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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-SIXTH  
SESSION

**HOUSE FILE No. 1019**

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The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to taxation; property; prohibiting an increase in taxable market value for  
1.3 certain homesteads owned by persons age 65 years or older; amending Minnesota  
1.4 Statutes 2008, sections 273.11, subdivision 5, by adding a subdivision; 273.121,  
1.5 subdivision 1; 276.04, subdivision 2.

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

1.7 Section 1. Minnesota Statutes 2008, section 273.11, subdivision 5, is amended to read:

1.8 Subd. 5. **Boards of review and equalization.** Notwithstanding any other provision  
1.9 of law to the contrary, the limitation contained in subdivisions 1 ~~and~~, 1a, and 24 shall  
1.10 also apply to the authority of the local board of review as provided in section 274.01,  
1.11 the county board of equalization as provided in section 274.13, the State Board of  
1.12 Equalization and the commissioner of revenue as provided in sections 270.11, subdivision  
1.13 1, 270.12, 270C.92, and 270C.94.

1.14 **EFFECTIVE DATE.** This section is effective for assessment year 2009 and  
1.15 thereafter, for taxes payable in 2010 and thereafter.

1.16 Sec. 2. Minnesota Statutes 2008, section 273.11, is amended by adding a subdivision to  
1.17 read:

1.18 Subd. 24. **Certain homesteads of persons age 65 or older; valuation increase**  
1.19 **prohibited.** (a) The taxable market value used for taxes levied in the current year on  
1.20 class 1 property as defined in section 273.13, subdivision 22, and that portion of class 2a  
1.21 property as defined in section 273.13, subdivision 23, consisting of the house, garage, and  
1.22 surrounding one acre of land, may not exceed the property's taxable market value used  
1.23 for taxes levied in the preceding year, provided that in the preceding year the property

2.1 was valued at \$800,000 or less and is currently owned and occupied as a homestead by a  
 2.2 person that will be 65 years of age or older as of December 31 of the year in which the tax  
 2.3 is levied. In the case of a married couple, both of the spouses must be at least 65 years of  
 2.4 age as of December 31 of the year in which the tax is levied regardless of whether the  
 2.5 property is titled in the name of one spouse or both spouses, or titled in another way that  
 2.6 permits the property to have homestead status.

2.7 (b) An owner or owners must apply to the county assessor where the property is  
 2.8 located by August 1 of the levy year for which the valuation freeze under paragraph  
 2.9 (a) is first requested. The applicant or applicants must submit proof of age as required  
 2.10 by the assessor to determine eligibility for the valuation freeze under paragraph (a). In  
 2.11 succeeding years, applicants must submit whatever information the county assessor deems  
 2.12 necessary to determine the homestead status and continued eligibility under this section.

2.13 (c) This subdivision does not apply to any increase in estimated market value  
 2.14 attributable to improvements made to the homestead.

2.15 (d) The county assessor shall annually inform the public of the availability of the  
 2.16 valuation freeze under this subdivision as part of the notice published under section  
 2.17 273.121.

2.18 (e) The valuation freeze granted under this subdivision terminates when one of the  
 2.19 following occurs. The property:

2.20 (1) is sold or transferred;

2.21 (2) loses its homestead classification; or

2.22 (3) no longer qualifies for treatment under this section.

2.23 Upon termination the property shall be assessed for the current levy year as  
 2.24 otherwise provided by law.

2.25 **EFFECTIVE DATE.** This section is effective for assessment year 2009 and  
 2.26 thereafter, for taxes payable in 2010 and thereafter.

2.27 Sec. 3. Minnesota Statutes 2008, section 273.121, subdivision 1, is amended 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  
 2.33 the local board of appeal and equalization under section 274.01 or the review process  
 2.34 established under section 274.13, subdivision 1c. Upon written request by the owner of the  
 2.35 property, the assessor may send the notice in electronic form or by electronic mail instead

3.1 of on paper or by ordinary mail. It shall contain: (1) the market value for the current and  
 3.2 prior assessment, (2) the limited market value under section 273.11, subdivision 1a, for  
 3.3 the current and prior assessment, (3) the qualifying amount of any improvements under  
 3.4 section 273.11, subdivision 16, for the current assessment, (4) the amount of any market  
 3.5 value increase prohibited under section 273.11, subdivision 24, (5) the market value  
 3.6 subject to taxation after subtracting the amount of any qualifying improvements under  
 3.7 clause (3) or any valuation freeze amount under clause (4) for the current assessment,  
 3.8 ~~(5)~~ (6) the classification of the property for the current and prior assessment, ~~(6)~~ (7) a  
 3.9 note that if the property is homestead and at least 45 years old, improvements made to  
 3.10 the property may be eligible for a valuation exclusion under section 273.11, subdivision  
 3.11 16, ~~(7)~~ (8) the assessor's office address, and ~~(8)~~ (9) the dates, places, and times set for the  
 3.12 meetings of the local board of appeal and equalization, the review process established  
 3.13 under section 274.13, subdivision 1c, and the county board of appeal and equalization.  
 3.14 The commissioner of revenue shall specify the form of the notice. The assessor shall  
 3.15 attach to the assessment roll a statement that the notices required by this section have been  
 3.16 mailed. Any assessor who is not provided sufficient funds from the assessor's governing  
 3.17 body to provide such notices, may make application to the commissioner of revenue  
 3.18 to finance such notices. The commissioner of revenue shall conduct an investigation  
 3.19 and, if satisfied that the assessor does not have the necessary funds, issue a certification  
 3.20 to the commissioner of finance of the amount necessary to provide such notices. The  
 3.21 commissioner of finance shall issue a warrant for such amount and shall deduct such  
 3.22 amount from any state payment to such county or municipality. The necessary funds to  
 3.23 make such payments are hereby appropriated. Failure to receive the notice shall in no way  
 3.24 affect the validity of the assessment, the resulting tax, the procedures of any board of  
 3.25 review or equalization, or the enforcement of delinquent taxes by statutory means.

3.26 **EFFECTIVE DATE.** This section is effective for valuation notices beginning  
 3.27 with the 2010 assessment.

3.28 Sec. 4. Minnesota Statutes 2008, section 276.04, subdivision 2, is amended to read:

3.29 Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the  
 3.30 printing of the tax statements. The commissioner of revenue shall prescribe the form  
 3.31 of the property tax statement and its contents. The statement must contain a tabulated  
 3.32 statement of the dollar amount due to each taxing authority and the amount of the state  
 3.33 tax from the parcel of real property for which a particular tax statement is prepared. The  
 3.34 dollar amounts attributable to the county, the state tax, the voter approved school tax, the  
 3.35 other local school tax, the township or municipality, and the total of the metropolitan

4.1 special taxing districts as defined in section 275.065, subdivision 3, paragraph (i), must  
4.2 be separately stated. The amounts due all other special taxing districts, if any, may be  
4.3 aggregated except that any levies made by the regional rail authorities in the county of  
4.4 Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A  
4.5 shall be listed on a separate line directly under the appropriate county's levy. If the county  
4.6 levy under this paragraph includes an amount for a lake improvement district as defined  
4.7 under sections 103B.501 to 103B.581, the amount attributable for that purpose must be  
4.8 separately stated from the remaining county levy amount. In the case of Ramsey County,  
4.9 if the county levy under this paragraph includes an amount for public library service  
4.10 under section 134.07, the amount attributable for that purpose may be separated from the  
4.11 remaining county levy amount. The amount of the tax on homesteads qualifying under the  
4.12 senior citizens' property tax deferral program under chapter 290B is the total amount of  
4.13 property tax before subtraction of the deferred property tax amount. The amount of the  
4.14 tax on contamination value imposed under sections 270.91 to 270.98, if any, must also  
4.15 be separately stated. The dollar amounts, including the dollar amount of any special  
4.16 assessments, may be rounded to the nearest even whole dollar. For purposes of this section  
4.17 whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar.  
4.18 The amount of market value excluded under section 273.11, subdivision 16, if any, must  
4.19 also be listed on the tax statement.

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

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

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

4.28 (2) the property's taxable market value after reductions under section 273.11,  
4.29 subdivisions 1a ~~and~~, 16, and 24;

4.30 (3) the property's gross tax, before credits;

4.31 (4) for homestead residential and agricultural properties, the credits under section  
4.32 273.1384;

4.33 (5) any credits received under sections 273.119; 273.1234 or 273.1235; 273.135;  
4.34 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of  
4.35 credit received under section 273.135 must be separately stated and identified as "taconite  
4.36 tax relief"; and

5.1 (6) the net tax payable in the manner required in paragraph (a).

5.2 (d) If the county uses envelopes for mailing property tax statements and if the county  
5.3 agrees, a taxing district may include a notice with the property tax statement notifying  
5.4 taxpayers when the taxing district will begin its budget deliberations for the current  
5.5 year, and encouraging taxpayers to attend the hearings. If the county allows notices to  
5.6 be included in the envelope containing the property tax statement, and if more than  
5.7 one taxing district relative to a given property decides to include a notice with the tax  
5.8 statement, the county treasurer or auditor must coordinate the process and may combine  
5.9 the information on a single announcement.

5.10 **EFFECTIVE DATE.** This section is effective for property tax statements for taxes  
5.11 payable in 2010 and thereafter.