation required a minimum of 10% interest on confession of judgment contracts. This legislation was proposed to provide a lower interest rate to individuals trying to pay back delinquent taxes on their homes.

Effective Date: For confession of judgment contracts entered into on or after January 1, 2015.

Interest Rate on Confession of Judgment Contracts: Rate Established Chapter 308, Article 2, section 13

Amends section 279.37, subdivision 2

This section establishes a new interest rate for confession of judgment contracts on parcels classified as 1a or 1b and used as the homestead of the owner. The new rate is the greater of: (a) 5%, or (b) 2% over the prime rate charged by banks to their most creditworthy borrowers. The interest rate cannot exceed the maximum rate of 14%. Relative homesteads and repurchase agreements are not subject to the new interest rate.

By November 1 of each year, the Department of Revenue will certify to county auditors the interest rate for confessions of judgment for 1a and 1b homesteads entered into the following year.

History: Prior legislation required a minimum of 10% interest on confession of judgment contracts. This legislation was proposed to provide a lower interest rate to individuals trying to pay back delinquent taxes on their homes.

Effective Date: January 1, 2015.

Homestead Credit Refund and Renters' Property Tax Refund

Homestead Credit Refund and Renter Property Tax Refund Increase

Chapter 308, Article 1, section 16

Uncodified provision

This section provides a one-time increase for the Homestead Credit Refund and the Renter Property Tax Refund.

1. For property that qualifies for the Homestead Credit Refund, the refund is increased by 3 percent for claims based on taxes payable in 2014.
2. For rental property that qualifies for the Renter Property Tax Refund, the refund is increased by 6 percent for claims based on rent paid in 2013.

The Commissioner of Revenue is not required to provide information about the appeal rights that are normally required when changes are made to the homestead and renters refunds. The monies to cover the cost of the increase in refund amounts are appropriated from the general fund.

Effective Date: For refund claims based on taxes payable in 2014 and rents paid in 2013 only.

Unsession

The Governor proposed an "Unsession" for the 2014 Legislative Session as part of an effort to make state government better, faster, simpler, and more efficient for Minnesotans. The Governor wanted to eliminate old and outdated laws, and make Minnesota laws simpler and easier to understand.

All "Unsession" changes are found in Minnesota Laws 2014, Chapter 308, Article 9. While the actual language of the effective dates is different for various provisions, for property tax purposes the Unsession changes are effective immediately.

Statutes Repealed – Obsolete Provisions

These changes repeal obsolete sections of statute and remove cross-references to statutes that have been repealed. Many of these statutes were no longer active. The repeal does not affect or change the tax system.

- Section 12 amends M.S. 163.06, subd. 1, **county road and bridge levy**: Eliminates an obsolete reference to the tax on money and credits. This tax has not been imposed since the 1940s and was formally repealed in 1979.
- Section 17 amends M.S. 270B.14, subd. 3, Administration of Job Opportunity Zones: Removes reference to the **biotechnology and health sciences industry zone**, which is repealed in section 94. This program was to sunset December 31, 2015, but no tax benefits have been available since 2005.
- Section 22 amends M.S. 272.025, subd. 1, **statement of exemption**: Deletes reference to repealed subdivision of 272.02.
- Section 25 amends M.S. 273.061, subd. 6: Deletes all references to **salary requirements for assessors**. This language provides minimum compensation levels that are far below current assessor salaries and is unnecessary.

- Section 28 amends M.S. 273.112, subd. 6a, guidelines issued by commissioner: Deletes language requiring the Commissioner of Revenue to issue **guidelines for private golf clubs** to qualify for the Open Space deferral program in 1989. Such guidelines were created and are in place; this date-specific language is unnecessary.
- Sections 39 and 40 amends M.S. 279.03 **interest rate on delinquent property taxes**: Deletes obsolete language relating to calculation of interest on delinquent property taxes; these rates have been superseded by other rates since 1991.
- Section 82 amends M.S. section 412.131, assessor; duties; compensation: Deletes references to **salary requirements for city deputy assessors**. This language provides minimum compensation levels that are far below current assessor salaries and is unnecessary.
- Section 85 amends M.S. 469.176, **compact development TIF district**: Deletes a reference to a type of TIF district that the authority to create expired in 2012 and the district was never formed.
- Section 88 amends M.S. 473.665, **tax levy surplus/reduction**: Eliminates an obsolete reference to the tax on money and credits in a Metropolitan Airports Commission bonding statute. This tax has not been imposed since the 1940s and was repealed in 1979.
- Section 89 amends M.S. 477A.0124, **county program aid**: Removes language related to 2009 county program aid to Pine County, which has already been paid and is no longer effective.
- Section 94 repeals M.S. 273.1398, subd. 4b, **Disparity Reduction Aid** court expenditures and **maintenance of effort**: This is date-specific language that is not needed anymore.
- Section 94 repeals M.S. 270C.991, subd. 4, **Property Tax Working Group**: The Property Tax Working Group completed its work in 2013 and is no longer active.
- Section 94 repeals M.S. 272.02, subd. 1 and 1a, **exempt property**: These subdivisions contained superfluous and repetitive language that was not necessary to understand the exemptions.
- Section 94 repeals M.S. 272.02, subd. 43, personal property; **biomass facility**: This required the facility to be built by a specified date, but the facility was never built. No taxpayers are affected by repealing this subdivision, and the time limitations prevent any property owner from claiming these exemptions in the future.
- Section 94 repeals M.S. 272.02, subd. 48, **waste tire cogeneration facility**; personal property: This required the facility to be built in Fillmore County by a specified date in the subdivision, but the facility was never built. No taxpayers are affected by repealing this subdivision, and the time limitations prevent any property owner from claiming these exemptions in the future.
- Section 94 repeals M.S. 272.02, subd. 51, **electric generation facility**, personal property: This required the facility to be built in Waseca County by a specified date in the subdivision, but the facility was never built. No taxpayers are affected by repealing this subdivision, and the time limitations prevent any property owner from claiming these exemptions in the future.
- Section 94 repeals M.S. 272.02, subd. 53, **electric generation facility**, personal property: This required the facility to be built in Minneapolis by a specified date in the subdivision, but the facility was never built. No taxpayers are affected by repealing this subdivision, and the time limitations prevent any property owner from claiming these exemptions in the future.
- Section 94 repeals M.S. 272.02, subd. 67, **electric generation facility**, personal property: This required the facility to be built in Dakota County by a specified date in the subdivision, but the facility was never built. No taxpayers are affected by repealing this subdivision, and the time limitations prevent any property owner from claiming these exemptions in the future.

- Section 94 repeals M.S. 272.02, subd. 72, **electric generation facility**, personal property: This required the facility to be built in Waseca County by a specified date in the subdivision, but the facility was never built. No taxpayers are affected by repealing this subdivision, and the time limitations prevent any property owner from claiming these exemptions in the future.
- Section 94 repeals M.S. 272.02, subd. 82, **biomass electric generation facility**, personal property: This required the facility to be built in Minneapolis by a specified date in the subdivision, but the facility was never built. No taxpayers are affected by repealing this subdivision, and the time limitations prevent any property owner from claiming these exemptions in the future.
- Section 94 repeals M.S. 272.027, subd. 2, Exemption for customer owned property transferred to a utility.
- Section 94 repeals M.S. 272.031, abbreviations: An unnecessary statute specifying that abbreviations may be used in property tax records, but **ditto marks** and the abbreviation "do" may only be used as to a property owner's name and the addition or the subdivision in which property lies.
- Section 94 repeals M.S. 273.015, subd. 1, **tax computed** to nearest even-numbered cent: Taxes are computed to the nearest whole dollar and not to the cent, and this subdivision is therefore obsolete.
- Section 94 repeals M.S. 273.03, subd. 3, real estate assessment, applicability of other laws: This subdivision was superfluous language.
- Section 94 repeals M.S. 273.075, **instructional courses for assessors** and deputies: This section appropriated money in 1971 for instruction of assessors and no longer has an effect.
- Section 94 repeals M.S. 273.13, subd. 21a, class rate: This language defined "**class rate**" and used terminology related to "net class rate" and "gross class rate" which are no longer used. The language is unnecessary to the proper administration of classification rates.
- Section 94 repeals M.S. 273.1383, **1997 flood loss replacement aid**: This one-time aid has no current application. These counties included Polk, Clay, Kittson, Marshall, Norman, and Wilkin. This only applied to assessment years 1998, 1999, and 2000, and provided for general fund appropriations in fiscal years 2000, 2001, and 2002, which have passed.
- Section 94 repeals M.S. 273.1386, **2002 flood loss replacement aid**: This one-time aid has no current application. These counties included Roseau, Becker, Beltrami, Clay, Clearwater, Itasca, Kittson, Koochiching, Lake of the Woods, Mahnomon, Marshall, McLeod, Norman, Pennington, Polk, Red Lake, and Wright. This only provided for flood aid to be paid in 2004. This statute's provision that reduced local aid to affected cities that received the flood aid in fiscal year 2006 is similarly obsolete.
- Section 94 repeals M.S. 273.80, **distressed homestead reinvestment exemption**: This required that a property qualify for the exemption by May 1, 2003. Additionally, a property could only qualify for the exemption for 5 years after initially qualifying. The latest that a property owner could have claimed the exemption was in 2008.
- Section 94 repeals M.S. 275.77, temporary suspension of new or increased **maintenance of effort** requirements: This section had date-specific language that expired July 1, 2011.
- Section 94 repeals M.S. 279.32, **delinquent taxes**: This section related to lands with delinquent taxes that were repurchased prior to 1936.

- Section 94 repeals M.S. 281.173, subd. 8, 5-week redemption period for certain **abandoned properties**, effective date: This subdivision made the section applicable for tax judgment sales on or after April 13, 1996, which has since passed.
- Section 94 repeals M.S. 281.174, subd. 8, 5-week redemption period for certain **vacant properties**, effective date: This subdivision made the section applicable for tax judgment sales on or after April 13, 1996, which has since passed.
- Section 94 repeals M.S. 281.328, **state assignment certificates**, validating: This section was only for certificates issued before January 1, 1971, and is therefore obsolete.
- Section 94 repeals M.S. 282.10, **reimbursement of purchase price** in certain cases: This section related to tax forfeiture purchases made before 1940 that are invalidated by a court.
- Section 94 repeals M.S. 282.23, sale of certain lands **forfeited for taxes in 1926 and 1927**: This section related to forfeiture sales in 1926 and 1927 only and is obsolete.
- Section 94 repeals M.S. 287.20, subd. 4, definitions; deed tax; **documentary stamps**: This subdivision defined "documentary stamps," and is obsolete because such stamps are no longer used to verify that deed tax has been paid on recorded conveyances.
- Section 94 repeals M.S. 287.27, subd. 2, printing and **sale-meters**: This subdivision authorized the use of tax meter machines, used to affix documentary stamps, which are obsolete, as counties no longer use either tax meter machines or documentary stamps.
- Section 94 repeals M.S. 469.174, subd. 10c, definitions, compact development district: This subdivision defined a **compact development tax increment financing** (TIF) district, and the authority to establish these districts expired in 2012.
- Section 94 repeals M.S. 469.175, subd. 2b, establishing and changing plan, **compact development districts**: This subdivision provided the sunset date language for the now-obsolete compact development TIF district authority. The expiration was June 30, 2012.
- Section 94 repeals M.S. 469.176, subd. 1i, limitations, **compact development districts**: This subdivision permitted the use of increments for compact development TIF districts, which expired in 2012.
- Section 94 repeals M.S. 469.177, subd. 10, **computation of tax increment**, payment to school for referendum levy: this subdivision provided for distribution of TIF revenues generated by referendum levies to school districts. The subdivision is obsolete because these operating levies are now spread on market value, which do not generate tax increment.
- Section 94 repeals M.S. 477A.0124, subd. 1 and 6, **County Program Aid, calendar year 2004** and aid payments in 2011 and 2012: These subdivisions contained date-specific language for county program aid distributions and are now obsolete.
- Section 94 repeals M.S. 505.173, **correction of plats**: This section gave the authority to correct plats that expired in 1953.
- Section 94 repeals M.S. 273.1103, **net debt, terminology**: This subdivision was used for the conversion from "full and true market value" to "assessed value," and this was completed in the 1970s and replaced by net tax capacity in 1989.
- Section 94 repeals Minnesota Rule 8100.0800, **phase-in (utility value)**: This rule related to the phase-in of utility property value that is now fully accomplished; this rule is unnecessary since 2009.
- Section 94 repeals M.S. 469.1764, **pre-1982 districts [TIF]**: This subdivision is obsolete, as it relates to pre-1982 TIF districts that have all been decertified. This repeal is effective the day

following final enactment and any remaining unexpended tax increments from a district subject to Minnesota Statutes, section 469.1764, must be distributed as excess increments to the city, county, and school district under Minnesota Statutes, section 469.176, subd. 2, paragraph (c), clause (4), on or before December 31, 2014.

Outdated Language Modernized and Plain Language

These changes remove outdated language, e.g. referring to physical “assessment books,” telegraph lines, etc. The changes made to these sections make statute easier to read and understand. These changes are also part of an ongoing “plain language” initiative. In many cases, date-specific language that is no longer necessary for the administration of tax laws is also removed.

- Section 13 amends M.S. 270.11, subd. 1, **State Board of Equalization**: Deletes superfluous language.
- Section 14 amends M.S. 270.12, subd. 2, **State Board of Equalization**: Refines repetitive language.
- Section 15 amends M.S. 270.12, subd. 4, **State Board of Equalization**: Deletes superfluous language.
- Section 20 amends M.S. 272.01, subd. 1, **taxable property**: Deletes superfluous language.
- Section 21 amends M.S. 272.01, subd. 3, **exceptions to taxable property**: Deletes references to “telegraph.”
- Section 23 amends M.S. 272.027, subd. 1, **electricity generated to produce goods and services**: Deletes superfluous language.
- Section 24 amends M.S. 272.029, subd. 6, **distribution of revenues**: Removes date-specific language.
- Section 26 amends M.S. 273.10, **school districts**: Strikes language related to physical assessment books.
- Section 27 amends M.S. 273.11, subd. 13, **Valuation of income-producing property**: Deletes the language “beginning with the 1995 assessment...”
- Section 29 amends M.S. 273.1325, subd. 2, **sales ratio methodology**: Corrects a cross-reference.
- Section 30 amends M.S. 273.1398, **disparity reduction aid**: Provides that the aid will not be recalculated each time there is a change in classification rates.
- Section 31 amends M.S. 273.18, listing, valuation, and **assessment of exempt property by county auditors**: Updates the dates for exempt property re-inspection and removes references to physical assessment books.
- Section 32 amends M.S. 274.01, subd. 1, **ordinary board (Local Boards of Appeal and Equalization)**: Deletes superfluous language and removes references to physical assessment books.
- Section 33 amends M.S. 274.01, subd. 2, **special board (Local Boards of Appeal and Equalization)**: Deletes superfluous language.
- Section 35 amends M.S. 275.08, **local tax rate adjustments**: Deletes date-specific language.
- Section 36 amends M.S. 275.70, **special levies**: Removes date- and event-specific language.
- Sections 37 and 38 amend M.S. 275.74, 275.75: Updates for cross-references changed in section 36.

- Sections 41-43 amend M.S. 279.16, 279.23, and 279.25, **tax judgments**: Strikes references to physical books.
- Section 44 amends M.S. 279.37, **installment payments**: Removes date-specific language related to 1941 and updates cross-referenced statutes.
- Section 45 amends M.S. 280.001, **public sales**: Deletes date-specific language related to 1974 and thereafter.
- Section 46 amends M.S. 280.03, **certificate of sale**: Deletes a reference to “telegraph.”
- Section 47 amends M.S. 280.07, **entries after sale**: Deletes references to physical books.
- Section 48 amends M.S. 280.11, **lands bid in for state**: Deletes date-specific language from 1972 and a reference to “telegraph.”
- Section 49 amends M.S. 281.03, **auditor’s certificate**: Delete a reference to physical books.
- Section 50 amends M.S. 281.17, **period for redemption**: Strikes references to date- and location-specific language.
- Section 51 amends M.S. 281.327, **cancellation of certificate**: Deletes references to physical assessment books.
- Sections 52 and 53 amend M.S. 282.01 and 282.04, related to **forfeited land sales**: Deletes references to “telegraph.”
- Sections 54-56 amend M.S. 282.261, **interest rate**: Deletes date-specific language and a reference to “telegraph.”
- Section 57 amends M.S. 282.322, **forfeited lands list**: Removes date-specific language.
- Section 58 amends M.S. 287.30, **county treasurer duties**: Removes references to deed documentary stamps.
- Section 84 amends M.S. 465.04, **acceptance of gifts**: Eliminates the market value limitations on the types of second, third, and fourth class cities that are authorized to receive gifts, including gifts that are partially repaid as annuities.
- Section 86 amends M.S. 469.176, **TIF administrative expenses**: Eliminates date-specific language.
- Section 87 amends M.S. 469.1763, **TIF biotechnology zones**: Clarifies that the special TIF authority for biotechnology and health science industry zones can be used until those zones expire. This authority is not dependent on state funding of the zone and remains viable until the three zones (in Minneapolis, St. Paul, and Rochester) expire at the end of 2015.
- Section 90 amends M.S. 477A.014, **local government aid calculations**: Removes references to the “road accidents factor” which is no longer used.

Miscellaneous Provisions

Reports Required

Study of Energy-Producing Systems

Chapter 308, Article 2, section 19

Uncodified provision

This section appropriates \$150,000 in fiscal year 2015 from the general fund to the Commissioner of Revenue to finance a study and analysis of the property taxation of energy producing systems in Minnesota, including both traditional and renewable energy sources. This includes nuclear, natural gas, coal, solar, wind, biomass, and hydroelectric power.

The study must address the costs imposed on host communities by the various types of facilities, compared to the tax revenues received by the host communities. The study must also address the burden of taxation on Minnesota facilities compared to facilities in neighboring states. The report must specifically make recommendations on the taxation of solar energy producing systems. A report is due to the Legislature by February 1, 2015.

History: With the enactment of the Solar Energy Production Tax, the Legislature also discussed the taxation of other energy-producing systems. The Legislature appropriated funds to the Commissioner of Revenue to conduct this one-time study.

Effective Date: The day following final enactment.

Study of North Dakota Oil Production and the Impact on Minnesota

Chapter 308, Article 2, section 20

Uncodified provision

This section requires the Commissioner of Employment and Economic Development, in consultation with the Commissioner of Revenue and the Commissioner of Transportation, to finance a study and analysis of the effects of current and projected oil production in North Dakota on the Minnesota economy with special focus on the northwestern region of Minnesota and area border cities.

The study and analysis must address:

1. current and projected economic, fiscal, and demographic effects and issues;
2. direct and indirect costs and benefits and positive and negative effects, including those upon workforce, taxation, and transportation, including the transportation of passengers and agricultural products by railroads; and
3. economic challenges and opportunities for economic growth or diversification.

Study data must be used to formulate policy recommendations on how the state, the northwestern region of the state, and border cities may respond to the challenges and opportunities for economic growth and financial investment that may be derived from the regional economic changes that are the result of oil production in North Dakota. The Commissioner of Employment and Economic Development

must present its findings to the committees of the House of Representatives and Senate having jurisdiction over economic development, workforce issues, and taxation by February 15, 2015.

Effective Date: The day following final enactment.

Other Miscellaneous Provisions

Appointment of County Auditor-Treasurers and Recorders Chapter 146

Uncodified provisions

These provisions allow for the Auditor-Treasurer in Jackson, Lake, Clay, Kandiyohi, and Lyon counties to be appointed by the county board rather than elected by the populace. The County Recorder is also allowed to be appointed in Lake, Clay, Kandiyohi, and Lyon counties. The public is notified before the appointments are finalized and an opportunity for public comment is allowed. The county board may decide to make the positions elective again at least three years after the offices are made appointive.

History: Similar legislation has passed in previous legislative sessions. The goal is to retain talented individuals in highly technical positions.

Effective Date: Effective for each county after the county board and its chief clerical officer comply with the local approval and filing requirements for special laws (see M.S. 645.021).

Safe at Home program Chapter 173, sections 1-3

Amends sections 5B.05; 13.045

These sections modify data handling procedures related to participants in the Safe at Home address confidentiality program, including new provisions related to handling of real property data.

These sections make the following changes to 2013 language:

- Distinguishes “identity data” from “location data”
- Clarifies requirements related to submitting a notice of participation in the Safe at Home program to a government entity
- Requires submission of notice to the County Recorder in the county where the property is located if the program participant seeks to protect information related to real property
- Allows intergovernmental data sharing without consent or a court order in specific circumstances
- Allows counties to determine best methods of compliance regarding real property records, but provides counties with statutory authority to comply
- Establishes standards for providing access to data on real property this is subject to a bona fide title examination, including the requirements for submitting a request to the Secretary of State
- Provides that data practices provision related to Safe at Home participants do not prohibit sharing participant data with the Secretary of State to facilitate compliance with the law.

History: The Safe at Home program is an address confidentiality program administered by the Secretary of State's Office. The program was created in 2006 to protect victims of stalking, domestic violence, sexual assault, and others who fear for their safety, such as a member of law enforcement or the judiciary. The Safe at Home program gives participants a legal substitute address (a post office box) to use in place of their physical addresses; this address can be used whenever an address is required.

Over 1,600 individuals (representing over 700 households) are enrolled in the Safe at Home program in Minnesota. However, the program currently has less than 10 participants who are real property owners (i.e., less than 10 participants will have address confidentiality issues that will be handled by County Assessors, Auditors, and Treasurers).

Effective Date: The day following final enactment.

Legislative Commission on Data Practices Chapter 193

Uncodified provision

This chapter creates the Legislative Commission on Data Practices and Personal Data Privacy to study issues relating to government data practices and individuals' personal data privacy rights, and to review legislation impacting data practices, data security, and personal data privacy.

The Commission must consist of four senators appointed by the Senate Subcommittee on Committees of the Committee on Rules and Administration, and four members of the House of Representatives appointed by the Speaker. Two members from each chamber must be from the majority party in that chamber and two members from each chamber must be from the minority party in that chamber. The commission may also elect up to four former legislators who have demonstrated an interest in, or have a history of working in, the areas of government data practices and personal data privacy to serve as nonvoting members of the commission. The former legislators must not be registered lobbyists and shall be compensated.

Specifically, the commission must:

- review and provide the legislature with research and analysis of emerging issues relating to government data practices and security and privacy of personal data;
- review and make recommendations on legislative proposals relating to the Minnesota Government Data Practices Act; and
- review and make recommendations on legislative proposals impacting personal data privacy rights, data security, and other related issues

Initial members of the commission serve for a term ending in January 2015. A member of the House of Representatives shall serve as the first chair of the commission. A member of the Senate shall serve as chair of the commission beginning in January 2015. This commission expires June 30, 2017.

Effective Date: The day following final enactment.

State Agency Land Purchases **Chapter 304, section 1**

Adds section 16B.297

This provision creates procedures for a state agency's acquisition of real property. The agency must prepare a fact sheet and obtain an appraisal of the property to be purchased. For properties appraised at \$100,000 or over, the state agency cannot pay more than 10 percent above the appraised value. For properties appraised at less than \$100,000, the agency may pay more than 110% of the agency's appraised value, but no more than the seller's appraised value. The agency may conduct a new appraisal if desired.

The new procedures may impact the sale of tax-forfeited land when a state agency is an interested purchaser. A state agency would be required to go through the steps outlined above and would have limits on the price it could pay for the tax-forfeited land. This new law does not create a preference for state agencies at public auction. The state agency may put in a written request to have a parcel of tax-forfeited land withheld from sale, as is currently allowed under Minnesota Statutes, section 282.01, subdivision 1a. The Department of Transportation, the Department of Natural Resources, and the Board of Water and Soil Resources are not subject to the new procedures.

History: This provision was proposed to assist the Minnesota State Colleges and Universities with pricing property it wanted to acquire.

Effective Date: July 1, 2014.

Workforce Housing Grants Pilot Program **Chapter 308, Article 6, section 14**

Uncodified provision

This section creates the workforce housing grants pilot program designed to assist qualifying Minnesota cities in Roseau and Pennington counties with building adequate living space for middle-income individuals. Each individual grant may be up to \$400,000.

History: This program was created to address the issue of inadequate housing for some rural Minnesota cities. Originally it was envisioned as an offshoot of the tax increment financing program or as a new type of tax increment financing (TIF) district meant to help with the construction of moderate income housing rather than solely for low income housing that TIF currently assists with. Although still tied to TIF, this new pilot program does not create a new type of TIF district.

Effective Date: The day following final enactment.

School Fund Allocation **Chapter 150, Article 6, section 4**

Amends section 276A.01 by adding subdivision 17

This section creates the school fund allocation – an amount up to 25% of the area-wide levy certified by the Iron Range Resources and Rehabilitation Board to be used for the purposes of the Iron Range school consolidation and cooperatively operated school accounts. The allocation may only be made after the Board has certified that these funds have insufficient funds to make payments as authorized by statute.

Effective Date: Beginning with taxes payable in 2015.

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Classification Rate Table for the 2014 Assessment

Class	Description	Tiers	Class Rate	State General Rate
1a	Residential Homestead	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
1b	Blind/Disabled Homestead	First \$50,000	0.45%	N/A
1c	Ma & Pa Resort	First \$600,000	0.50%	N/A
		\$600,000 - \$2,300,000	1.00%	N/A
		Over \$2,300,000	1.25%	1.25%
1d	Mirgrant Housing	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
2a	Agricultural Homestead - House, Garage, 1 Acre (HGA)	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
2a/2b	Agricultural Homestead - First Tier	First \$1,900,000	0.50%	N/A
2a/2b	Farm Entities Excess First Tier	Unused First Tier	0.50%	N/A
2a	Agricultural - Nonhomestead or Excess First Tier		1.00%	N/A
2b	Rural Vacant Land		1.00%	N/A
2c	Managed Forest Land		0.65%	N/A
2d	Private Airport		1.00%	N/A
2e	Commercial Aggregate Deposit		1.00%	N/A
3a	Commercial/Industrial	First \$150,000	1.50%	1.50%
		Over \$150,000	2.00%	2.00%
	Electric Generation Public Utility Machinery		2.00%	N/A
	All Other Public Utility Machinery		2.00%	2.00%
	Transmission Line Right-of-Way		2.00%	2.00%
4a	Residential Nonhomestead 4+ Units (Apartments)		1.25%	N/A
4b(1)	Residential Non-Homestead 1-3 Units		1.25%	N/A
4b(2)	Unclassified Manufactured Home		1.25%	N/A
4b(3)	Agricultural Non-Homestead Residence (2-3 units)		1.25%	N/A
4b(4)	Unimproved Residential Land		1.25%	N/A
4bb	Residential Non-Homestead Single Unit; incl. on ag land	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
4c(1)	Seasonal Residential Recreational Commercial (resort)	First \$500,000	1.00%	1.00%
		Over \$500,000	1.25%	1.25%
4c(2)	Qualifying Golf Course		1.25%	N/A
4c(3)(i)	Non-Profit Community Service Org. (non-revenue)		1.50%	N/A
4c(3)(ii)	Non-Profit Community Service Org. (donations)		1.50%	1.50%
4c(4)	Post-Secondary Student Housing		1.00%	N/A
4c(5)(i)	Manufactured Home Park		1.25%	N/A
4c(5)(ii)	Manufactured Home Park (>50% owner-occupied)		0.75%	N/A
4c(5)(ii)	Manufactured Home Park (50% or less owner-occupied)		1.00%	N/A
4c(6)	Metro Non-Profit Recreational Property		1.25%	N/A
4c(7)	Certain Non-Comm. Aircraft Hangars and Land (leased land)		1.50%	N/A
4c(8)	Certain Non-Comm. Aircraft Hangars and Land (private land)		1.50%	N/A
4c(9)	Bed & Breakfast		1.25%	N/A
4c(10)	Seasonal Restaurant on a Lake		1.25%	N/A
4c(11)	Marina	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
4c(12)	Seasonal Residential Recreational Non-Commercial (cabin)	First \$76,000	1.00%	0.40%
		\$76,000 - \$500,000	1.00%	1.00%
		Over \$500,000	1.25%	1.25%
4d	Low Income Rental Housing (Per Unit)	First \$100,000	0.75%	N/A
		Over \$100,000	0.25%	N/A
5(1)	Unmined Iron Ore and Low-Grade Iron-Bearing Formations		2.00%	2.00%
5(2)	All Other Property		2.00%	N/A