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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **536**

February 1, 2007

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The bill was read for the first time and referred to the Energy Finance and Policy Division

March 15, 2007

By motion, recalled and re-referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; providing a reduction in the assessed market value of energy
1.3 efficient new commercial property; amending Minnesota Statutes 2006, section
1.4 273.11, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2006, section 273.11, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 24. Valuation of energy efficient commercial property. (a) The market
1.9 value of certain energy efficient property classified under section 273.13, subdivision 24,
1.10 that is used for commercial purposes, is reduced as provided in this subdivision.

1.11 (b) To be eligible for a valuation reduction under this subdivision, property must be
1.12 certified by a qualified inspector as having been constructed in a manner that will achieve
1.13 a level of energy consumption that is at least 20 percent lower than the standard set in
1.14 the state energy code rules. The percentage reduction in the market value of a qualifying
1.15 property is determined as follows:

1.16	<u>percentage of energy consumption below</u>	<u>market value reduction</u>
1.17	<u>energy code requirement</u>	
1.18	<u>20-30</u>	<u>5</u>
1.19	<u>31-50</u>	<u>10</u>
1.20	<u>over 50</u>	<u>15</u>

1.21 The reductions remain in effect for the first ten assessment years after the property has
1.22 been certified as qualifying under this subdivision.

1.23 (c) The Department of Commerce must establish a process for determining eligibility
1.24 for the valuation reduction under this subdivision, including certification of persons who
1.25 are qualified to perform this function.

2.1 (d) To claim a valuation reduction under this subdivision, the owner of the
2.2 commercial property must obtain a certification of the level of qualification determined
2.3 under paragraph (b), which must be prepared by a person certified as provided in
2.4 paragraph (c). The property owner must furnish this certification to the assessor by May 1
2.5 of the assessment year in order to qualify for the valuation reduction for taxes payable in
2.6 the following year.

2.7 **EFFECTIVE DATE.** This section is effective for assessments in 2007, taxes
2.8 payable in 2008, and thereafter.