

**Subject** Personal property tax exemption for electric generation equipment

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## Summary

H.F. 4709 establishes property tax exemptions for electric generation equipment at two properties owned by the Southern Minnesota Municipal Power Agency. Once constructed, the facilities will be located in the cities of Owatonna and Austin. The governing bodies of the city and county where each facility is located must pass a resolution in support of the exemption for it to take effect. The exemption applies only to the attached machinery and other personal property at each facility. The land and buildings at each facility would remain taxable.

**Effective date:** This section is effective beginning with property taxes payable in 2029.

**Background:** Most personal property is exempt from taxation. However, personal property which is part of an electric generating, transmission, or distribution system is taxable.