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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **3382**

February 25, 2008

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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 economic development abatements; modifying the maximum
1.3 limitation on abatements; amending Minnesota Statutes 2006, section 469.1813,
1.4 subdivision 8.

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

1.6 Section 1. Minnesota Statutes 2006, section 469.1813, subdivision 8, is amended to
1.7 read:

1.8 Subd. 8. **Limitation on abatements.** In any year, the total amount of property
1.9 taxes abated by a political subdivision under this section may not exceed (1) ten percent
1.10 of the ~~current levy~~ net tax capacity of the political subdivision for the taxes payable year
1.11 to which the abatement applies, or (2) \$200,000, whichever is greater. The limit under
1.12 this subdivision does not apply to:

1.13 (i) an uncollected abatement from a prior year that is added to the abatement levy; or

1.14 (ii) a taxpayer whose real and personal property is subject to valuation under

1.15 Minnesota Rules, chapter 8100.

1.16 **EFFECTIVE DATE.** This section is effective for abatement resolutions approved
1.17 after the day following final enactment.