

1.1 A bill for an act
1.2 relating to taxation; providing a personal property exemption for an electric
1.3 generation facility; amending Minnesota Statutes 2008, section 272.02, by
1.4 adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2008, section 272.02, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 90. **Electric generation facility; personal property.** Notwithstanding
1.9 subdivision 9, clause (a), attached machinery and other personal property which is part
1.10 of an electric generation facility that exceeds 150 megawatts of installed capacity, does
1.11 not exceed 780 megawatts of summer capacity, and that meets the requirements of this
1.12 subdivision is exempt. At the time of construction, the facility must:

1.13 (1) be designed to utilize natural gas as a primary fuel;

1.14 (2) not be owned by a public utility as defined in section 216B.02, subdivision 4;

1.15 (3) be located within five miles of at least two interstate natural gas pipelines;

1.16 (4) be located within one mile of an existing electrical transmission substation with
1.17 operating alternating current voltages including each of 115 kV, 345kV, and 500 kV;

1.18 (5) be designed to provide electrical capacity, energy, and ancillary services and have
1.19 satisfied all of the requirements under section 216B.243; and

1.20 (6) have executed an interconnection agreement with the Midwest Independent
1.21 System Operator that does not require the acquisition of more than one mile of new
1.22 electric transmission right-of-way within the county where the property is located.

1.23 Construction of the facility must be commenced after March 1, 2010, and before
1.24 March 1, 2014. Property eligible for this exemption does not include electric transmission

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2.1 lines and interconnections or gas pipelines and interconnections appurtenant to the
2.2 property or the facility.

2.3 **EFFECTIVE DATE.** This section is effective for assessment year 2009 and
2.4 thereafter, for taxes payable in 2010 and thereafter.