

23.9 before July 1, 1992, or (2) before July 1, 1998, but for employees retiring after June 30,
23.10 1992, and before July 1, 1998, only if a sunset clause is in effect for the current collective
23.11 bargaining agreement. The total amount of the levy each year may not exceed \$600,000.

23.12 **EFFECTIVE DATE.** This section is effective for taxes payable in 2010 and
23.13 thereafter.

23.14 Sec. 3. Minnesota Statutes 2008, section 144F.01, subdivision 3, is amended to read:

23.15 Subd. 3. **Board.** The special taxing district under this section is governed by a
23.16 board made up initially of representatives of each participating political subdivision in
23.17 the proportions set out in the establishing resolution, subject to change as provided in the
23.18 district's charter, if any, or in the district's bylaws. If a township states in its resolution that
23.19 less than the entire township will participate in the district, the partial townships shall be
23.20 represented on the board by only one member, appointed from among those townships
23.21 so participating. The method for appointment shall be governed by the bylaws of the
23.22 district's joint powers agreement. Each participant's representative serves at the pleasure
23.23 of that participant's governing body or bodies.

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

23.25 Sec. 4. Minnesota Statutes 2008, section 272.02, subdivision 7, is amended to read:

23.26 Subd. 7. **Institutions of public charity.** (a) Institutions of purely public charity that
23.27 are exempt from federal income taxation under section 501(c)(3) of the Internal Revenue
23.28 Code are exempt- if they meet the requirements of this subdivision. In determining
23.29 whether real property is exempt under this subdivision, the following factors must be
23.30 considered:

23.31 (1) whether the stated purpose of the undertaking is to be helpful to others without
23.32 immediate expectation of material reward;

24.1 (2) whether the institution of public charity is supported by material donations, gifts,
24.2 or government grants for services to the public in whole or in part;

24.3 (3) whether a material number of the recipients of the charity receive benefits or
24.4 services at reduced or no cost, or whether the organization provides services to the public
24.5 that alleviate burdens or responsibilities that would otherwise be borne by the government;

24.6 (4) whether the income received, including material gifts and donations, produces a
24.7 profit to the charitable institution that is not distributed to private interests;

24.8 (5) whether the beneficiaries of the charity are restricted or unrestricted, and, if
24.9 restricted, whether the class of persons to whom the charity is made available is one
24.10 having a reasonable relationship to the charitable objectives; and

24.11 (6) whether dividends, in form or substance, or assets upon dissolution, are not
 24.12 available to private interests.

24.13 A charitable organization must satisfy the factors in clauses (1) to (6) for its property
 24.14 to be exempt under this subdivision, unless there is a reasonable justification for failing to
 24.15 meet the factors in clause (2), (3), or (5), and the organization provides to the assessor the
 24.16 factual basis for that justification. If there is reasonable justification for failing to meet
 24.17 the factors in clause (2), (3), or (5), an organization is a purely public charity under this
 24.18 subdivision without meeting those factors. After an exemption is properly granted under
 24.19 this subdivision, it will remain in effect unless there is a material change in facts.

24.20 (b) For purposes of this subdivision, a grant is a written instrument or electronic
 24.21 document defining a legal relationship between a granting agency and a grantee when
 24.22 the principal purpose of the relationship is to transfer cash or something of value to the
 24.23 grantee to support a public purpose authorized by law in a general manner instead of
 24.24 acquiring by professional or technical contract, purchase, lease, or barter property or
 24.25 services for the direct benefit or use of the granting agency.

24.26 (c) In determining whether rental housing property qualifies for exemption under
 24.27 this subdivision, the following are not gifts or donations to the owner of the rental housing:

- 24.28 (1) rent assistance provided by the government to or on behalf of tenants; and
 24.29 (2) financing assistance or tax credits provided by the government to the owner on
 24.30 condition that specific units or a specific quantity of units be set aside for persons or
 24.31 families with certain income characteristics.

24.32 **EFFECTIVE DATE.** This section is effective for taxes payable in 2010 and
 24.33 thereafter.

24.34 Sec. 5. Minnesota Statutes 2008, section 272.02, subdivision 55, is amended to read:

25.1 **Subd. 55. Electric generation facility; personal property.** Notwithstanding
 25.2 subdivision 9, clause (a), attached machinery and other personal property which is part of
 25.3 an electric generating facility that meets the requirements of this subdivision is exempt. At
 25.4 the time of construction, the facility must (i) be eligible to be designated as an innovative
 25.5 energy project as defined in under section 216B.1694, except that, notwithstanding
 25.6 anything to the contrary in section 216B.1694, a project may include gas-fired generating
 25.7 facilities that are adaptable for subsequent incorporation into a facility that uses coal as
 25.8 a primary fuel, provided that this exception applies only to the eligibility for exemption
 25.9 under this section, (ii) be within a tax relief area as defined in section 273.134, (iii) have
 25.10 access to existing railroad infrastructure within less than three miles, (iv) have received by
 25.11 resolution approval from the governing body of the county and township or city in which

66.9 house of representatives and senate tax committees by February 1, 2011. The study shall
66.10 specifically address any complications that arise from the inclusion of the referendum
66.11 market value levy in the fiscal disparities calculations. The report should include any
66.12 recommendations for amendments to Minnesota Statutes, chapter 473F, that would be
66.13 necessary to implement the change.

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

66.15 **Sec. 51. STUDY OF RIPARIAN BUFFER AREAS.**

66.16 The drainage working group, facilitated by the Board of Water and Soil Resources,
66.17 must study the condition of riparian buffer areas across the state, and report on the extent
66.18 to which the buffer areas are being maintained in a natural state, and the extent to which
66.19 the buffer areas are being used in a way that risks environmental damage to public waters.
66.20 The working group must make a report to the chairs and ranking minority members of the
66.21 house of representatives and senate tax committees by March 1, 2010, on the condition of
66.22 buffer areas, along with recommendations, if deemed necessary, for policy options such
66.23 as tax incentives and any other types of incentives that might be necessary to promote
66.24 the preservation of buffer areas.

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

66.26 **Sec. 52. STUDY OF POLLUTION CONTROL EXEMPTION.**

66.27 The commissioner of revenue, in consultation with the commissioner of the
66.28 Pollution Control Agency, must study the process used to determine the eligibility of
66.29 personal property located at an electric generating facility for the property tax exemption
66.30 provided under Minnesota Statutes, section 272.02, subdivision 10. The study must
66.31 include a review of the process used, and must compile information on the location, value,
66.32 and tax impact of the exemptions provided to date, as well as an assessment of the efficacy
66.33 of the equipment in reducing pollution. The results of the study must be presented to the
67.1 chairs and ranking minority members of the committees on taxes of the senate and the
67.2 house of representatives by January 15, 2010.

67.3 **Sec. 53. PURPOSE; COMMISSIONER OF REVENUE GUIDANCE.**

67.4 The purpose of section 4 is not to contract or expand the definition of "institutions
67.5 of purely public charity" but to provide clear standards that can be applied uniformly to
67.6 determine eligibility for exemption from property taxation. To carry out this purpose and
67.7 to promote uniformity in application of the provisions of section 4, the commissioner of
67.8 revenue shall prepare a bulletin providing guidance to assessors as to the commissioner's
67.9 interpretation of section 4. The bulletin may include a discussion of court decisions that

67.10 provide background to and context for the provisions in section 4, as the commissioner
 67.11 deems appropriate. This guidance must include examples of facts or circumstances that
 67.12 satisfy the requirement of "a reasonable justification for failing to meet the factors in clause
 67.13 (2), (3), or (5)" under section 4, paragraph (a). Assessors shall give due consideration to
 67.14 the bulletin in assessing property requesting an exemption as an institution of purely public
 67.15 charity. The commissioner shall distribute the bulletin to all assessors by July 1, 2010.

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

67.17 Sec. 54. **REPEALER.**

67.18 Laws 1993, chapter 375, article 5, section 42, as amended by Laws 2002, chapter
 67.19 377, article 10, section 30, is repealed.

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

67.21

ARTICLE 3

67.22

TRUTH IN TAXATION

67.23 Section 1. Minnesota Statutes 2008, section 123B.10, subdivision 1, is amended to read:

67.24 Subdivision 1. **Budgets; form of notification.** (a) Every board must publish revenue
 67.25 and expenditure budgets for the current year and the actual revenues, expenditures, fund
 67.26 balances for the prior year and projected fund balances for the current year in a form
 67.27 prescribed by the commissioner within one week of the acceptance of the final audit by
 67.28 the board, or November 30, whichever is earlier. The forms prescribed must be designed
 67.29 so that year to year comparisons of revenue, expenditures and fund balances can be made.

67.30 (b) A school board annually must notify the public of its revenue, expenditures, fund
 67.31 balances, and other relevant budget information. The board must ~~include the budget~~
 67.32 ~~information required by this section in the materials provided as a part of its truth in~~
 67.33 ~~taxation hearing;~~ post the materials in a conspicuous place on the district's official Web
 68.1 site, including a link to the district's school report card on the Department of Education's
 68.2 Web site, and publish the information in a qualified newspaper of general circulation
 68.3 in the district.

68.4 **EFFECTIVE DATE.** This section is effective for taxes payable in 2010 and
 68.5 thereafter.

68.6 Sec. 2. Minnesota Statutes 2008, section 275.065, subdivision 1, is amended to read:

68.7 Subdivision 1. **Proposed levy.** (a) Notwithstanding any law or charter to the
 68.8 contrary, on or before September 15, each taxing authority, other than a school district,