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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **2417**

April 10, 2007

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The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; modifying the property tax exemption for JOBZ to exclude
1.3 school operating referenda levies; limiting tax incentives for certain relocating
1.4 businesses; amending Minnesota Statutes 2006, sections 272.02, subdivision
1.5 64; 469.312, by adding a subdivision.

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

1.7 Section 1. Minnesota Statutes 2006, section 272.02, subdivision 64, is amended to read:

1.8 Subd. 64. **Job opportunity building zone property.** (a) Improvements to real
1.9 property, and personal property, classified under section 273.13, subdivision 24, and
1.10 located within a job opportunity building zone, designated under section 469.314, are
1.11 exempt from ad valorem taxes levied under chapter 275.

1.12 (b) Improvements to real property, and tangible personal property, of an agricultural
1.13 production facility located within an agricultural processing facility zone, designated
1.14 under section 469.314, is exempt from ad valorem taxes levied under chapter 275.

1.15 (c) For property to qualify for exemption under paragraph (a), the occupant must be
1.16 a qualified business, as defined in section 469.310.

1.17 (d) The exemption applies beginning for the first assessment year after designation
1.18 of the job opportunity building zone by the commissioner of employment and economic
1.19 development. The exemption applies to each assessment year that begins during the
1.20 duration of the job opportunity building zone. To be exempt, the property must be
1.21 occupied by July 1 of the assessment year by a qualified business that has signed the
1.22 business subsidy agreement and relocation agreement, if required, by July 1 of the
1.23 assessment year. This exemption does not apply to:

1.24 (1) the levy under section 475.61 or similar levy provisions under any other law to
1.25 pay general obligation bonds; or

2.1 (2) a levy under section 126C.17, ~~if the levy was approved by the voters before the~~
2.2 ~~designation of the job opportunity building zone.~~

2.3 **EFFECTIVE DATE.** This section is effective beginning for taxes payable in 2008.

2.4 Sec. 2. Minnesota Statutes 2006, section 469.312, is amended by adding a subdivision
2.5 to read:

2.6 **Subd. 6. Restrictions on relocations.** (a) If a business relocates or intends to
2.7 relocate under a proposed project more than 25 full-time equivalent jobs from a location
2.8 in Minnesota into a job opportunity building zone, the business must notify the local
2.9 government unit, the commissioner of employment and economic development, and the
2.10 city and the county governments from which the jobs are being or would be relocated.
2.11 A city or county that objects to the relocation of jobs must file a copy of the resolution
2.12 with the commissioner of employment and economic development and the local unit
2.13 of government.

2.14 (b) If the governing body of the city or county from which the jobs are being
2.15 relocated adopts a resolution objecting to the relocation within 60 days after its receipt of
2.16 the notice, the following rules apply until the requirements of paragraph (c) are satisfied:

2.17 (1) if the business has not entered into a business subsidy agreement, the local unit
2.18 of government may not enter into a business subsidy agreement with the business; or

2.19 (2) if the local unit of government has entered into a business subsidy agreement
2.20 with the business, the business ceases to be a qualified business, effective for the current
2.21 taxable year, the current assessment year, and for taxable purchases made after the first
2.22 day of the month beginning after the filing of the objecting resolution.

2.23 (c) When each city and county that objected to the relocation rescinds its objection
2.24 by resolution, the provisions of paragraph (b) no longer apply to the business.

2.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.