

MINNESOTA · REVENUE

March 28, 2013

Peggy Trebil
Goodhue County Assessor's Office

Dear Ms. Trebil:

Thank you for submitting your follow up question to the Property Tax Division regarding exempt property. You have provided the following:

If they (municipal golf course) have the 4 ½ acres open for the driving range and contract with Turf Solutions and Management to run it for 5 to 7 months during the 2013 season, will that portion be taxable for pay 2014 (the Red Wing High School golf program asked them to keep the driving range open)? Estimates are \$26,500 to keep open 7 months, \$24,500 to keep open 5 months. The estimated income would be around \$8,000, so this would not be a profitable endeavor.

According to Minnesota statutes 272.02, subdivision 62, “*all property acquired and used by a city is exempt to the extent provided in section 471.191, subdivision 4*” which states that “*any and all properties acquired and used, whether under lease or otherwise, by a city for the purposes authorized and contemplated in this section shall be deemed and are declared to be public property exclusively used for a public purpose and as such exempt from taxation, so long as and to the extent that such property is devoted to said purposes and is not subleased to any private individual, association, or corporation in connection with a business conducted for profit, for a term of three or more years. An agreement whereby a city, as owner or lessee, employs a private individual, association, or corporation to operate facilities for use of the public, for the purposes herein contemplated and subject to regulation by the public owner or lessee, is not a sublease for the purpose of this subdivision.*” [Emphasis added]

Since the property is used for public purposes, is owned by the city and is leased to a private corporation for less than 3 years, this property would still be eligible for property tax exemption.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

KELSEY JORISSEN, State Program Administrator
Information and Education Section
Property Tax Division

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