

**House Property Tax Division
Revenue Impact Summary for Selected Property Tax bills -
Wednesday, February 8, 2023**

Note: This table reflects expenditure changes to the base budget reflected in the **November 2022 forecast**. Positive numbers are an expenditure increase, negative numbers are a reduction/cost savings.

Bill No.	Sponsor	Bill description	General Fund Expenditure Change (000's)						
			FY 2024	FY 2025	FY 24-25	FY 2026	FY 2027	FY 26-27	
Property Tax changes									
1	HF 0178 w/DE2	Stephenson	Energy storage system tax exemption established Creates a property tax exemption for renewable energy storage system property (solar panels) and provides for a property tax refund for taxes paid (local and state general levy) on exempt property for pay years 2022 and 2023 only. To be eligible for the exemption, a taxpayer must file an application by February 15 of each assessment year. Primary beneficiary would be Connexus Energy with two large battery storage systems: 6MW site in Anoka Cty and 9MW site in Isanti County. Other smaller systems may qualify. Fewer than ten taxpayers are assumed to be impacted. Effective beginning assessment year 2024/ pay year 2025 Property Tax Refund State General Levy (tax rate adjusted annually)						
				0			20	20	40
				0	0		0	0	0
			General Fund	0	0	0	20	20	40
2	HF 1099	Anderson	Solar generating system real property classification provisions modified Clarifies that the land beneath a solar energy generating system with capacity of more than one megawatt is taxable class 3a land. Approx 150 solar energy generating systems are located on land subject to this reclassification Effective for taxes payable in 2024 and beyond						
			General Fund	0	(negligible)	(negligible)	(negligible)	(negligible)	(negligible)
3	HF 307 A1	Richardson	Community land trust property classification modified. Creates a new 4d(2) class for community land trust property; with a class rate of 0.75%. Effective for assessment year 2024. With 1,250 homes located in MN's 12 community land trust organizations, about \$320 million in market value would change from class 1a to 4d(2), shifting the property tax burden to other properties. PTR impact Properties changing to class 4d(2) but remaining eligible for homeowner property tax refunds. PTR impact						
							40	40	80
							(290)	(290)	(580)
			Total General Fund	0	0	0	(250)	(250)	(500)

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			FY 2024	FY 2025	FY 24-25	FY 2026	FY 2027	FY 26-27	
4	HF 875	Becker-Finn	Tribal land - Extend property tax exemption Two contiguous parcels in Minneapolis owned by the Chippewa Tribe have a 10 year exemption, due to expire with pay year 2024. The bill would extend this exemption 10 y, through 2034. Additionally, removes the need to file an exemption with the assessor. Effective Pay 2023 State General levy Property Tax Refund interaction General Fund	10	0	10	0	0	0
				negligible	negligible	negligible	negligible	negligible	negligible
				10	0	10	0	0	0
5	HF 259	L Olson	Elderly living facilities exempted from taxation (St. Mary's) A1 St. Ann's Seniors' Residence in Duluth, an assisted living facility owned by 501c(3) nonprofit organization. Effective for assessment year 2023, payable in CY 24/ FY 25. General Fund	0	10	10	10	10	20
Property Tax Aids									
6	HF 1061	Hill	Electric generation transition aid established, local government aid formula modified (sf 897) Creates a 3-year electric generation aid for cities, to offset sudden negative impacts on local property taxpayers when generating units at an electric generating plant powered by coal are retired and removed from the local tax base. 1. Aid is calculated using a) the change in net tax capacity from the base assessment year to the current year, times b) the jurisdiction's tax rate 2. Modifies LGA formula for an eligible city: Aid is equal to the greater of: (1) the amount calculated under paragraph (a); (2) xx percent of the current unmet need calculated for the city; or (3) \$1,000,000. Only Allen S. King Generating Station, Oak Park Heights, MN Effective for aids payable 2024 and after Electric Generation Aid payments (unknown \$, to begin 2030) Property Tax Refund interactions Income Tax interactions General Fund	0	0	0	0	0	0
				0	0	0	0	0	0
				0	0	0	0	0	0

