

## Power Line Credit FAQs

### Where does the money come from that funds the power line credit?

Ten percent of the tax receipts on newer high voltage lines funds the power line credit. Location determines how funding is carried out. (See Minnesota Statute 273.42)

#### City or Organized Township

Ten percent of the local net tax capacity (NTC) based taxes from 200 kilovolt (kV) transmission lines constructed on or after July 1, 1974, are used to fund this credit.

#### Unorganized Township

Ten percent of the tax receipts on certain high voltage lines are distributed to a utility property tax credit fund.

### What high voltage transmission lines are taxed to fund the power line credit?

Location and specific features determine which high voltage transmission lines are taxed.

#### City or organized township high voltage transmission lines must:

- Be a conductor of electric energy
- Conduct voltage of 200 kV or greater
- Have commenced construction after July 1, 1974
- Be longer than 1,500 feet

#### Unorganized township high voltage transmission lines must:

- Be a conductor of electric energy
- Conduct voltage of 100 kV or greater
- Have commenced construction after July 1, 1974
- Be longer than 1,500 feet

## Who receives the power line credit?

Property owners of certain qualifying property receive a credit when a high voltage transmission line that meets certain criteria runs over an owner’s property. (See Minnesota Statute 273.42, subd. 2)

## What are the types of qualifying property?

The property must be listed in the county auditor or county treasurer records as:

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

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

## What are the features of qualifying high voltage transmission lines?

The high voltage transmission lines must:

- Have a capacity of 200 kV or more
- Have construction commenced on July 1, 1974, or after

## How do I calculate the credit?

Location determines how the credit is calculated. (See Minnesota Statute 273.42)

### City or Organized Township

<b><i>Power Line Credit = (0.10 × a) × (b ÷ c)</i></b>	
<b>Equation Variables</b>	
a	Transmission line tax revenue derived from line in city or township
b	Length of high transmission line over parcel
c	Total length of line over all property in city or town

## Unorganized Township

<b><i>Power Line Credit = a × (b ÷ c)</i></b>	
<b>Equation Variables</b>	
a	Utility Property Tax Credit Fund amount
b	Length of high transmission line over parcel
c	Total length of line over all property in unorganized townships in the county

## Right-Of-Way Power Line Credit Rules

If a right-of-way is shared by more than one property owner, the proportion of the total width of the right-of-way on the parcel owned by that property owner can be claimed.

Location determines how the credit is calculated.

### City or Organized Township

<b><i>Power Line Credit = (0.10 × a) × ((b × d) ÷ c)</i></b>	
<b>Equation Variables</b>	
a	Transmission line tax revenue derived from line in city or township
b	Length of high transmission line over parcel
c	Total length of line over all property in city or town
d	Property owner's portion of right-of-way width

### Unorganized Township

<b><i>Power Line Credit = a × ((b × d) ÷ c)</i></b>	
<b>Equation Variables</b>	
a	Utility Property Tax Credit Fund amount
b	Length of high transmission line over parcel
c	Total length of line over all property in unorganized townships in the county
d	Property owner's portion of right-of-way width

## Is there a power line credit maximum?

Yes. The maximum credit must not exceed 20% of the total gross tax on the parcel prior to deduction of the state paid agricultural credit.

$$\text{Power Line Credit Max} = 0.20 \times e$$

### Equation Variables

e	Gross tax on parcel prior to state paid ag credit
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## Right-Of-Way Power Line Credit Max

If the property is part of a parcel is larger than 40 acres, there is an adjusted maximum power line credit.

$$\text{Power Line Credit Max} = 0.20 \times (e \times (f \div g))$$

### Equation Variables

e	Gross tax on parcel prior to state paid ag credit
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f	Sum of acres in each quarter-quarter section or portion containing right-of-way
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g	Total acres in parcel from tax statement
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The county auditor must calculate the amount of the credit due for each parcel and provide that information to the county treasurer. The county auditor must reduce the gross tax by the amount of the credit received, unless the amount of the credit would be less than \$10.

## What if money remains after calculating and paying the credit?

Location determines how remaining funds are treated. (See Minnesota Statute 273.42)

### Cities and Organized Townships

Remaining funds are distributed to taxing districts in proportion to their respective local tax rates to be used for general levy purposes.

### Unorganized Townships

Remaining funds are returned to the general school fund of the county.

## How do I know there are transmission lines that may qualify in my county?

The State Assessed Property Section sends certified utility values to counties each year by August 1. The certified utility values include a property type description of the property valued by the State Assessed Property Section.

Transmission lines that may impact the power line credit have the following property type description listed on the certified utility values:

Description	Abbreviated as
City or township, 200 kV or more	Elec Transm $\geq$ 200 kV City or Org Twp, Built After 7/1/1974
Unorganized township, 100-200 kV	Elec Transm 100-200 kV Unorg, Built After 7/1/1974
Unorganized township, 200 kV or more	Elec Transm $\geq$ 200 kV Unorg, Built After 7/1/1974

## How do I know where the transmission lines are located?

Contact the company that owns the transmission lines. If you need a company's contact information, email us at [sa.property@state.mn.us](mailto:sa.property@state.mn.us), and we will provide you with the contact information.

## Who do I contact with questions?

### Power Line Credit Calculation Qualifying Parcels

Email: [proptax.admin@state.mn.us](mailto:proptax.admin@state.mn.us)

Phone: 651-556-6095

### Qualifying Lines Line Location Line Valuation

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

Phone: 651-556-6119

### PRISM Coding

Email: [prism.mdor@state.mn.us](mailto:prism.mdor@state.mn.us)