

Section

a reasonable expectation that it will be used for something other than as a hospital or other health care facility.

Subd. 2. Imposition of tax. Requires the transferor (seller) to pay to the county treasurer before transferring the property, a tax equal to:

- (1) one percent of the lesser of (i) the property's most recent market value (i.e. the value determined for the last 6 year assessment) or (ii) the property's sale price; multiplied by
- (2) the lesser of (i) three or (ii) the number of the immediately preceding property tax payable years the property was exempt.

If the property will become taxable after the transfer, the tax is an amount determined by multiplying the property's most recent market value (i.e. the value determined for the last 6 year assessment of exempt property) by:

- (1) a class rate of 1.5 percent;
- (2) the current year tax rates for all of the taxing districts where the property is located; and
- (3) the lesser of (i) three or (ii) the number of the immediately preceding property tax payable years the property was exempt.

The county auditor and county recorder are prohibited from transferring the land and recording the deed, unless these taxes have been paid.

Subd. 3. Distribution of proceeds. Directs the county treasurer to distribute the tax proceeds to each taxing district in proportion to its share of the total tax rate with the next settlement payment made to the taxing districts.

Effective for transfers of property made after March 1, 2006.