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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-SIXTH  
SESSION

**HOUSE FILE No. 739**

February 12, 2009

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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; property; exemption for pollution control equipment;  
1.3 amending Minnesota Statutes 2008, section 272.02, subdivision 10.

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

1.5 Section 1. Minnesota Statutes 2008, section 272.02, subdivision 10, is amended to read:

1.6 Subd. 10. **Personal property used for pollution control.** (a) Personal property  
1.7 used primarily for the abatement and control of air, water, or land pollution is exempt  
1.8 to the extent that it is so used, and real property is exempt if it is used primarily for  
1.9 abatement and control of air, water, or land pollution as part of an agricultural operation,  
1.10 as a part of a centralized treatment and recovery facility operating under a permit  
1.11 issued by the Minnesota Pollution Control Agency pursuant to chapters 115 and 116  
1.12 and Minnesota Rules, parts 7001.0500 to 7001.0730, and 7045.0020 to 7045.1260, as a  
1.13 wastewater treatment facility and for the treatment, recovery, and stabilization of metals,  
1.14 oils, chemicals, water, sludges, or inorganic materials from hazardous industrial wastes,  
1.15 or as part of an electric generation system. For purposes of this subdivision, personal  
1.16 property includes ponderous machinery and equipment used in a business or production  
1.17 activity that at common law is considered real property. Property that is part of an electric  
1.18 generation system is exempt under this section only if:

1.19 (1) on or before December 31, 2009, erection, construction, or installation of the  
1.20 property is completed and the property is placed in service; and

1.21 (2) an application is filed under paragraph (b) on or before June 30, 2010.

1.22 (b) Any taxpayer requesting exemption of all or a portion of any real property or any  
1.23 equipment or device, or part thereof, operated primarily for the control or abatement of  
1.24 air, water, or land pollution shall file an application with the commissioner of revenue.

2.1 The Minnesota Pollution Control Agency shall upon request of the commissioner furnish  
2.2 information and advice to the commissioner.

2.3 The information and advice furnished by the Minnesota Pollution Control Agency  
2.4 must include statements as to whether the equipment, device, or real property meets  
2.5 a standard, rule, criteria, guideline, policy, or order of the Minnesota Pollution Control  
2.6 Agency, and whether the equipment, device, or real property is installed or operated  
2.7 in accordance with it. On determining that property qualifies for exemption, the  
2.8 commissioner shall issue an order exempting the property from taxation. The equipment,  
2.9 device, or real property shall continue to be exempt from taxation as long as the order  
2.10 issued by the commissioner remains in effect.

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