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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1921

03/04/2021 Authored by Gomez, Agbaje, Davnie, Hassan, Lee and others
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; property tax relief for properties damaged by fire or
1.3 vandalism.

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

1.5 Section 1. PROPERTY TAX RELIEF FOR PROPERTIES DAMAGED BY FIRE
1.6 OR VANDALISM.

1.7 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
1.8 the meanings given.

1.9 (b) "Damage amount" means the difference between: (1) a property's estimated market
1.10 value as determined on January 2, 2020; and (2) the property's estimated market value as
1.11 determined under subdivision 4.

1.12 (c) "Qualifying property" means a property that:

1.13 (1) is located in the area included in the peacetime emergency declared in Executive
1.14 Order 20-64;

1.15 (2) was damaged or destroyed due to the unrest in the cities of Minneapolis and St. Paul
1.16 and surrounding communities after May 24, 2020, and before June 16, 2020;

1.17 (3) has a damage amount equal to at least 25 percent of the property's estimated market
1.18 value, excluding the value of the land, as determined on January 2, 2020; and

1.19 (4) has not received abatements or credits under Minnesota Statutes, sections 273.1231
1.20 to 273.1235, for a disaster or emergency that occurred in 2020.

2.1 (d) "Utility property" means property appraised and classified for tax purposes by order
2.2 of the commissioner of revenue under Minnesota Statutes, sections 273.33 to 273.3711.

2.3 Subd. 2. **Application.** The owner of a property that is not a utility property must apply
2.4 to the county board and county or local assessor by, in a manner prescribed by the
2.5 assessor, in order to be eligible for an abatement under subdivision 3. The owner of a utility
2.6 property must apply to the commissioner of revenue by, in a manner prescribed by the
2.7 commissioner, in order to be eligible for an abatement under subdivision 3.

2.8 Subd. 3. **Abatements.** (a) Notwithstanding Minnesota Statutes, sections 270C.86 and
2.9 375.192, the county board and commissioner of revenue must grant abatements in the
2.10 amounts provided in paragraphs (b) and (c) for qualifying properties that submitted an
2.11 application under subdivision 2.

2.12 (b) For a qualifying property with a damage amount equal to less than 50 percent of the
2.13 property's estimated market value, excluding the value of the land, as determined on January
2.14 2, 2020, the abatement amount is equal to 50 percent of the net property tax due on the
2.15 property in 2020.

2.16 (c) For a qualifying property with a damage amount equal to at least 50 percent of the
2.17 property's estimated market value, excluding the value of the land, as determined on January
2.18 2, 2020, the abatement amount is equal to 100 percent of the net property tax due on the
2.19 property in 2020.

2.20 (d) If application is made after payment of all or a portion of the taxes being abated, the
2.21 portion of the abatement already paid must be refunded to the taxpayer by the county
2.22 treasurer as soon as practicable.

2.23 Subd. 4. **Reassessments required.** For the purposes of this section, the county or local
2.24 assessor must reassess all damaged property for which an application is submitted under
2.25 subdivision 2, except that the commissioner of revenue must reassess all utility property
2.26 for which an application is submitted under subdivision 2.

2.27 Subd. 5. **Valuation increase prohibited.** (a) The estimated market value for qualifying
2.28 properties that receive an abatement under subdivision 3 must not exceed the property's
2.29 estimated market value as determined under subdivision 4 until assessment year 2025,
2.30 provided that the property retains the same ownership it had as of May 25, 2020.

2.31 (b) Owners of property meeting the requirements of this subdivision must submit any
2.32 information the county or local assessor or commissioner of revenue deems necessary to

3.1 determine continued eligibility under this subdivision by December 15 of each year prior
3.2 to the assessment year for which the property qualifies under paragraph (a).

3.3 Subd. 6. **Reimbursement and appropriation.** (a) The county auditor must certify the
3.4 abatements granted under this section to the commissioner of revenue for reimbursement
3.5 to each taxing jurisdiction in which qualifying property is located. The commissioner must
3.6 make the payments to the taxing jurisdictions containing qualifying property, other than
3.7 school districts and the state, at the time distributions are made under Minnesota Statutes,
3.8 section 473H.10, subdivision 3. Reimbursements to school districts must be made as provided
3.9 in Minnesota Statutes, section 273.1392. No reimbursement is to be paid to the state treasury.

3.10 (b) An amount necessary to make payments required by this section is appropriated to
3.11 the commissioner of revenue from the general fund in fiscal year 2021.

3.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.