MN HOUSE RESEARCH

Bill Summary

H.F. 443

As introduced

Subject	Airport property tax exemption
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Date	March 24, 2025

Summary

This bill makes several changes to how certain airport property is taxed. Under current law, when exempt property is leased by a private individual or entity in connection with a business conducted for profit, the property becomes taxable. There are three exceptions to this for certain airport property. First, hangars used for the storage or repair of aircraft at airports owned by local units of government are exempt, provided that the airport is not owned by the Metropolitan Airports Commission or by a city with a population over 50,000. Second, property used as a public pedestrian ramp in connection with a public airport is exempt. Third, the check-in area of a public airport is exempt, provided that the airport is not owned by the Metropolitan Airports Commission or by a city with a population over 50,000 (the check-in area includes the ticket sales counter, boarding area, and luggage claim area).

This bill would extend hangar exemption to those used for the manufacture of aircraft, provided that the airport is not owned by the Metropolitan Airports Commission or by a city with a population over 50,000. This bill also provides for 12 years, a 50 percent reduction in net tax capacity for hangars (including those used for the manufacture of aircraft) and the check-in area of an airport, provided that the property is not owned by the Metropolitan Airports Commission and is located at an airport owned by a city with a population greater than 50,000 but less than 150,000.

Effective date: This bill is effective beginning with property taxes payable in 2026.