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## **S.F. No. 1027 – Modifying Property Tax Exemption for Certain Airport Property**

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**SF 1027** modifies the property tax exemption for certain airport property. Under current law, exempt airport property that is leased, loaned, or otherwise made available and used by a private individual, association, or corporation in connection with a business conducted for profit the property becomes taxable *unless* the property is *not* owned or operated by the Metropolitan Council or a city with a population over 50,000 and used as a hangar for storage or repair of aircraft.

This proposal expands the exemption to apply to an airport hangar used to manufacture aircraft. In addition, a ten-year 50% net tax capacity reduction is authorized for certain property owned or operated by a city with a population over 50,000 but less than 150,000 and used as a hangar for storage repair, or manufacture of aircraft, or used as a passenger check-in area boarding area, or luggage claim area.

**Effective** beginning with taxes payable in 2026.