

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 2413

**DATE:** April 18, 2005

**Version:** As introduced

**Authors:** Ellison

**Subject:** Electric generating facility; extending construction date for personal property exemption; providing a sales tax exemption

**Analyst:** Karen Baker, 651-296-8959  
Steve Hinze, 651-296-8956  
Pat Dalton, 651-296-7434

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd](http://www.house.mn/hrd).

---

### Overview

Extends the date by which construction must begin for a hydroelectric generating facility proposed to be built in the City of Minneapolis to receive a property tax exemption. It was initially granted a personal property exemption by 2002/2003 legislation. Construction has not yet begun. H.F. 2413 also provides a sales tax exemption for materials and supplies used construction of that same facility.

#### Section

- 1 Hydroelectric generation facility.** Extends the date that construction must begin by two years from January 1, 2005, to January 1, 2007.

A personal property exemption was granted by the 2002 legislature for this plant proposed to be built in the City of Minneapolis. It was a 3.2 megawatt run-of-the-river hydroelectric generation facility. Construction was to begin by January 1, 2004. The 2003 Legislature amended the construction date to January 1, 2005. This bill provides an additional two years to January 1, 2007.

Also deletes the requirement (in current law) that this generating facility be located on publicly owned land.

**Section**

- 2** Effective date needs to be amended since it references sales rather than property taxes.  
**Sales tax exemption.** Provides a sales tax exemption on material and supplies used or consumed in the construction of the hydroelectric generating facility described in section 1. A sales tax exemption had not been granted on this facility in 2002/2003.

Effective for sales made after December 31, 2004, and on or before December 31, 2007.