

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

**S.F. No. 51**

(SENATE AUTHORS: RUUD)

DATE  
01/09/2017

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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; modifying the state general levy base; providing  
 1.3 market value exclusions; amending Minnesota Statutes 2016, section 275.025,  
 1.4 subdivisions 1, 4.

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

1.6 Section 1. Minnesota Statutes 2016, section 275.025, subdivision 1, is amended to read:

1.7 Subdivision 1. **Levy amount.** The state general levy is levied against  
 1.8 commercial-industrial property and seasonal residential recreational property, as defined  
 1.9 in this section. The state general levy base amount is ~~\$592,000,000 for taxes payable in~~  
 1.10 ~~2002. For taxes payable in subsequent years, the levy base amount is increased each year~~  
 1.11 ~~by multiplying the levy base amount for the prior year by the sum of one plus the rate of~~  
 1.12 ~~increase, if any, in the implicit price deflator for government consumption expenditures and~~  
 1.13 ~~gross investment for state and local governments prepared by the Bureau of Economic~~  
 1.14 ~~Analysts of the United States Department of Commerce for the 12-month period ending~~  
 1.15 ~~March 31 of the year prior to the year the taxes are payable.~~ for taxes payable in 2018 and  
 1.16 thereafter is \$856,842,000. The tax under this section is not treated as a local tax rate under  
 1.17 section 469.177 and is not the levy of a governmental unit under chapters 276A and 473F.

1.18 The commissioner shall increase or decrease the preliminary or final rate for a year as  
 1.19 necessary to account for errors and tax base changes that affected a preliminary or final rate  
 1.20 for either of the two preceding years. Adjustments are allowed to the extent that the necessary  
 1.21 information is available to the commissioner at the time the rates for a year must be certified,  
 1.22 and for the following reasons:

1.23 (1) an erroneous report of taxable value by a local official;

2.1 (2) an erroneous calculation by the commissioner; and

2.2 (3) an increase or decrease in taxable value for commercial-industrial or seasonal  
 2.3 residential recreational property reported on the abstracts of tax lists submitted under section  
 2.4 275.29 that was not reported on the abstracts of assessment submitted under section 270C.89  
 2.5 for the same year.

2.6 The commissioner may, but need not, make adjustments if the total difference in the tax  
 2.7 levied for the year would be less than \$100,000.

2.8 **EFFECTIVE DATE.** This section is effective for taxes payable in 2018 and thereafter.

2.9 Sec. 2. Minnesota Statutes 2016, section 275.025, subdivision 4, is amended to read:

2.10 Subd. 4. **Apportionment and levy of state general tax.** Ninety-five percent of the state  
 2.11 general tax must be levied by applying a uniform rate to all commercial-industrial tax  
 2.12 capacity and five percent of the state general tax must be levied by applying a uniform rate  
 2.13 to all seasonal residential recreational tax capacity. ~~On or before October 1 each year, the~~  
 2.14 ~~commissioner of revenue shall certify the preliminary state general levy rates to each county~~  
 2.15 ~~auditor that must be used to prepare the notices of proposed property taxes for taxes payable~~  
 2.16 ~~in the following year. By January 1 of each year, the commissioner shall certify the final~~  
 2.17 ~~state general levy rate to each county auditor that shall be used in spreading taxes.~~

2.18 **EFFECTIVE DATE.** This section is effective for taxes payable in 2018 and thereafter.

2.19 Sec. 3. **STATE GENERAL TAX; MARKET VALUE EXCLUSION FOR**  
 2.20 **COMMERCIAL-INDUSTRIAL PROPERTY.**

2.21 For taxes payable in 2018 only, commercial-industrial tax capacity under Minnesota  
 2.22 Statutes, section 275.025, subdivision 2, excludes the first \$500,000 of commercial-industrial  
 2.23 property value.

2.24 **EFFECTIVE DATE.** This section is effective for taxes payable in 2018 and thereafter.

2.25 Sec. 4. **STATE GENERAL TAX; MARKET VALUE EXCLUSION FOR SEASONAL**  
 2.26 **RESIDENTIAL RECREATIONAL PROPERTY.**

2.27 For taxes payable in 2018 only, seasonal residential recreational tax capacity under  
 2.28 Minnesota Statutes, section 275.025, subdivision 3, excludes the first \$50,000 of seasonal  
 2.29 residential recreational property value.

2.30 **EFFECTIVE DATE.** This section is effective for taxes payable in 2018 and thereafter.