



## Section

of purely public charity in the state and report the findings to the chairs of the House and Senate tax committees by February 1, 2009 .

**Subd . 3. Moratorium on changes in assessment practices.** Prohibits an assessor from changing:

- Current practices or policies used generally in assessing property of institutions of purely public charities.
- Assessment of existing property of an organization of purely public charity unless the change is made as a result of a change in ownership, occupancy, or use of the facility, or, for currently taxable properties, a change in market value of the property.

This subdivision expires on the earlier of:

- (1) enactment of legislation establishing criteria for the property taxation of purely public charities; or
- (2) final adjournment of the 2009 regular legislative session.

Effective the day following final enactment.

**Background:** This bill responds to a December 2007 Minnesota Supreme Court case. *Under the Rainbow Child Care Center, Inc. v. County of Goodhue* 741 N.W.2d 880 ( Minn. 2007). In this case, the court clarified that it was necessary condition of the exemption for institutions of purely public charity that the organization provide its goods or services free or at reduced prices. Prior to this decision, it was unclear whether any of the six factors of the “North Star” test were essential or necessary to qualify for an exemption. Some observers thought that none of the factors was an absolute pre-requisite for exemption, but that each of them was to be considered or weighed in deciding.