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S.F. No. 4115 – Authorizing Property Tax Abatements for Property Held by Land Bank Organizations (as proposed to be amended by the A-1)

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Date: March 12, 2024

SF 4115 authorizes political subdivisions to provide a property tax abatement for property held by a land bank organization. A ‘political subdivision’ is defined as a statutory or home rule charter city, a town, school district, or county.

Section 1. Land bank organization. Defines a land bank organization as an organization that acquires, holds, or manages vacant, blighted, foreclosed, or tax-forfeited property for future development, redevelopment, or disposal. The organization must be: (1) a nonprofit organization exempt from taxation whose governing members are elected or appointed by a unit of government or whose members are elected or appointed officials of a government unit; or (2) a limited liability company of which a nonprofit organization is a sole member. Effective the day following final enactment.

Section 2. Authority. Authorizes a political subdivision to grant a property tax abatement if the property will be used to provide for the development of housing to households at or below 80% AMI or will allow the property to be held by the land bank organization for future development. Effective the day following final enactment.

Section 3. Duration limit. Provides that abatements granted under this proposal shall be limited to a duration of five years. Effective for abatement resolutions approved after the day following final enactment.

Section 4. Repayment. Requires a land bank organization to repay, with interest, any abatement granted under this proposal if the land for which the abatement was granted is used for a purpose other than the purpose given by the organization prior to development. Effective the day following final enactment.