State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH SESSION

HOUSE FILE NO. 805

February 16, 2009
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The bill was read for the first time and referred to the Committee on Taxes

A bill for an act

relating to taxation; job opportunity building zones; extending the allowance of tax benefits in certain circumstances; amending Minnesota Statutes 2008, section 469.312, subdivision 5.

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

Section 1. Minnesota Statutes 2008, section 469.312, subdivision 5, is amended to read:

Subd. 5. **Duration limit.** (a) The maximum duration of a zone is 12 years. The applicant may request a shorter duration. The commissioner may specify a shorter duration, regardless of the requested duration.

(b) The duration limit under this subdivision and the duration of the zone for purposes of allowance of tax incentives described in section 469.315 is extended by three calendar years for each parcel of property that meets the following requirements:

(1) the qualified business operates an ethanol plant, as defined in section 41A.09, on the site that includes the parcel; and

(2) the business subsidy agreement was executed after April 30, 2006.

(c) Notwithstanding the 12-year zone limitation, any qualified business that signs a business subsidy agreement, as required under sections 469.310, subdivision 11, and 469.313, before December 31, 2015, is entitled to claim the tax benefits for which it qualifies under section 469.315 for the year in which the business subsidy agreement is signed and ten additional years, if the following requirements are met:

(1) a business closed or ceased its operations during calendar year 2008 or 2009, resulting in the loss of one or more jobs, within the jurisdiction of the local government unit entering the business subsidy agreement; and

(2) the local government designates the qualified business as the replacement for the business that ceased its operations, regardless of whether the qualified business is operating in the same or similar line of business or at the same location. This authority applies only to allow designation of one qualified business as a replacement for a business that closed or ceased operations.

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