

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 4268

(SENATE AUTHORS: TOMASSONI)

DATE
03/11/2020

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5410 Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; property; limiting increases in valuation and taxation for
1.3 homesteads owned by persons age 65 or older; amending Minnesota Statutes 2018,
1.4 sections 273.11, subdivision 5, by adding a subdivision; 276.04, subdivision 2;
1.5 Minnesota Statutes 2019 Supplement, section 273.121, subdivision 1; proposing
1.6 coding for new law in Minnesota Statutes, chapter 273.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2018, section 273.11, subdivision 5, is amended to read:

1.9 Subd. 5. **Boards of review and equalization.** Notwithstanding any other provision of
1.10 law to the contrary, ~~the limitation contained in subdivisions 1 and 1a~~ any limitations on
1.11 valuation in this section shall also apply to the authority of the local board of review as
1.12 provided in section 274.01, the county board of equalization as provided in section 274.13,
1.13 the State Board of Equalization and the commissioner of revenue as provided in sections
1.14 270.11, subdivision 1, 270.12, 270C.92, and 270C.94.

1.15 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2020
1.16 and thereafter.

1.17 Sec. 2. Minnesota Statutes 2018, section 273.11, is amended by adding a subdivision to
1.18 read:

1.19 Subd. 24. **Homesteads of persons age 65 or older; valuation increase limitation.** (a)
1.20 The increase in the estimated market value for class 1 property, as defined in section 273.13,
1.21 subdivision 22, and that portion of class 2a property, as defined in section 273.13, subdivision
1.22 23, consisting of the house, garage, and surrounding one acre of land, shall be limited as
1.23 follows:

2.1 (1) if the property is owned by a person that is 65 years of age but not yet 70 years of
2.2 age, as of the assessment date, and the owner has occupied the property as a homestead for
2.3 at least ten assessment years immediately preceding the year in which the application is
2.4 filed, any increase in the estimated market value may not exceed one percent of the property's
2.5 estimated market value for the preceding year;

2.6 (2) if the property is owned by a person that is 70 years of age but not yet 75 years of
2.7 age, as of the assessment date, and the owner has occupied the property as a homestead for
2.8 at least five assessment years immediately preceding the year in which the application is
2.9 filed, the estimated market value may not exceed the property's estimated market value for
2.10 the preceding year; and

2.11 (3) if the property is owned by a person that is 75 years of age or older as of the
2.12 assessment date, and the property is occupied as a homestead by the owner, the estimated
2.13 market value may not exceed the property's estimated market value for the preceding year.

2.14 (b) In the case of a married couple, both of the spouses must be at least 65 years of age
2.15 regardless of whether the property is titled in the name of one or both spouses, or titled in
2.16 another way that permits the property to have homestead status.

2.17 (c) An owner or owners must apply to the county assessor by July 1 of the assessment
2.18 year for which the valuation limitation under paragraph (a) is first requested. The applicant
2.19 or applicants must provide proof of age as determined by the county assessor. In succeeding
2.20 years, applicants must submit any information the county assessor deems necessary to
2.21 determine continued eligibility under this section.

2.22 (d) The county assessor shall annually inform the public of the availability of the valuation
2.23 increase limitation under this subdivision as part of the notice required under section 273.121.

2.24 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2021
2.25 and thereafter.

2.26 Sec. 3. Minnesota Statutes 2019 Supplement, section 273.121, subdivision 1, is amended
2.27 to read:

2.28 Subdivision 1. **Notice.** Any county assessor or city assessor having the powers of a
2.29 county assessor, valuing or classifying taxable real property shall in each year notify those
2.30 persons whose property is to be included on the assessment roll that year if the person's
2.31 address is known to the assessor, otherwise the occupant of the property. The notice shall
2.32 be in writing and shall be sent by ordinary mail at least ten days before the meeting of the
2.33 local board of appeal and equalization under section 274.01 or the review process established

3.1 under section 274.13, subdivision 1c. Upon written request by the owner of the property,
 3.2 the assessor may send the notice in electronic form or by electronic mail instead of on paper
 3.3 or by ordinary mail. It shall contain: (1) the estimated market value for the current and prior
 3.4 assessment, (2) any value reduction resulting from the limitation under section 273.11,
 3.5 subdivision 24, (3) the qualifying amount of any improvements under section 273.11,
 3.6 subdivision 16, for the current assessment, ~~(3)~~ (4) the market value subject to taxation ~~after~~
 3.7 ~~subtracting the amount of any qualifying improvements~~ for the current assessment, ~~(4)~~ (5)
 3.8 the classification of the property for the current and prior assessment, ~~(5)~~ (6) the assessor's
 3.9 office address, and ~~(6)~~ (7) the dates, places, and times set for the meetings of the local board
 3.10 of appeal and equalization, the review process established under section 274.13, subdivision
 3.11 1c, and the county board of appeal and equalization. If the classification of the property has
 3.12 changed between the current and prior assessments, a specific note to that effect shall be
 3.13 prominently listed on the statement. The commissioner of revenue shall specify the form
 3.14 of the notice. The assessor shall attach to the assessment roll a statement that the notices
 3.15 required by this section have been mailed. Any assessor who is not provided sufficient funds
 3.16 from the assessor's governing body to provide such notices, may make application to the
 3.17 commissioner of revenue to finance such notices. The commissioner of revenue shall conduct
 3.18 an investigation and, if satisfied that the assessor does not have the necessary funds, issue
 3.19 a certification to the commissioner of management and budget of the amount necessary to
 3.20 provide such notices. The commissioner of management and budget shall issue a payment
 3.21 for such amount and shall deduct such amount from any state payment to such county or
 3.22 municipality. The necessary funds to make such payments are hereby appropriated. Failure
 3.23 to receive the notice shall in no way affect the validity of the assessment, the resulting tax,
 3.24 the procedures of any board of review or equalization, or the enforcement of delinquent
 3.25 taxes by statutory means.

3.26 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2021
 3.27 for taxes payable in 2022.

3.28 **Sec. 4. [273.89] HOMESTEAD OF PERSONS AGE 65 OR OLDER; TAX INCREASE**
 3.29 **LIMITED.**

3.30 (a) The net tax payable on class 1 property, as defined in section 273.13, subdivision
 3.31 22, and that portion of class 2a property, as defined in section 273.13, subdivision 23,
 3.32 consisting of the house, garage, and surrounding one acre of land, shall be limited as follows:

3.33 (1) if the property is owned by a person that is 65 years of age but not yet 70 years of
 3.34 age, as of the assessment date, and the owner has occupied the property as a homestead for

4.1 at least ten assessment years immediately preceding the year in which the application is
4.2 filed, any increase in the net taxes payable must not exceed one percent of the property's
4.3 net taxes payable for the preceding year;

4.4 (2) if the property is owned by a person that is 70 years of age but not yet 75 years of
4.5 age, as of the assessment date, and the owner has occupied the property as a homestead for
4.6 at least five assessment years immediately preceding the year in which the application is
4.7 filed, the property's net tax must not exceed the property's net taxes payable for the preceding
4.8 year; and

4.9 (3) if the property is owned by a person that is 75 years of age or older as of the
4.10 assessment date, and the property is occupied as a homestead by the owner, the property's
4.11 net tax must not exceed the property's net taxes payable for the preceding year.

4.12 (b) In the case of a married couple, both of the spouses must be at least 65 years of age
4.13 regardless of whether the property is titled in the name of one or both spouses, or titled in
4.14 another way that permits the property to have homestead status.

4.15 (c) An owner or owners must apply to the county assessor by July 1 of the assessment
4.16 year for which the net tax increase limitation under paragraph (a) is first requested. The
4.17 applicant or applicants must provide proof of age as determined by the county assessor. In
4.18 succeeding years, applicants must submit any information the county assessor deems
4.19 necessary to determine continued eligibility under this section.

4.20 (d) The county assessor shall annually inform the public of the availability of the net
4.21 tax increase limitation under this section as part of the notice required under section 273.121.

4.22 (e) Property that no longer meets the requirements of this section shall be taxed as
4.23 otherwise provided by law.

4.24 (f) The amount of any tax reduction resulting from the application under this section
4.25 shall be allocated among all taxing jurisdictions in proportion to each taxing district's tax
4.26 rate relative to the total tax rate levied against the property.

4.27 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2021
4.28 and thereafter.

4.29 Sec. 5. Minnesota Statutes 2018, section 276.04, subdivision 2, is amended to read:

4.30 Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the printing of
4.31 the tax statements. The commissioner of revenue shall prescribe the form of the property
4.32 tax statement and its contents. The tax statement must not state or imply that property tax

5.1 credits are paid by the state of Minnesota. The statement must contain a tabulated statement
5.2 of the dollar amount due to each taxing authority and the amount of the state tax from the
5.3 parcel of real property for which a particular tax statement is prepared. The dollar amounts
5.4 attributable to the county, the state tax, the voter approved school tax, the other local school
5.5 tax, the township or municipality, and the total of the metropolitan special taxing districts
5.6 as defined in section 275.065, subdivision 3, paragraph (i), must be separately stated. The
5.7 amounts due all other special taxing districts, if any, may be aggregated except that any
5.8 levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin,
5.9 Ramsey, Scott, or Washington under chapter 398A shall be listed on a separate line directly
5.10 under the appropriate county's levy. If the county levy under this paragraph includes an
5.11 amount for a lake improvement district as defined under sections 103B.501 to 103B.581,
5.12 the amount attributable for that purpose must be separately stated from the remaining county
5.13 levy amount. In the case of Ramsey County, if the county levy under this paragraph includes
5.14 an amount for public library service under section 134.07, the amount attributable for that
5.15 purpose may be separated from the remaining county levy amount. The amount of the tax
5.16 on homesteads qualifying under the senior citizens' property tax deferral program under
5.17 chapter 290B is the total amount of property tax before subtraction of the deferred property
5.18 tax amount. The amount of the tax on contamination value imposed under sections 270.91
5.19 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar
5.20 amount of any special assessments, may be rounded to the nearest even whole dollar. For
5.21 purposes of this section whole odd-numbered dollars may be adjusted to the next higher
5.22 even-numbered dollar. The amount of market value excluded under section 273.11,
5.23 subdivision 16, if any, must also be listed on the tax statement.

5.24 (b) The property tax statements for manufactured homes and sectional structures taxed
5.25 as personal property shall contain the same information that is required on the tax statements
5.26 for real property.

5.27 (c) Real and personal property tax statements must contain the following information
5.28 in the order given in this paragraph. The information must contain the current year tax
5.29 information in the right column with the corresponding information for the previous year
5.30 in a column on the left:

5.31 (1) the property's estimated market value under section 273.11, subdivision 1;

5.32 (2) the property's homestead market value exclusion under section 273.13, subdivision
5.33 35, and any reduction due to section 273.11, subdivision 24;

5.34 (3) the property's taxable market value under section 272.03, subdivision 15;

- 6.1 (4) the property's gross tax, before credits;
- 6.2 (5) for agricultural properties, the credits under sections 273.1384 and 273.1387;
- 6.3 (6) any credits received under sections 273.119; 273.1234 or 273.1235; 273.135;
- 6.4 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit
- 6.5 received under section 273.135 must be separately stated and identified as "taconite tax
- 6.6 relief"; ~~and~~
- 6.7 (7) the amount of any tax reduction under section 273.89; and
- 6.8 (8) the net tax payable in the manner required in paragraph (a).
- 6.9 (d) If the county uses envelopes for mailing property tax statements and if the county
- 6.10 agrees, a taxing district may include a notice with the property tax statement notifying
- 6.11 taxpayers when the taxing district will begin its budget deliberations for the current year,
- 6.12 and encouraging taxpayers to attend the hearings. If the county allows notices to be included
- 6.13 in the envelope containing the property tax statement, and if more than one taxing district
- 6.14 relative to a given property decides to include a notice with the tax statement, the county
- 6.15 treasurer or auditor must coordinate the process and may combine the information on a
- 6.16 single announcement.
- 6.17 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2021
- 6.18 for taxes payable in 2022.