MEMORANDUM

TO: Coon Creek Watershed District Board of Managers
   Tim Kelly, Administrator

FROM: Michelle Ulrich, Harold Sheff

RE: Property Tax Exemption for 13632 Van Buren Street NE, Ham Lake, MN

DATE: January 3, 2019

As you are aware the Coon Creek Watershed District (District) on December 21, 2018 acquired the property at 13632 Van Buren Street NE, Ham Lake, MN, to be used for its public office building and principal place of public business. Since the District is a political subdivision of the State of Minnesota and will be using this property exclusively for public purposes, it will be exempt from property taxation under Minnesota Statutes section 272.02 (8) and Article X, Section 1 of the Minnesota Constitution.


Minnesota Statutes section 272.02 (38)(b) addresses when this property will be eligible for exemption. This statutory provision states: “[P]roperty … subject to tax on January 2 that is acquired before July 1 of the year is exempt for that assessment year if the property is to be used for an exempt purpose under subdivision 2 to 8.” Minn. §272.02 (38)(b) (2018) (emphasis added). In this situation the Van Buren property was taxable on the January 2, 2018 assessment date. The District did not acquire the property until December 21, 2018, well after the July 1, 2018 cut-off date. Therefore the pay 2019 taxes based on the January 2, 2018 valuation and assessment date will not be exempt.


Under the above statutory provision, because the District acquired the property on December 21, 2018, and will be using it exclusively for public purposes well before the July 1, 2019 cut-off date, the taxes payable in 2020, based on the January 2, 2019 valuation and assessment date, will be exempt. The property should continue to be considered tax exempt in subsequent years as long as the District as a political subdivision of the State of Minnesota continues to own and use it exclusively for public purposes.


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1 Minnesota Statutes section 272.02 (8) (2018) provides: “All public property exclusively used for any public purposes is exempt.” Article X, Section 1 of the Minnesota Constitution provides in part: “[P]ublic property used exclusively for any public purposes, shall be exempt from taxation.”
As a political subdivision of the State of Minnesota there is no requirement that the District file a statement of exemption with the assessor, but as a matter of courtesy we advise that the District notify the Anoka County Assessor that it has acquired the subject property and as of January 2, 2019 owns and intends to use it exclusively for public purposes as its public office building and principal place of public business. Accordingly the property should be considered tax exempt for pay 2020 taxes. We will contact the Assessor and draft a letter/application for exemption to this effect on the District’s behalf.

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