

HOUSE RESEARCH

Bill Summary

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Authors: Dorman and others

Subject: Extends the eligibility to receive agricultural homestead classification

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Overview

This bill extends the eligibility for agricultural homestead classification to the owner or the owner's spouse if it is actively farmed by the brother or sister of the owner or the owner's spouse. Effective for the 2006 assessment, payable in 2007 and thereafter.

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- 1 Special agricultural homestead.** Extends the homestead classification to the owner of the agricultural property if it is actively farmed by the brother or sister of the owner or the owner's spouse, and the other factors listed in the following paragraph are also applicable.

Under current law, this special agricultural homestead qualification is extended to the son or daughter of the owner or the owner's spouse, or the grandson or the granddaughter of the owner or the owner's spouse, provided that: (1) they are actively farming the agricultural property; (2) both the owner of the agricultural property and the person who is actively farming the property are Minnesota residents; (3) neither the owner nor the spouse of the owner claims another agricultural homestead; and (4) neither the owner nor the person actively farming the property lives farther than four townships or cities, or a combination of four townships or cities from the agricultural property.

The "special agricultural homestead" was enacted to allow an owner to move off the farm, provided that they either actively farm it themselves, or have their son, daughter, grandson,

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or granddaughter actively farm it (without requiring the relative to live there either; they can continue to live on their own farm). It allows the son, for example, to farm his own farm and receive homestead on it, as well as farm his father's farm and qualify it as the father's homestead (the other criteria also had to be met). This bill extends the circle of relatives that can actively farm to retain homestead status to brothers and sisters of the owner or the owner's spouse.

Effective for assessment year 2006, payable in 2007 and thereafter.