

**SENATE**  
**STATE OF MINNESOTA**  
**NINETIETH SESSION**

**S.F. No. 3519**

(SENATE AUTHORS: CHAMBERLAIN and Koran)

DATE  
03/19/2018

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Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
 1.2 relating to taxation; property; exempting the first \$200,000 of market value of  
 1.3 commercial-industrial property from the state general levy; amending Minnesota  
 1.4 Statutes 2017 Supplement, section 275.025, subdivision 2.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2017 Supplement, section 275.025, subdivision 2, is amended  
 1.7 to read:

1.8 Subd. 2. **Commercial-industrial tax capacity.** For the purposes of this section,  
 1.9 "commercial-industrial tax capacity" means the tax capacity of all taxable property classified  
 1.10 as class 3 or class 5(1) under section 273.13, excluding:

1.11 (1) the tax capacity attributable to the first ~~\$100,000~~ \$200,000 of market value of each  
 1.12 parcel of commercial-industrial property as defined under section 273.13, subdivision 24,  
 1.13 clauses (1) and (2);

1.14 (2) electric generation attached machinery under class 3; and

1.15 (3) property described in section 473.625.

1.16 County commercial-industrial tax capacity amounts are not adjusted for the captured  
 1.17 net tax capacity of a tax increment financing district under section 469.177, subdivision 2,  
 1.18 the net tax capacity of transmission lines deducted from a local government's total net tax  
 1.19 capacity under section 273.425, or fiscal disparities contribution and distribution net tax  
 1.20 capacities under chapter 276A or 473F. For purposes of this subdivision, the procedures  
 1.21 for determining eligibility for tier 1 under section 273.13, subdivision 24, clauses (1) and  
 1.22 (2), shall apply in determining the portion of a property eligible to be considered within the  
 1.23 first \$100,000 of market value.

2.1 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2019.