

**PROPERTY TAX
Indian Tribe Property Exemption
(Medical Clinic Storage)**

April 8, 2026

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 4794 (Rarick) / H.F. 4677 (Davids) as introduced

Fund Impact

	F.Y. 2026	F.Y. 2027	F.Y. 2028	F.Y. 2029
	(000's)			
General Fund	\$0	\$0	(negligible)	(negligible)

Effective beginning with property taxes payable in 2027.

EXPLANATION OF THE BILL

The proposal would create a property tax exemption for property that:

- (1) is located in a city with a population greater than 12,400 but less than 12,800 (according to the 2020 federal census);
- (2) was on January 1, 2026, and is for the current assessment, owned by a federally recognized Indian Tribe located within the state of Minnesota.
- (3) is used to store medical clinic equipment and materials.

Property that qualifies for the exemption would be limited to one parcel, and any portion of the property used for housing, parking facilities, agriculture, or forestry would not qualify for the exemption.

REVENUE ANALYSIS DETAIL

- Property in Carlton County owned by the Fond du Lac Band of Chippewa would be eligible for the proposed exemption.
- Beginning with taxes payable in 2027, the exemption would shift approximately \$20,000 in property taxes away from the eligible property and onto all other properties, including homesteads, increasing state-paid homeowner property tax refunds by less than \$5,000 in FY 2028.
- For taxes payable in 2027 and thereafter, the exemption from the commercial-industrial state general tax would have no impact on state revenues, because the tax rate would be adjusted to yield the amount of revenue required by statute.
- Tax year impact is allocated to the following fiscal year.

PROPERTY TAX BENCHMARKS (Minn. Stat. § 270C.991)

<i>Transparency, Understandability, Simplicity & Accountability</i>	Neutral
<i>Efficiency & Compliance</i>	Neutral
<i>Equity (Vertical & Horizontal)</i>	Neutral
<i>Stability & Predictability</i>	Neutral
<i>Competitiveness for Businesses</i>	Neutral
<i>Responsiveness to Economic Conditions</i>	Neutral

The bill is scored on a three-point scale (decrease, neutral, increase) for each principle in comparison to current law.

Source: Minnesota Department of Revenue
Property Tax Division – Research Unit
<https://www.revenue.state.mn.us/revenue-analyses>

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