

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1691

DATE: April 18, 2005

Version: As introduced

Authors: Westrom and others

Subject: Biomass electric generating facility; extending construction date for personal property exemption and sales tax exemption

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Overview

Extends the date by which construction must begin for an electric generating facility proposed to be built in the City of Benson (Swift County) to receive tax exemptions. It was initially granted a personal property exemption and a sales tax exemption by 2001/2003 legislation. Construction has not yet begun.

Section

- 1** **Biomass generation facility.** Extends the date that construction must begin by two years from December 31, 2003, to December 31, 2005.

A personal property exemption was granted by the 2001 legislature for this plant that was proposed to be built in the City of Benson (Swift County). It was designed to use poultry litter as a primary fuel source and was to be constructed for the purpose of generating power to satisfy a portion of power sold under the Prairie Island biomass mandate under section 216B.2424. Construction was to begin by December 31, 2002. The 2003 legislature amended the construction date to December 31, 2003. This bill provides an additional two years.

Effective for taxes levied in 2005, payable in 2006 and thereafter.

- 2** **Sales tax exemption.** Extends the date to July 1, 2007, for a sales tax exemption on

Section

construction materials and equipment incorporated into the biomass generating facility described in section 1. The 2001 legislature granted a sales tax exemption for the materials, supplies, and equipment incorporated into the construction, improvement, or expansion of this biomass facility. This bill extends the sales tax exemption to July 1, 2007.

Effective the day following final enactment.