

1.1 **ARTICLE ...**

1.2 **PROPERTY TAXES**

1.3 Section 1. Minnesota Statutes 2020, section 123B.595, subdivision 3, is amended to read:

1.4 Subd. 3. **Intermediate districts and other cooperative units.** (a) Upon approval through  
 1.5 the adoption of a resolution by each member district school board of an intermediate district  
 1.6 or other cooperative ~~units~~ unit under section 123A.24, subdivision 2, or a joint powers  
 1.7 district under section 471.59, and the approval of the commissioner of education, a school  
 1.8 district may include in its authority under this section a proportionate share of the long-term  
 1.9 maintenance costs of the intermediate district ~~or~~ cooperative unit, or joint powers district.  
 1.10 The cooperative unit or joint powers district may issue bonds to finance the project costs  
 1.11 or levy for the costs; using long-term maintenance revenue transferred from member districts  
 1.12 to make debt service payments or pay project costs or, for leased facilities, pay the portion  
 1.13 of lease costs attributable to the amortized cost of long-term facilities maintenance projects  
 1.14 completed by the landlord. Authority under this subdivision is in addition to the authority  
 1.15 for individual district projects under subdivision 1.

1.16 (b) The resolution adopted under paragraph (a) may specify which member districts will  
 1.17 share the project costs under this subdivision, except that debt service payments for bonds  
 1.18 issued by a cooperative unit or joint powers district to finance long-term maintenance project  
 1.19 costs must be the responsibility of all member districts.

1.20 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2024 and later.

1.21 Sec. 2. Minnesota Statutes 2021 Supplement, section 126C.10, subdivision 2e, is amended  
 1.22 to read:

1.23 Subd. 2e. **Local optional revenue.** (a) For fiscal year 2021 and later, local optional  
 1.24 revenue for a school district equals the sum of the district's first tier local optional revenue  
 1.25 and second tier local optional revenue. A district's first tier local optional revenue equals  
 1.26 \$300 times the adjusted pupil units of the district for that school year. A district's second  
 1.27 tier local optional revenue equals \$424 times the adjusted pupil units of the district for that  
 1.28 school year.

1.29 (b) For fiscal year 2021 and later, a district's local optional levy equals the sum of the  
 1.30 first tier local optional levy and the second tier local optional levy.

1.31 (c) For fiscal years 2022 and 2023, a district's first tier local optional levy equals the  
 1.32 district's first tier local optional revenue times the lesser of one or the ratio of the district's  
 1.33 referendum market value per resident pupil unit to \$880,000. For fiscal year 2024 and later,

2.1 a district's first tier local optional levy equals the district's first tier local optional revenue  
 2.2 times the lesser of one or the ratio of the district's referendum market value per resident  
 2.3 pupil unit to 154.79 percent of the local optional revenue equalizing factor defined in  
 2.4 paragraph (d).

2.5 (d) A district's local optional revenue equalizing factor equals the quotient derived by  
 2.6 dividing the referendum market value of all school districts in the state for the year before  
 2.7 the year the levy is certified by the total number of resident pupil units in all school districts  
 2.8 in the state in the year before the year the levy is certified.

2.9 ~~(d)~~ (e) For fiscal year 2022, a district's second tier local optional levy equals the district's  
 2.10 second tier local optional revenue times the lesser of one or the ratio of the district's  
 2.11 referendum market value per resident pupil unit to \$510,000. For fiscal year 2023, a district's  
 2.12 second tier local optional levy equals the district's second tier local optional revenue times  
 2.13 the lesser of one or the ratio of the district's referendum market value per resident pupil unit  
 2.14 to \$548,842. For fiscal year 2024 and later, a district's second tier local optional levy equals  
 2.15 the district's second tier local optional revenue times the lesser of one or the ratio of the  
 2.16 district's referendum market value per resident pupil unit to \$510,000.

2.17 ~~(e)~~ (f) The local optional levy must be spread on referendum market value. A district  
 2.18 may levy less than the permitted amount.

2.19 ~~(f)~~ (g) A district's local optional aid equals its local optional revenue minus its local  
 2.20 optional levy. If a district's actual levy for first or second tier local optional revenue is less  
 2.21 than its maximum levy limit for that tier, its aid must be proportionately reduced.

2.22 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2024 and later.

2.23 Sec. 3. Minnesota Statutes 2020, section 126C.40, subdivision 1, is amended to read:

2.24 Subdivision 1. **To lease building or land.** (a) When an independent or a special school  
 2.25 district or a group of independent or special school districts finds it economically  
 2.26 advantageous to rent or lease a building or land for any instructional purposes or for school  
 2.27 storage or furniture repair, and it determines that the operating capital revenue authorized  
 2.28 under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the  
 2.29 commissioner for permission to make an additional capital expenditure levy for this purpose.  
 2.30 An application for permission to levy under this subdivision must contain financial  
 2.31 justification for the proposed levy, the terms and conditions of the proposed lease, and a  
 2.32 description of the space to be leased and its proposed use.

3.1 (b) The criteria for approval of applications to levy under this subdivision must include:  
3.2 the reasonableness of the price, the appropriateness of the space to the proposed activity,  
3.3 the feasibility of transporting pupils to the leased building or land, conformity of the lease  
3.4 to the laws and rules of the state of Minnesota, and the appropriateness of the proposed  
3.5 lease to the space needs and the financial condition of the district. The commissioner must  
3.6 not authorize a levy under this subdivision in an amount greater than the cost to the district  
3.7 of renting or leasing a building or land for approved purposes. The proceeds of this levy  
3.8 must not be used for custodial or other maintenance services. A district may not levy under  
3.9 this subdivision for the purpose of leasing or renting a district-owned building or site to  
3.10 itself.

3.11 (c) For agreements finalized after July 1, 1997, a district may not levy under this  
3.12 subdivision for the purpose of leasing: (1) a newly constructed building used primarily for  
3.13 regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed  
3.14 building addition or additions used primarily for regular kindergarten, elementary, or  
3.15 secondary instruction that contains more than 20 percent of the square footage of the  
3.16 previously existing building.

3.17 (d) Notwithstanding paragraph (b), a district may levy under this subdivision for the  
3.18 purpose of leasing or renting a district-owned building or site to itself only if the amount is  
3.19 needed by the district to make payments required by a lease purchase agreement, installment  
3.20 purchase agreement, or other deferred payments agreement authorized by law, and the levy  
3.21 meets the requirements of paragraph (c). A levy authorized for a district by the commissioner  
3.22 under this paragraph may be in the amount needed by the district to make payments required  
3.23 by a lease purchase agreement, installment purchase agreement, or other deferred payments  
3.24 agreement authorized by law, provided that any agreement include a provision giving the  
3.25 school districts the right to terminate the agreement annually without penalty.

3.26 (e) The total levy under this subdivision for a district for any year must not exceed \$212  
3.27 times the adjusted pupil units for the fiscal year to which the levy is attributable.

3.28 (f) For agreements for which a review and comment have been submitted to the  
3.29 Department of Education after April 1, 1998, the term "instructional purpose" as used in  
3.30 this subdivision excludes expenditures on stadiums.

3.31 (g) The commissioner of education may authorize a school district to exceed the limit  
3.32 in paragraph (e) if the school district petitions the commissioner for approval. The  
3.33 commissioner shall grant approval to a school district to exceed the limit in paragraph (e)  
3.34 for not more than five years if the district meets the following criteria:

4.1 (1) the school district has been experiencing pupil enrollment growth in the preceding  
4.2 five years;

4.3 (2) the purpose of the increased levy is in the long-term public interest;

4.4 (3) the purpose of the increased levy promotes colocation of government services; and

4.5 (4) the purpose of the increased levy is in the long-term interest of the district by avoiding  
4.6 over construction of school facilities.

4.7 (h) A school district that is a member of an intermediate school district or other  
4.8 cooperative unit under section 123A.24, subdivision 2, or a joint powers district under  
4.9 section 471.59 may include in its authority under this section the costs associated with leases  
4.10 of administrative and classroom space for ~~intermediate school district~~ programs of the  
4.11 intermediate school district or other cooperative unit under section 123A.24, subdivision  
4.12 2, or joint powers district under section 471.59. This authority must not exceed \$65 times  
4.13 the adjusted pupil units of the member districts. This authority is in addition to any other  
4.14 authority authorized under this section. The intermediate school district, other cooperative  
4.15 unit, or joint powers district may specify which member districts will levy for lease costs  
4.16 under this paragraph.

4.17 (i) In addition to the allowable capital levies in paragraph (a), for taxes payable in 2012  
4.18 to 2023, a district that is a member of the "Technology and Information Education Systems"  
4.19 data processing joint board, that finds it economically advantageous to enter into a lease  
4.20 agreement to finance improvements to a building and land for a group of school districts  
4.21 or special school districts for staff development purposes, may levy for its portion of lease  
4.22 costs attributed to the district within the total levy limit in paragraph (e). The total levy  
4.23 authority under this paragraph shall not exceed \$632,000.

4.24 (j) Notwithstanding paragraph (a), a district may levy under this subdivision for the  
4.25 purpose of leasing administrative space if the district can demonstrate to the satisfaction of  
4.26 the commissioner that the lease cost for the administrative space is no greater than the lease  
4.27 cost for instructional space that the district would otherwise lease. The commissioner must  
4.28 deny this levy authority unless the district passes a resolution stating its intent to lease  
4.29 instructional space under this section if the commissioner does not grant authority under  
4.30 this paragraph. The resolution must also certify that the lease cost for administrative space  
4.31 under this paragraph is no greater than the lease cost for the district's proposed instructional  
4.32 lease.

4.33 (k) Notwithstanding paragraph (a), a district may levy under this subdivision for the  
4.34 district's proportionate share of deferred maintenance expenditures for a district-owned

5.1 building or site leased to a cooperative unit under section 123A.24, subdivision 2, or a joint  
 5.2 powers district under section 471.59 for any instructional purposes or for school storage.

5.3 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2024 and later.

5.4 Sec. 4. Minnesota Statutes 2020, section 272.01, subdivision 2, is amended to read:

5.5 Subd. 2. **Exempt property used by private entity for profit.** (a) When any real or  
 5.6 personal property which is exempt from ad valorem taxes, and taxes in lieu thereof, is leased,  
 5.7 loaned, or otherwise made available and used by a private individual, association, or  
 5.8 corporation in connection with a business conducted for profit, there shall be imposed a  
 5.9 tax, for the privilege of so using or possessing such real or personal property, in the same  
 5.10 amount and to the same extent as though the lessee or user was the owner of such property.

5.11 (b) The tax imposed by this subdivision shall not apply to:

5.12 (1) property leased or used as a concession in or relative to the use in whole or part of  
 5.13 a public park, market, fairgrounds, port authority, economic development authority  
 5.14 established under chapter 469, municipal auditorium, municipal parking facility, municipal  
 5.15 museum, or municipal stadium;

5.16 (2) except as provided in paragraph (c), property of an airport owned by a city, town,  
 5.17 county, or group thereof which is:

5.18 (i) leased to or used by any person or entity including a fixed base operator; and

5.19 (ii) used as a hangar for the storage ~~or~~, repair, or manufacture of aircraft or to provide  
 5.20 aviation goods, services, or facilities to the airport or general public;

5.21 ~~the exception from taxation provided in this clause does not apply to:~~

5.22 ~~(i) property located at an airport owned or operated by the Metropolitan Airports~~  
 5.23 ~~Commission or by a city of over 50,000 population according to the most recent federal~~  
 5.24 ~~census or such a city's airport authority; or~~

5.25 ~~(ii) hangars leased by a private individual, association, or corporation in connection with~~  
 5.26 ~~a business conducted for profit other than an aviation-related business;~~

5.27 (3) property constituting or used as a public pedestrian ramp or concourse in connection  
 5.28 with a public airport;

5.29 (4) except as provided in paragraph (d), property constituting or used as a passenger  
 5.30 check-in area or ticket sale counter, boarding area, or luggage claim area in connection with  
 5.31 a public airport ~~but not the airports owned or operated by the Metropolitan Airports~~

6.1 ~~Commission or cities of over 50,000 population or an airport authority therein. Real estate~~  
6.2 ~~owned by a municipality in connection with the operation of a public airport and leased or~~  
6.3 ~~used for agricultural purposes is not exempt;~~

6.4 (5) property leased, loaned, or otherwise made available to a private individual,  
6.5 corporation, or association under a cooperative farming agreement made pursuant to section  
6.6 97A.135; or

6.7 (6) property leased, loaned, or otherwise made available to a private individual,  
6.8 corporation, or association under section 272.68, subdivision 4.

6.9 (c) The exception from taxation provided in paragraph (b), clause (2), does not apply  
6.10 to:

6.11 (1) property located at an airport owned or operated by:

6.12 (i) the Metropolitan Airports Commission; or

6.13 (ii) a city of over 50,000 population according to the most recent federal census or such  
6.14 a city's airport authority, except that, when calculating the tax imposed by this subdivision  
6.15 for property taxes payable in 2023 through 2030, the net tax capacity of such property is  
6.16 reduced by 50 percent if it is owned or operated by a city over 50,000 but under 150,000  
6.17 in population according to the most recent federal census or such a city's airport authority;  
6.18 or

6.19 (2) hangars leased by a private individual, association, or corporation in connection with  
6.20 a business conducted for profit other than an aviation-related business.

6.21 (d) The exception from taxation provided in paragraph (b), clause (4), does not apply  
6.22 to:

6.23 (1) the property described in paragraph (b), clause (4), at airports that are owned or  
6.24 operated by:

6.25 (i) the Metropolitan Airports Commission; or

6.26 (ii) a city of over 50,000 population or an airport authority therein, except that, when  
6.27 calculating the tax imposed by this subdivision for property taxes payable in 2023 through  
6.28 2030, the net tax capacity of such property is reduced by 50 percent if it is owned or operated  
6.29 by a city over 50,000 but under 150,000 in population according to the most recent federal  
6.30 census or such a city's airport authority; or

6.31 (2) real estate owned by a municipality in connection with the operation of a public  
6.32 airport and leased or used for agricultural purposes.

7.1 ~~(e)~~ (e) Taxes imposed by this subdivision are payable as in the case of personal property  
 7.2 taxes and shall be assessed to the lessees or users of real or personal property in the same  
 7.3 manner as taxes assessed to owners of real or personal property, except that such taxes shall  
 7.4 not become a lien against the property. When due, the taxes shall constitute a debt due from  
 7.5 the lessee or user to the state, township, city, county, and school district for which the taxes  
 7.6 were assessed and shall be collected in the same manner as personal property taxes. If  
 7.7 property subject to the tax imposed by this subdivision is leased or used jointly by two or  
 7.8 more persons, each lessee or user shall be jointly and severally liable for payment of the  
 7.9 tax.

7.10 ~~(d)~~ (f) The tax on real property of the federal government, the state or any of its political  
 7.11 subdivisions that is leased, loaned, or otherwise made available to a private individual,  
 7.12 association, or corporation and becomes taxable under this subdivision or other provision  
 7.13 of law must be assessed and collected as a personal property assessment. The taxes do not  
 7.14 become a lien against the real property.

7.15 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
 7.16 in 2023.

7.17 Sec. 5. Minnesota Statutes 2020, section 272.02, subdivision 98, is amended to read:

7.18 Subd. 98. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

7.19 (1) was classified as 3a under section 273.13, subdivision 24, for taxes payable in 2013;

7.20 (2) is located in a city of the first class with a population greater than 300,000 as of the  
 7.21 2010 federal census;

7.22 (3) was on January 2, 2012, and is for the current assessment owned by a federally  
 7.23 recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota;  
 7.24 and

7.25 (4) is used exclusively for tribal purposes or institutions of purely public charity as  
 7.26 defined in subdivision 7.

7.27 (b) For purposes of this subdivision, a "tribal purpose" means a public purpose as defined  
 7.28 in subdivision 8 and includes noncommercial tribal government activities. Property that  
 7.29 qualifies for the exemption under this subdivision is limited to no more than two contiguous  
 7.30 parcels and structures that do not exceed in the aggregate 20,000 square feet. Property  
 7.31 acquired for single-family housing, market-rate apartments, agriculture, or forestry does  
 7.32 not qualify for this exemption. The exemption created by this subdivision expires with taxes  
 7.33 payable in ~~2024~~ 2032.

8.1 (c) Property exempt under this section is exempt from the requirements of section  
8.2 272.025.

8.3 (d) By September 1, 2022, property taxes paid on property exempt under this section  
8.4 for taxes payable in 2022 shall be refunded by the county, except that refunds of any state  
8.5 general tax paid shall be refunded by the commissioner of revenue. The county may collect  
8.6 from other local taxing jurisdictions the amount of property taxes paid and remitted to the  
8.7 jurisdiction that is to be refunded under this paragraph.

8.8 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2022.

8.9 Sec. 6. Minnesota Statutes 2020, section 272.02, is amended by adding a subdivision to  
8.10 read:

8.11 Subd. 105. **Elderly living facility.** (a) An elderly living facility is exempt from taxation  
8.12 if it meets all of the following requirements:

8.13 (1) the facility is located in a city of the first class with a population of fewer than  
8.14 110,000;

8.15 (2) the facility is owned and operated by a nonprofit organization organized under section  
8.16 501(c)(3) of the Internal Revenue Code;

8.17 (3) construction of the facility was completed between January 1, 1963, and January 1,  
8.18 1964;

8.19 (4) the facility is an assisted living facility licensed by the state of Minnesota;

8.20 (5) residents of the facility must be (i) at least 55 years of age, or (ii) disabled; and

8.21 (6) at least 30 percent of the units in the facility are occupied by persons whose annual  
8.22 income does not exceed 50 percent of the median family income for the area.

8.23 (b) The exemption created by this subdivision expires with taxes payable in 2030.

8.24 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023  
8.25 and thereafter.

8.26 Sec. 7. Minnesota Statutes 2020, section 272.02, is amended by adding a subdivision to  
8.27 read:

8.28 Subd. 106. **Energy storage systems.** (a) Personal property consisting of an energy  
8.29 storage system is exempt. For the purposes of this subdivision, "energy storage system" has  
8.30 the meaning given in section 216B.2422, subdivision 1, paragraph (f).



9.1 (b) A taxpayer requesting an exemption under this subdivision must file an application  
9.2 with the commissioner of revenue. The commissioner shall prescribe the content, format,  
9.3 and manner of the application pursuant to section 270C.30, except that a "law administered  
9.4 by the commissioner" includes the property tax laws. In determining eligibility for the  
9.5 exemption under this section, the commissioner of revenue may request information and  
9.6 advice from the commissioner of commerce. On determining that property qualifies for  
9.7 exemption, the commissioner of revenue shall issue an order exempting the property from  
9.8 taxation. The commissioner of revenue shall develop an electronic means to notify interested  
9.9 parties when the commissioner has issued an order exempting property from taxation under  
9.10 this section. The energy storage system shall continue to be exempt from taxation as long  
9.11 as the order issued by the commissioner of revenue remains in effect.

9.12 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

9.13 Sec. 8. Minnesota Statutes 2020, section 272.025, subdivision 1, is amended to read:

9.14 Subdivision 1. **Statement of exemption.** (a) Except in the case of property owned by  
9.15 the state of Minnesota or any political subdivision thereof, a taxpayer claiming an exemption  
9.16 from taxation on property described in section 272.02 must file a statement of exemption  
9.17 with the assessor of the assessment district in which the property is located. By January 2,  
9.18 2018, and each third year thereafter, the commissioner of revenue shall publish on its website  
9.19 a list of the exemptions for which a taxpayer claiming an exemption must file a statement  
9.20 of exemption. The commissioner's requirement that a taxpayer file a statement of exemption  
9.21 pursuant to this subdivision shall not be considered a rule and is not subject to the  
9.22 Administrative Procedure Act, chapter 14.

9.23 (b) A taxpayer claiming an exemption from taxation on property described in section  
9.24 272.02, ~~subdivision~~ subdivisions 10 and 106, must file a statement of exemption with the  
9.25 commissioner of revenue, on or before February 15 of each year for which the taxpayer  
9.26 claims an exemption.

9.27 (c) In case of sickness, absence or other disability or for good cause, the assessor or the  
9.28 commissioner may extend the time for filing the statement of exemption for a period not to  
9.29 exceed 60 days.

9.30 (d) The commissioner of revenue shall prescribe the content, format, and manner of the  
9.31 statement of exemption pursuant to section 270C.30, except that a "law administered by  
9.32 the commissioner" includes the property tax laws.

10.1 (e) If a statement is made by electronic means, the taxpayer's signature is defined pursuant  
10.2 to section 270C.304, except that a "law administered by the commissioner" includes the  
10.3 property tax laws.

10.4 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023  
10.5 and thereafter.

10.6 Sec. 9. Minnesota Statutes 2021 Supplement, section 272.0295, subdivision 2, is amended  
10.7 to read:

10.8 Subd. 2. **Definitions.** (a) For the purposes of this section, the term "solar energy  
10.9 generating system" means a set of devices whose primary purpose is to produce electricity  
10.10 by means of any combination of collecting, transferring, or converting solar generated  
10.11 energy.

10.12 (b) The total size of a solar energy generating system under this subdivision shall be  
10.13 determined according to this paragraph. Unless the systems are interconnected with different  
10.14 distribution systems, the nameplate capacity of a solar energy generating system shall be  
10.15 combined with the nameplate capacity of any other solar energy generating system that:

10.16 (1) is constructed within the same 12-month period as the solar energy generating system;  
10.17 and

10.18 (2) exhibits characteristics at the time of development of being a single development,  
10.19 including but not limited to ownership structure, an umbrella sales arrangement, shared  
10.20 interconnection, revenue-sharing arrangements, and common debt or equity financing.

10.21 In the case of a dispute, the commissioner of commerce shall determine the total size of the  
10.22 system and shall draw all reasonable inferences in favor of combining the systems. In  
10.23 determining the total size of the system, the commissioner of commerce shall determine  
10.24 that a solar energy generating system with an application for an interconnection agreement  
10.25 submitted on or after September 25, 2015, pursuant to section 216B.1641, with the public  
10.26 utility subject to section 116C.779, is considered to be a solar energy generating system  
10.27 with a capacity of one megawatt alternating current or less and is exempt from the tax  
10.28 imposed by this section.

10.29 For the purposes of making a determination under this paragraph, the original construction  
10.30 date of an existing solar energy conversion system is not changed if the system is replaced,  
10.31 repaired, or otherwise maintained or altered.

10.32 (c) In making a determination under paragraph (b), the commissioner of commerce may  
10.33 determine that two solar energy generating systems are under common ownership when the

11.1 underlying ownership structure contains similar persons or entities, even if the ownership  
11.2 shares differ between the two systems. Solar energy generating systems are not under  
11.3 common ownership solely because the same person or entity provided equity financing for  
11.4 the systems.

11.5 **EFFECTIVE DATE.** This section is effective for reports filed beginning in 2023.

11.6 Sec. 10. Minnesota Statutes 2020, section 273.032, is amended to read:

11.7 **273.032 MARKET VALUE DEFINITION.**

11.8 (a) Unless otherwise provided, for the purpose of determining any property tax levy  
11.9 limitation based on market value or any limit on net debt, the issuance of bonds, certificates  
11.10 of indebtedness, or capital notes based on market value, any qualification to receive state  
11.11 aid based on market value, or any state aid amount based on market value, the terms "market  
11.12 value," "estimated market value," and "market valuation," whether equalized or unequalized,  
11.13 mean the estimated market value of taxable property within the local unit of government  
11.14 before any of the following or similar adjustments for:

11.15 (1) the market value exclusions under:

11.16 (i) section 273.11, subdivisions 14a and 14c (vacant platted land);

11.17 (ii) section 273.11, subdivision 16 (certain improvements to homestead property);

11.18 (iii) section 273.11, subdivisions 19 and 20 (certain improvements to business properties);

11.19 (iv) section 273.11, subdivision 21 (homestead property damaged by mold);

11.20 (v) section 273.13, subdivision 34 (homestead of a veteran with a disability or family  
11.21 caregiver); ~~or~~

11.22 (vi) section 273.13, subdivision 35 (homestead market value exclusion); or

11.23 (vii) section 273.13, subdivision 36 (affordable housing market value exclusion); or

11.24 (2) the deferment of value under:

11.25 (i) the Minnesota Agricultural Property Tax Law, section 273.111;

11.26 (ii) the Aggregate Resource Preservation Law, section 273.1115;

11.27 (iii) the Minnesota Open Space Property Tax Law, section 273.112;

11.28 (iv) the rural preserves property tax program, section 273.114; or

11.29 (v) the Metropolitan Agricultural Preserves Act, section 473H.10; or

12.1 (3) the adjustments to tax capacity for:

12.2 (i) tax increment financing under sections 469.174 to 469.1794;

12.3 (ii) fiscal disparities under chapter 276A or 473F; or

12.4 (iii) powerline credit under section 273.425.

12.5 (b) Estimated market value under paragraph (a) also includes the market value of  
12.6 tax-exempt property if the applicable law specifically provides that the limitation,  
12.7 qualification, or aid calculation includes tax-exempt property.

12.8 (c) Unless otherwise provided, "market value," "estimated market value," and "market  
12.9 valuation" for purposes of property tax levy limitations and calculation of state aid, refer  
12.10 to the estimated market value for the previous assessment year and for purposes of limits  
12.11 on net debt, the issuance of bonds, certificates of indebtedness, or capital notes refer to the  
12.12 estimated market value as last finally equalized.

12.13 (d) For purposes of a provision of a home rule charter or of any special law that is not  
12.14 codified in the statutes and that imposes a levy limitation based on market value or any limit  
12.15 on debt, the issuance of bonds, certificates of indebtedness, or capital notes based on market  
12.16 value, the terms "market value," "taxable market value," and "market valuation," whether  
12.17 equalized or unequalized, mean "estimated market value" as defined in paragraph (a).

12.18 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

12.19 Sec. 11. Minnesota Statutes 2021 Supplement, section 273.11, subdivision 12, is amended  
12.20 to read:

12.21 Subd. 12. **Community land trusts.** (a) A community land trust, as defined under chapter  
12.22 462A, is (i) a community-based nonprofit corporation organized under chapter 317A, which  
12.23 qualifies for tax exempt status under 501(c)(3), or (ii) a "city" as defined in section 462C.02,  
12.24 subdivision 6, which has received funding from the Minnesota housing finance agency for  
12.25 purposes of the community land trust program. The Minnesota Housing Finance Agency  
12.26 shall set the criteria for community land trusts.

12.27 (b) Before the community land trust can rent or sell a unit to an applicant, the community  
12.28 land trust shall verify to the satisfaction of the administering agency or the city that the  
12.29 family income of each person or family applying for a unit in the community land trust  
12.30 building is within the income criteria provided in section 462A.30, subdivision 9. The  
12.31 administering agency or the city shall verify to the satisfaction of the county assessor that  
12.32 the occupant meets the income criteria under section 462A.30, subdivision 9. The property

13.1 tax benefits under paragraph (c) shall be granted only to property owned or rented by persons  
 13.2 or families within the qualifying income limits. The family income criteria and verification  
 13.3 is only necessary at the time of initial occupancy in the property.

13.4 (c) A unit which is owned by the occupant and used as a homestead by the occupant  
 13.5 qualifies for homestead treatment as class 1a under section 273.13, subdivision 22 unless  
 13.6 the unit meets the requirements of section 273.13, subdivision 25, paragraph (e), clause (2),  
 13.7 in which case the unit shall be classified as 4d(2). A unit which is rented by the occupant  
 13.8 and used as a homestead by the occupant shall be class 4a or 4b property, under section  
 13.9 273.13, subdivision 25, whichever is applicable. Any remaining portion of the property not  
 13.10 used for residential purposes shall be classified by the assessor in the appropriate class based  
 13.11 upon the use of that portion of the property owned by the community land trust. The land  
 13.12 upon which the building is located shall be assessed at the same classification rate as the  
 13.13 units within the building, provided that if the building contains some units assessed as class  
 13.14 1a or class 4d(1) and some units assessed as class 4a or 4b, the market value of the land  
 13.15 will be assessed in the same proportions as the value of the building.

13.16 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
 13.17 in 2023 and thereafter.

13.18 Sec. 12. Minnesota Statutes 2020, section 273.11, subdivision 23, is amended to read:

13.19 Subd. 23. **First tier valuation limit; agricultural homestead property.** (a) The  
 13.20 commissioner of revenue shall annually certify the first tier limit for agricultural homestead  
 13.21 property. For assessment year ~~2010~~ 2023, the limit is ~~\$1,140,000~~ \$2,500,000. Beginning  
 13.22 with assessment year ~~2011~~ 2024, the limit is the product of (i) the first tier limit for the  
 13.23 preceding assessment year, and (ii) the ratio of the statewide average taxable market value  
 13.24 of agricultural property per acre of deeded farm land in the preceding assessment year to  
 13.25 the statewide average taxable market value of agricultural property per acre of deeded farm  
 13.26 land for the second preceding assessment year. The limit shall be rounded to the nearest  
 13.27 \$10,000.

13.28 (b) For the purposes of this subdivision, "agricultural property" means all class 2a  
 13.29 property under section 273.13, subdivision 23, except for property consisting of the house,  
 13.30 garage, and immediately surrounding one acre of land of an agricultural homestead.

13.31 (c) The commissioner shall certify the limit by January 2 of each assessment year.

13.32 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

14.1 Sec. 13. Minnesota Statutes 2020, section 273.124, subdivision 3a, is amended to read:

14.2 Subd. 3a. **Manufactured home park cooperative.** (a) When a manufactured home park  
14.3 is owned by a corporation or association organized under chapter 308A or 308B, and each  
14.4 person who owns a share or shares in the corporation or association is entitled to occupy a  
14.5 lot within the park, the corporation or association may claim homestead treatment for the  
14.6 park. Each lot must be designated by legal description or number, and each lot is limited to  
14.7 not more than one-half acre of land.

14.8 (b) The manufactured home park shall be entitled to homestead treatment if all of the  
14.9 following criteria are met:

14.10 (1) the occupant or the cooperative corporation or association is paying the ad valorem  
14.11 property taxes and any special assessments levied against the land and structure either  
14.12 directly, or indirectly through dues to the corporation or association; and

14.13 (2) the corporation or association organized under chapter 308A or 308B is wholly  
14.14 owned by persons having a right to occupy a lot owned by the corporation or association.

14.15 (c) A charitable corporation, organized under the laws of Minnesota with no outstanding  
14.16 stock, and granted a ruling by the Internal Revenue Service for 501(c)(3) tax-exempt status,  
14.17 qualifies for homestead treatment with respect to a manufactured home park if its members  
14.18 hold residential participation warrants entitling them to occupy a lot in the manufactured  
14.19 home park.

14.20 (d) "Homestead treatment" under this subdivision means the classification rate provided  
14.21 for class 4c property classified under section 273.13, subdivision 25, paragraph (d), clause  
14.22 (5), ~~item (ii)~~, and the homestead market value exclusion under section 273.13, subdivision  
14.23 35, does not apply.

14.24 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
14.25 in 2024 and thereafter.

14.26 Sec. 14. Minnesota Statutes 2021 Supplement, section 273.124, subdivision 14, is amended  
14.27 to read:

14.28 Subd. 14. **Agricultural homesteads; special provisions.** (a) Real estate of less than ten  
14.29 acres that is the homestead of its owner must be classified as class 2a under section 273.13,  
14.30 subdivision 23, paragraph (a), if:

14.31 (1) the parcel on which the house is located is contiguous on at least two sides to (i)  
14.32 agricultural land, (ii) land owned or administered by the United States Fish and Wildlife

15.1 Service, or (iii) land administered by the Department of Natural Resources on which in lieu  
15.2 taxes are paid under sections 477A.11 to 477A.14 or section 477A.17;

15.3 (2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20  
15.4 acres;

15.5 (3) the noncontiguous land is located not farther than four townships or cities, or a  
15.6 combination of townships or cities from the homestead; and

15.7 (4) the agricultural use value of the noncontiguous land and farm buildings is equal to  
15.8 at least 50 percent of the market value of the house, garage, and one acre of land.

15.9 Homesteads initially classified as class 2a under the provisions of this paragraph shall  
15.10 remain classified as class 2a, irrespective of subsequent changes in the use of adjoining  
15.11 properties, as long as the homestead remains under the same ownership, the owner owns a  
15.12 noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use  
15.13 value qualifies under clause (4). Homestead classification under this paragraph is limited  
15.14 to property that qualified under this paragraph for the 1998 assessment.

15.15 (b)(i) Agricultural property shall be classified as the owner's homestead, to the same  
15.16 extent as other agricultural homestead property, if all of the following criteria are met:

15.17 (1) the agricultural property consists of at least 40 acres including undivided government  
15.18 lots and correctional 40's;

15.19 (2) the owner, the owner's spouse, or a grandchild, child, sibling, ~~or~~ parent, grandparent,  
15.20 stepparent, stepchild, uncle, aunt, nephew, or niece of the owner or of the owner's spouse,  
15.21 is actively farming the agricultural property, either on the person's own behalf as an individual  
15.22 or on behalf of a partnership operating a family farm, family farm corporation, joint family  
15.23 farm venture, or limited liability company of which the person is a partner, shareholder, or  
15.24 member;

15.25 (3) both the owner of the agricultural property and the person who is actively farming  
15.26 the agricultural property under clause (2), are Minnesota residents;

15.27 (4) neither the owner nor the spouse of the owner claims another agricultural homestead  
15.28 in Minnesota; and

15.29 (5) neither the owner nor the person actively farming the agricultural property lives  
15.30 farther than four townships or cities, or a combination of four townships or cities, from the  
15.31 agricultural property, except that if the owner or the owner's spouse is required to live in  
15.32 employer-provided housing, the owner or owner's spouse, whichever is actively farming

16.1 the agricultural property, may live more than four townships or cities, or combination of  
16.2 four townships or cities from the agricultural property.

16.3 The relationship under this paragraph may be either by blood or marriage.

16.4 (ii) Property containing the residence of an owner who owns qualified property under  
16.5 clause (i) shall be classified as part of the owner's agricultural homestead, if that property  
16.6 is also used for noncommercial storage or drying of agricultural crops.

16.7 (iii) As used in this paragraph, "agricultural property" means class 2a property and any  
16.8 class 2b property that is contiguous to and under the same ownership as the class 2a property.

16.9 (c) Noncontiguous land shall be included as part of a homestead under section 273.13,  
16.10 subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached  
16.11 land is located in the same township or city, or not farther than four townships or cities or  
16.12 combination thereof from the homestead. Any taxpayer of these noncontiguous lands must  
16.13 notify the county assessor that the noncontiguous land is part of the taxpayer's homestead,  
16.14 and, if the homestead is located in another county, the taxpayer must also notify the assessor  
16.15 of the other county.

16.16 (d) Agricultural land used for purposes of a homestead and actively farmed by a person  
16.17 holding a vested remainder interest in it must be classified as a homestead under section  
16.18 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other  
16.19 dwellings on the land used for purposes of a homestead by persons holding vested remainder  
16.20 interests who are actively engaged in farming the property, and up to one acre of the land  
16.21 surrounding each homestead and reasonably necessary for the use of the dwelling as a home,  
16.22 must also be assessed class 2a.

16.23 (e) Agricultural land and buildings that were class 2a homestead property under section  
16.24 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as  
16.25 agricultural homesteads for subsequent assessments if:

16.26 (1) the property owner abandoned the homestead dwelling located on the agricultural  
16.27 homestead as a result of the April 1997 floods;

16.28 (2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or  
16.29 Wilkin;

16.30 (3) the agricultural land and buildings remain under the same ownership for the current  
16.31 assessment year as existed for the 1997 assessment year and continue to be used for  
16.32 agricultural purposes;



17.1 (4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles  
17.2 of one of the parcels of agricultural land that is owned by the taxpayer; and

17.3 (5) the owner notifies the county assessor that the relocation was due to the 1997 floods,  
17.4 and the owner furnishes the assessor any information deemed necessary by the assessor in  
17.5 verifying the change in dwelling. Further notifications to the assessor are not required if the  
17.6 property continues to meet all the requirements in this paragraph and any dwellings on the  
17.7 agricultural land remain uninhabited.

17.8 (f) Agricultural land and buildings that were class 2a homestead property under section  
17.9 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified  
17.10 agricultural homesteads for subsequent assessments if:

17.11 (1) the property owner abandoned the homestead dwelling located on the agricultural  
17.12 homestead as a result of damage caused by a March 29, 1998, tornado;

17.13 (2) the property is located in the county of Blue Earth, Brown, Cottonwood, LeSueur,  
17.14 Nicollet, Nobles, or Rice;

17.15 (3) the agricultural land and buildings remain under the same ownership for the current  
17.16 assessment year as existed for the 1998 assessment year;

17.17 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of  
17.18 one of the parcels of agricultural land that is owned by the taxpayer; and

17.19 (5) the owner notifies the county assessor that the relocation was due to a March 29,  
17.20 1998, tornado, and the owner furnishes the assessor any information deemed necessary by  
17.21 the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the  
17.22 owner must notify the assessor by December 1, 1998. Further notifications to the assessor  
17.23 are not required if the property continues to meet all the requirements in this paragraph and  
17.24 any dwellings on the agricultural land remain uninhabited.

17.25 (g) Agricultural property of a family farm corporation, joint family farm venture, family  
17.26 farm limited liability company, or partnership operating a family farm as described under  
17.27 subdivision 8 shall be classified homestead, to the same extent as other agricultural homestead  
17.28 property, if all of the following criteria are met:

17.29 (1) the property consists of at least 40 acres including undivided government lots and  
17.30 correctional 40's;

17.31 (2) a shareholder, member, or partner of that entity is actively farming the agricultural  
17.32 property;

18.1 (3) that shareholder, member, or partner who is actively farming the agricultural property  
18.2 is a Minnesota resident;

18.3 (4) neither that shareholder, member, or partner, nor the spouse of that shareholder,  
18.4 member, or partner claims another agricultural homestead in Minnesota; and

18.5 (5) that shareholder, member, or partner does not live farther than four townships or  
18.6 cities, or a combination of four townships or cities, from the agricultural property.

18.7 Homestead treatment applies under this paragraph even if:

18.8 (i) the shareholder, member, or partner of that entity is actively farming the agricultural  
18.9 property on the shareholder's, member's, or partner's own behalf; or

18.10 (ii) the family farm is operated by a family farm corporation, joint family farm venture,  
18.11 partnership, or limited liability company other than the family farm corporation, joint family  
18.12 farm venture, partnership, or limited liability company that owns the land, provided that:

18.13 (A) the shareholder, member, or partner of the family farm corporation, joint family  
18.14 farm venture, partnership, or limited liability company that owns the land who is actively  
18.15 farming the land is a shareholder, member, or partner of the family farm corporation, joint  
18.16 family farm venture, partnership, or limited liability company that is operating the farm;  
18.17 and

18.18 (B) more than half of the shareholders, members, or partners of each family farm  
18.19 corporation, joint family farm venture, partnership, or limited liability company are persons  
18.20 or spouses of persons who are a qualifying relative under section 273.124, subdivision 1,  
18.21 paragraphs (c) and (d).

18.22 Homestead treatment applies under this paragraph for property leased to a family farm  
18.23 corporation, joint farm venture, limited liability company, or partnership operating a family  
18.24 farm if legal title to the property is in the name of an individual who is a member, shareholder,  
18.25 or partner in the entity.

18.26 (h) To be eligible for the special agricultural homestead under this subdivision, an initial  
18.27 full application must be submitted to the county assessor where the property is located.  
18.28 Owners and the persons who are actively farming the property shall be required to complete  
18.29 only a one-page abbreviated version of the application in each subsequent year provided  
18.30 that none of the following items have changed since the initial application:

18.31 (1) the day-to-day operation, administration, and financial risks remain the same;

19.1 (2) the owners and the persons actively farming the property continue to live within the  
19.2 four townships or city criteria and are Minnesota residents;

19.3 (3) the same operator of the agricultural property is listed with the Farm Service Agency;

19.4 (4) a Schedule F or equivalent income tax form was filed for the most recent year;

19.5 (5) the property's acreage is unchanged; and

19.6 (6) none of the property's acres have been enrolled in a federal or state farm program  
19.7 since the initial application.

19.8 The owners and any persons who are actively farming the property must include the  
19.9 appropriate Social Security numbers, and sign and date the application. If any of the specified  
19.10 information has changed since the full application was filed, the owner must notify the  
19.11 assessor, and must complete a new application to determine if the property continues to  
19.12 qualify for the special agricultural homestead. The commissioner of revenue shall prepare  
19.13 a standard reapplication form for use by the assessors.

19.14 (i) Agricultural land and buildings that were class 2a homestead property under section  
19.15 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified  
19.16 agricultural homesteads for subsequent assessments if:

19.17 (1) the property owner abandoned the homestead dwelling located on the agricultural  
19.18 homestead as a result of damage caused by the August 2007 floods;

19.19 (2) the property is located in the county of Dodge, Fillmore, Houston, Olmsted, Steele,  
19.20 Wabasha, or Winona;

19.21 (3) the agricultural land and buildings remain under the same ownership for the current  
19.22 assessment year as existed for the 2007 assessment year;

19.23 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of  
19.24 one of the parcels of agricultural land that is owned by the taxpayer; and

19.25 (5) the owner notifies the county assessor that the relocation was due to the August 2007  
19.26 floods, and the owner furnishes the assessor any information deemed necessary by the  
19.27 assessor in verifying the change in homestead dwelling. For taxes payable in 2009, the  
19.28 owner must notify the assessor by December 1, 2008. Further notifications to the assessor  
19.29 are not required if the property continues to meet all the requirements in this paragraph and  
19.30 any dwellings on the agricultural land remain uninhabited.

20.1 (j) Agricultural land and buildings that were class 2a homestead property under section  
20.2 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as  
20.3 agricultural homesteads for subsequent assessments if:

20.4 (1) the property owner abandoned the homestead dwelling located on the agricultural  
20.5 homestead as a result of the March 2009 floods;

20.6 (2) the property is located in the county of Marshall;

20.7 (3) the agricultural land and buildings remain under the same ownership for the current  
20.8 assessment year as existed for the 2008 assessment year and continue to be used for  
20.9 agricultural purposes;

20.10 (4) the dwelling occupied by the owner is located in Minnesota and is within 50 miles  
20.11 of one of the parcels of agricultural land that is owned by the taxpayer; and

20.12 (5) the owner notifies the county assessor that the relocation was due to the 2009 floods,  
20.13 and the owner furnishes the assessor any information deemed necessary by the assessor in  
20.14 verifying the change in dwelling. Further notifications to the assessor are not required if the  
20.15 property continues to meet all the requirements in this paragraph and any dwellings on the  
20.16 agricultural land remain uninhabited.

20.17 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications  
20.18 filed in 2022 and thereafter.

20.19 Sec. 15. Minnesota Statutes 2020, section 273.128, subdivision 1, is amended to read:

20.20 Subdivision 1. **Requirement.** Low-income rental property classified as class 4d(1) under  
20.21 section 273.13, subdivision 25, is entitled to valuation under this section if at least 20 percent  
20.22 of the units in the rental housing property meet any of the following qualifications:

20.23 (1) the units are subject to a housing assistance payments contract under Section 8 of  
20.24 the United States Housing Act of 1937, as amended;

20.25 (2) the units are rent-restricted and income-restricted units of a qualified low-income  
20.26 housing project receiving tax credits under section 42(g) of the Internal Revenue Code;

20.27 (3) the units are financed by the Rural Housing Service of the United States Department  
20.28 of Agriculture and receive payments under the rental assistance program pursuant to section  
20.29 521(a) of the Housing Act of 1949, as amended; or

20.30 (4) the units are subject to rent and income restrictions under the terms of financial  
20.31 assistance provided to the rental housing property by the federal government or the state of

21.1 Minnesota, or a local unit of government, as evidenced by a document recorded against the  
21.2 property.

21.3 The restrictions must require assisted units to be occupied by residents whose household  
21.4 income at the time of initial occupancy does not exceed 60 percent of the greater of area or  
21.5 state median income, adjusted for family size, as determined by the United States Department  
21.6 of Housing and Urban Development. The restriction must also require the rents for assisted  
21.7 units to not exceed 30 percent of 60 percent of the greater of area or state median income,  
21.8 adjusted for family size, as determined by the United States Department of Housing and  
21.9 Urban Development.

21.10 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

21.11 Sec. 16. Minnesota Statutes 2020, section 273.128, is amended by adding a subdivision  
21.12 to read:

21.13 **Subd. 1a. Approval.** A property owner must receive approval by resolution of the  
21.14 governing body of the city or town where the property is located before submitting an initial  
21.15 application to the Housing Finance Agency, as required under subdivision 2, for property  
21.16 that has not, in whole or in part, been classified as class 4d(1) under section 273.13,  
21.17 subdivision 25, prior to assessment year 2023. A property owner that receives approval as  
21.18 required under this subdivision, and the certification made under subdivision 3, shall not  
21.19 be required to seek approval under this subdivision prior to submitting an application under  
21.20 subdivision 2 in each subsequent year. If the property is located in a city or town in which  
21.21 the net tax capacity of 4d(1) property did not exceed two percent of the total net tax capacity  
21.22 in the city or town in the prior assessment year, the property owner does not need to receive  
21.23 approval under this subdivision.

21.24 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

21.25 Sec. 17. Minnesota Statutes 2020, section 273.128, subdivision 2, is amended to read:

21.26 **Subd. 2. Application.** (a) Application for certification under this section must be filed  
21.27 by March 31 of the levy year, or at a later date if the Housing Finance Agency deems  
21.28 practicable. The application must be filed with the Housing Finance Agency, on a form  
21.29 prescribed by the agency, and must contain the information required by the Housing Finance  
21.30 Agency.

21.31 (b) Each application must include:

21.32 (1) the property tax identification number; and

22.1 (2) evidence that the property meets the requirements of ~~subdivision~~ subdivisions 1 and  
 22.2 1a.

22.3 (c) The Housing Finance Agency may charge an application fee approximately equal  
 22.4 to the costs of processing and reviewing the applications but not to exceed \$10 per unit. If  
 22.5 imposed, the applicant must pay the application fee to the Housing Finance Agency. The  
 22.6 fee must be deposited in the housing development fund.

22.7 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

22.8 Sec. 18. **[273.129] AFFORDABLE HOUSING MARKET VALUE EXCLUSION**  
 22.9 **PROGRAM; ESTABLISHMENT.**

22.10 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
 22.11 the meanings given, unless otherwise indicated.

22.12 (b) "Governing body" means, with respect to a city, a city council, with respect to a  
 22.13 town, a town board, and with respect to an unorganized territory, the county board acting  
 22.14 on behalf of the unorganized territory.

22.15 (c) "Market value" has the meaning given in section 272.03, subdivision 8.

22.16 (d) "Municipality" means a statutory or home rule charter city, a township, or unorganized  
 22.17 territory.

22.18 (e) "Property" means a residential rental housing property classified as class 4a under  
 22.19 section 273.13, subdivision 25, a portion of which is occupied by residents meeting the  
 22.20 income requirement under subdivision 4.

22.21 Subd. 2. **Establishment.** An affordable housing market value exclusion program is  
 22.22 established to promote the development of affordable rental properties in the state. Eligible  
 22.23 properties located in participating municipalities are eligible to receive a market value  
 22.24 exclusion of 50 percent.

22.25 Subd. 3. **Approval.** (a) A governing body may, upon approval by a majority vote of its  
 22.26 members, adopt a resolution agreeing to participate in the affordable housing market value  
 22.27 exclusion program. Prior to approval, the governing body must publish notice of its intent  
 22.28 to discuss the resolution at a regularly scheduled meeting, in a newspaper with general  
 22.29 circulation in the city or on the municipality's website, not less than 30 days prior to the  
 22.30 meeting. The notice must include the date, time, and location of the meeting at which the  
 22.31 program will be discussed and public input allowed.

23.1 (b) After a governing body has adopted a resolution agreeing to participate in the program,  
23.2 the governing body must adopt a separate resolution, subject to the same voting, notice, and  
23.3 public hearing requirements under paragraph (a), for each property the governing body  
23.4 approves to receive the affordable housing market value exclusion. The resolution must  
23.5 state the property qualifies for a valuation exclusion of 50 percent, and that shall remain  
23.6 the same each year, subject to the duration limit under subdivision 5.

23.7 (c) After a governing body has adopted the property-specific resolution as required under  
23.8 paragraph (b), the governing body, other than the county board acting on behalf of an  
23.9 unorganized territory, must provide the county board with a copy of the resolution for each  
23.10 property the local government approved to receive the affordable housing market value  
23.11 exclusion, along with information relating to the fiscal implications resulting from the  
23.12 approved exclusion. The county board may request additional information from the local  
23.13 government that the board deems necessary. The county board must approve, by a majority  
23.14 vote of its members, the affordable housing market value exclusion for each property within  
23.15 60 days of receipt. If a county board fails to approve the exclusion within 60 days of receipt,  
23.16 or if the county board affirmatively denies approval of the exclusion, the property shall not  
23.17 receive the affordable housing market value exclusion.

23.18 Subd. 4. **Eligibility.** (a) A property located in a participating municipality is eligible for  
23.19 the affordable housing market value exclusion applied under section 273.13, subdivision  
23.20 36, if:

23.21 (1) the property is not classified in whole or in part as class 4d under section 273.13,  
23.22 subdivision 25;

23.23 (2) construction of the property began on or after January 1, 2023; and

23.24 (3) the Minnesota Housing Finance Agency certifies to the county or local assessor that:

23.25 (i) at least 20 percent of the units in the property are available for residents whose  
23.26 household income at the time of initial occupancy does not exceed 60 percent of area median  
23.27 income, adjusted for family size, as determined by the United States Department of Housing  
23.28 and Urban Development;

23.29 (ii) at least 80 percent of the available units in the property are occupied by residents  
23.30 meeting the income requirement; and

23.31 (iii) any unoccupied available units are being actively marketed toward persons meeting  
23.32 the income requirements, as attested by the property owner.

24.1 (b) By February 1 each assessment year, an application for certification under this  
 24.2 subdivision must be filed by the property owner to the Minnesota Housing Finance Agency.  
 24.3 The property owner must provide a copy of the application to the county or city assessor.  
 24.4 The application must be filed on a form prescribed by the agency and must contain the  
 24.5 property tax identification number, evidence that the property meets the requirements of  
 24.6 paragraph (a), a copy of the property-specific approval by the county board if required, and  
 24.7 any other information necessary for the Minnesota Housing Finance Agency to determine  
 24.8 eligibility. The Minnesota Housing Finance Agency may charge an application fee  
 24.9 approximately equal to the costs of processing and reviewing the applications. If imposed,  
 24.10 the applicant must pay the application fee to the Minnesota Housing Finance Agency and  
 24.11 the fee must be deposited in the housing development fund.

24.12 (c) By April 1 each assessment year, the Minnesota Housing Finance Agency must  
 24.13 certify to the appropriate county or city assessor:

24.14 (1) the specific properties, identified by parcel identification numbers, that are eligible  
 24.15 under this section to receive the exclusion for the current assessment year; and

24.16 (2) the specific properties, identified by parcel identification numbers, that received the  
 24.17 exclusion in the previous assessment year but no longer meet the requirements under this  
 24.18 section.

24.19 In making the certification, the Minnesota Housing Finance Agency must rely on the property  
 24.20 owner's application and any other supporting information that the agency deems necessary.

24.21 Subd. 5. **Duration.** The governing body of a participating municipality shall determine  
 24.22 the duration of the affordable housing market value exclusion for each eligible property,  
 24.23 provided that the exclusion applies for at least ten but not more than 20 assessment years,  
 24.24 except that when a property no longer meets the requirements of subdivision 4, the exclusion  
 24.25 shall be removed for the current assessment year.

24.26 Subd. 6. **Expiration.** The affordable housing market value exclusion program expires  
 24.27 on December 31, 2030. A property that has not received the required approval under  
 24.28 subdivision 3 by December 31, 2030, shall not receive the exclusion.

24.29 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

24.30 Sec. 19. Minnesota Statutes 2020, section 273.13, subdivision 22, is amended to read:

24.31 Subd. 22. **Class 1.** (a) Except as provided in subdivision 23 and in paragraphs (b) and  
 24.32 (c), real estate which is residential and used for homestead purposes is class 1a. In the case  
 24.33 of a duplex or triplex in which one of the units is used for homestead purposes, the entire



25.1 property is deemed to be used for homestead purposes. The market value of class 1a property  
25.2 must be determined based upon the value of the house, garage, and land.

25.3 The first \$500,000 of market value of class 1a property has a net classification rate of  
25.4 one percent of its market value; and the market value of class 1a property that exceeds  
25.5 \$500,000 has a classification rate of 1.25 percent of its market value.

25.6 (b) Class 1b property includes homestead real estate or homestead manufactured homes  
25.7 used for the purposes of a homestead by:

25.8 (1) any person who is blind as defined in section 256D.35, or the person who is blind  
25.9 and the spouse of the person who is blind;

25.10 (2) any person who is permanently and totally disabled or by the person with a disability  
25.11 and the spouse of the person with a disability; or

25.12 (3) the surviving spouse of a veteran who was permanently and totally disabled  
25.13 homesteading a property classified under this paragraph for taxes payable in 2008.

25.14 Property is classified and assessed under clause (2) only if the government agency or  
25.15 income-providing source certifies, upon the request of the homestead occupant, that the  
25.16 homestead occupant satisfies the disability requirements of this paragraph, and that the  
25.17 property is not eligible for the valuation exclusion under subdivision 34.

25.18 Property is classified and assessed under paragraph (b) only if the commissioner of  
25.19 revenue or the county assessor certifies that the homestead occupant satisfies the requirements  
25.20 of this paragraph.

25.21 Permanently and totally disabled for the purpose of this subdivision means a condition  
25.22 which is permanent in nature and totally incapacitates the person from working at an  
25.23 occupation which brings the person an income. The first \$50,000 market value of class 1b  
25.24 property has a net classification rate of .45 percent of its market value. The remaining market  
25.25 value of class 1b property is classified as class 1a or class 2a property, whichever is  
25.26 appropriate.

25.27 (c) Class 1c property is commercial use real and personal property that abuts public  
25.28 water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by  
25.29 the Department of Natural Resources, and is devoted to temporary and seasonal residential  
25.30 occupancy for recreational purposes but not devoted to commercial purposes for more than  
25.31 250 days in the year preceding the year of assessment, and that includes a portion used as  
25.32 a homestead by the owner, which includes a dwelling occupied as a homestead by a  
25.33 shareholder of a corporation that owns the resort, a partner in a partnership that owns the

26.1 resort, or a member of a limited liability company that owns the resort even if the title to  
26.2 the homestead is held by the corporation, partnership, or limited liability company. For  
26.3 purposes of this paragraph, property is devoted to a commercial purpose on a specific day  
26.4 if any portion of the property, excluding the portion used exclusively as a homestead, is  
26.5 used for residential occupancy and a fee is charged for residential occupancy. Class 1c  
26.6 property must contain three or more rental units. A "rental unit" is defined as a cabin,  
26.7 condominium, townhouse, sleeping room, or individual camping site equipped with water  
26.8 and electrical hookups for recreational vehicles. Class 1c property must provide recreational  
26.9 activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill  
26.10 or cross-country ski equipment; provide marina services, launch services, or guide services;  
26.11 or sell bait and fishing tackle. Any unit in which the right to use the property is transferred  
26.12 to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies  
26.13 for class 1c even though it may remain available for rent. A camping pad offered for rent  
26.14 by a property that otherwise qualifies for class 1c is also class 1c, regardless of the term of  
26.15 the rental agreement, as long as the use of the camping pad does not exceed 250 days. If  
26.16 the same owner owns two separate parcels that are located in the same township, and one  
26.17 of those properties is classified as a class 1c property and the other would be eligible to be  
26.18 classified as a class 1c property if it was used as the homestead of the owner, both properties  
26.19 will be assessed as a single class 1c property; for purposes of this sentence, properties are  
26.20 deemed to be owned by the same owner if each of them is owned by a limited liability  
26.21 company, and both limited liability companies have the same membership. The portion of  
26.22 the property used as a homestead is class 1a property under paragraph (a). The remainder  
26.23 of the property is classified as follows: the first ~~\$600,000~~ \$850,000 of market value is tier  
26.24 I, the next ~~\$1,700,000~~ \$2,250,000 of market value is tier II, and any remaining market value  
26.25 is tier III. The classification rates for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent;  
26.26 and tier III, 1.25 percent. Owners of real and personal property devoted to temporary and  
26.27 seasonal residential occupancy for recreation purposes in which all or a portion of the  
26.28 property was devoted to commercial purposes for not more than 250 days in the year  
26.29 preceding the year of assessment desiring classification as class 1c, must submit a declaration  
26.30 to the assessor designating the cabins or units occupied for 250 days or less in the year  
26.31 preceding the year of assessment by January 15 of the assessment year. Those cabins or  
26.32 units and a proportionate share of the land on which they are located must be designated as  
26.33 class 1c as otherwise provided. The remainder of the cabins or units and a proportionate  
26.34 share of the land on which they are located must be designated as class 3a commercial. The  
26.35 owner of property desiring designation as class 1c property must provide guest registers or  
26.36 other records demonstrating that the units for which class 1c designation is sought were not

27.1 occupied for more than 250 days in the year preceding the assessment if so requested. The  
 27.2 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center  
 27.3 or meeting room, and (5) other nonresidential facility operated on a commercial basis not  
 27.4 directly related to temporary and seasonal residential occupancy for recreation purposes  
 27.5 does not qualify for class 1c.

27.6 (d) Class 1d property includes structures that meet all of the following criteria:

27.7 (1) the structure is located on property that is classified as agricultural property under  
 27.8 section 273.13, subdivision 23;

27.9 (2) the structure is occupied exclusively by seasonal farm workers during the time when  
 27.10 they work on that farm, and the occupants are not charged rent for the privilege of occupying  
 27.11 the property, provided that use of the structure for storage of farm equipment and produce  
 27.12 does not disqualify the property from classification under this paragraph;

27.13 (3) the structure meets all applicable health and safety requirements for the appropriate  
 27.14 season; and

27.15 (4) the structure is not salable as residential property because it does not comply with  
 27.16 local ordinances relating to location in relation to streets or roads.

27.17 The market value of class 1d property has the same classification rates as class 1a property  
 27.18 under paragraph (a).

27.19 **EFFECTIVE DATE.** This section is effective for taxes payable in 2023 and thereafter.

27.20 Sec. 20. Minnesota Statutes 2021 Supplement, section 273.13, subdivision 23, is amended  
 27.21 to read:

27.22 Subd. 23. **Class 2.** (a) An agricultural homestead consists of class 2a agricultural land  
 27.23 that is homesteaded, along with any class 2b rural vacant land that is contiguous to the class  
 27.24 2a land under the same ownership. The market value of the house and garage and immediately  
 27.25 surrounding one acre of land has the same classification rates as class 1a or 1b property  
 27.26 under subdivision 22. The value of the remaining land including improvements up to the  
 27.27 first tier valuation limit of agricultural homestead property has a classification rate of 0.5  
 27.28 percent of market value. The remaining property over the first tier has a classification rate  
 27.29 of one percent of market value. For purposes of this subdivision, the "first tier valuation  
 27.30 limit of agricultural homestead property" and "first tier" means the limit certified under  
 27.31 section 273.11, subdivision 23.

28.1 (b) Class 2a agricultural land consists of parcels of property, or portions thereof, that  
28.2 are agricultural land and buildings. Class 2a property has a classification rate of one percent  
28.3 of market value, unless it is part of an agricultural homestead under paragraph (a). Class 2a  
28.4 property must also include any property that would otherwise be classified as 2b, but is  
28.5 interspersed with class 2a property, including but not limited to sloughs, wooded wind  
28.6 shelters, acreage abutting ditches, ravines, rock piles, land subject to a setback requirement,  
28.7 and other similar land that is impractical for the assessor to value separately from the rest  
28.8 of the property or that is unlikely to be able to be sold separately from the rest of the property.

28.9 An assessor may classify the part of a parcel described in this subdivision that is used  
28.10 for agricultural purposes as class 2a and the remainder in the class appropriate to its use.

28.11 (c) Class 2b rural vacant land consists of parcels of property, or portions thereof, that  
28.12 are unplatted real estate, rural in character and not used for agricultural purposes, including  
28.13 land used for growing trees for timber, lumber, and wood and wood products, that is not  
28.14 improved with a structure. The presence of a minor, ancillary nonresidential structure as  
28.15 defined by the commissioner of revenue does not disqualify the property from classification  
28.16 under this paragraph. Any parcel of 20 acres or more improved with a structure that is not  
28.17 a minor, ancillary nonresidential structure must be split-classified, and ten acres must be  
28.18 assigned to the split parcel containing the structure. If a parcel of 20 acres or more is enrolled  
28.19 in the sustainable forest management incentive program under chapter 290C, the number  
28.20 of acres assigned to the split parcel improved with a structure that is not a minor, ancillary  
28.21 nonresidential structure must equal three acres or the number of acres excluded from the  
28.22 sustainable forest incentive act covenant due to the structure, whichever is greater. Class  
28.23 2b property has a classification rate of one percent of market value unless it is part of an  
28.24 agricultural homestead under paragraph (a), or qualifies as class 2c under paragraph (d).

28.25 (d) Class 2c managed forest land consists of no less than 20 and no more than 1,920  
28.26 acres statewide per taxpayer that is being managed under a forest management plan that  
28.27 meets the requirements of chapter 290C, but is not enrolled in the sustainable forest resource  
28.28 management incentive program. It has a classification rate of .65 percent, provided that the  
28.29 owner of the property must apply to the assessor in order for the property to initially qualify  
28.30 for the reduced rate and provide the information required by the assessor to verify that the  
28.31 property qualifies for the reduced rate. If the assessor receives the application and information  
28.32 before May 1 in an assessment year, the property qualifies beginning with that assessment  
28.33 year. If the assessor receives the application and information after April 30 in an assessment  
28.34 year, the property may not qualify until the next assessment year. The commissioner of  
28.35 natural resources must concur that the land is qualified. The commissioner of natural

29.1 resources shall annually provide county assessors verification information on a timely basis.  
29.2 The presence of a minor, ancillary nonresidential structure as defined by the commissioner  
29.3 of revenue does not disqualify the property from classification under this paragraph.

29.4 (e) Agricultural land as used in this section means:

29.5 (1) contiguous acreage of ten acres or more, used during the preceding year for  
29.6 agricultural purposes; or

29.7 (2) contiguous acreage used during the preceding year for an intensive livestock or  
29.8 poultry confinement operation, provided that land used only for pasturing or grazing does  
29.9 not qualify under this clause.

29.10 "Agricultural purposes" as used in this section means the raising, cultivation, drying, or  
29.11 storage of agricultural products for sale, or the storage of machinery or equipment used in  
29.12 support of agricultural production by the same farm entity. For a property to be classified  
29.13 as agricultural based only on the drying or storage of agricultural products, the products  
29.14 being dried or stored must have been produced by the same farm entity as the entity operating  
29.15 the drying or storage facility. "Agricultural purposes" also includes (i) enrollment in a local  
29.16 conservation program or the Reinvest in Minnesota program under sections 103F.501 to  
29.17 103F.535 or the federal Conservation Reserve Program as contained in Public Law 99-198  
29.18 or a similar state or federal conservation program if the property was classified as agricultural  
29.19 (A) under this subdivision for taxes payable in 2003 because of its enrollment in a qualifying  
29.20 program and the land remains enrolled or (B) in the year prior to its enrollment, or (ii) use  
29.21 of land, not to exceed three acres, to provide environmental benefits such as buffer strips,  
29.22 old growth forest restoration or retention, or retention ponds to prevent soil erosion. For  
29.23 purposes of this section, a "local conservation program" means a program administered by  
29.24 a town, statutory or home rule charter city, or county, including a watershed district, water  
29.25 management organization, or soil and water conservation district, in which landowners  
29.26 voluntarily enroll land and receive incentive payments equal to at least \$50 per acre in  
29.27 exchange for use or other restrictions placed on the land. In order for property to qualify  
29.28 under the local conservation program provision, a taxpayer must apply to the assessor by  
29.29 February 1 of the assessment year and must submit the information required by the assessor,  
29.30 including but not limited to a copy of the program requirements, the specific agreement  
29.31 between the land owner and the local agency, if applicable, and a map of the conservation  
29.32 area. Agricultural classification shall not be based upon the market value of any residential  
29.33 structures on the parcel or contiguous parcels under the same ownership.

30.1 "Contiguous acreage," for purposes of this paragraph, means all of, or a contiguous  
30.2 portion of, a tax parcel as described in section 272.193, or all of, or a contiguous portion  
30.3 of, a set of contiguous tax parcels under that section that are owned by the same person.

30.4 (f) Agricultural land under this section also includes:

30.5 (1) contiguous acreage that is less than ten acres in size and exclusively used in the  
30.6 preceding year for raising or cultivating agricultural products; or

30.7 (2) contiguous acreage that contains a residence and is less than 11 acres in size, if the  
30.8 contiguous acreage exclusive of the house, garage, and surrounding one acre of land was  
30.9 used in the preceding year for one or more of the following three uses:

30.10 (i) for an intensive grain drying or storage operation, or for intensive machinery or  
30.11 equipment storage activities used to support agricultural activities on other parcels of property  
30.12 operated by the same farming entity;

30.13 (ii) as a nursery, provided that only those acres used intensively to produce nursery stock  
30.14 are considered agricultural land; or

30.15 (iii) for intensive market farming; for purposes of this paragraph, "market farming"  
30.16 means the cultivation of one or more fruits or vegetables or production of animal or other  
30.17 agricultural products for sale to local markets by the farmer or an organization with which  
30.18 the farmer is affiliated.

30.19 "Contiguous acreage," for purposes of this paragraph, means all of a tax parcel as  
30.20 described in section 272.193, or all of a set of contiguous tax parcels under that section that  
30.21 are owned by the same person.

30.22 (g) Land shall be classified as agricultural even if all or a portion of the agricultural use  
30.23 of that property is the leasing to, or use by another person for agricultural purposes.

30.24 Classification under this subdivision is not determinative for qualifying under section  
30.25 273.111.

30.26 (h) The property classification under this section supersedes, for property tax purposes  
30.27 only, any locally administered agricultural policies or land use restrictions that define  
30.28 minimum or maximum farm acreage.

30.29 (i) The term "agricultural products" as used in this subdivision includes production for  
30.30 sale of:

31.1 (1) livestock; dairy animals; dairy products; poultry and poultry products; fur-bearing  
31.2 animals; horticultural and nursery stock; fruit of all kinds; vegetables; forage; grains;  
31.3 hemp; bees; and apiary products by the owner;

31.4 (2) aquacultural products for sale and consumption, as defined under section 17.47, if  
31.5 the aquaculture occurs on land zoned for agricultural use;

31.6 (3) the commercial boarding of horses, which may include related horse training and  
31.7 riding instruction, if the boarding is done on property that is also used for raising pasture  
31.8 to graze horses or raising or cultivating other agricultural products as defined in clause (1);

31.9 (4) property which is owned and operated by nonprofit organizations used for equestrian  
31.10 activities, excluding racing;

31.11 (5) game birds and waterfowl bred and raised (i) on a game farm licensed under section  
31.12 97A.105, provided that the annual licensing report to the Department of Natural Resources,  
31.13 which must be submitted annually by March 30 to the assessor, indicates that at least 500  
31.14 birds were raised or used for breeding stock on the property during the preceding year and  
31.15 that the owner provides a copy of the owner's most recent schedule F; or (ii) for use on a  
31.16 shooting preserve licensed under section 97A.115;

31.17 (6) insects primarily bred to be used as food for animals;

31.18 (7) trees, grown for sale as a crop, including short rotation woody crops, and not sold  
31.19 for timber, lumber, wood, or wood products; and

31.20 (8) maple syrup taken from trees grown by a person licensed by the Minnesota  
31.21 Department of Agriculture under chapter 28A as a food processor.

31.22 (j) If a parcel used for agricultural purposes is also used for commercial or industrial  
31.23 purposes, including but not limited to:

31.24 (1) wholesale and retail sales;

31.25 (2) processing of raw agricultural products or other goods;

31.26 (3) warehousing or storage of processed goods; and

31.27 (4) office facilities for the support of the activities enumerated in clauses (1), (2), and  
31.28 (3), the assessor shall classify the part of the parcel used for agricultural purposes as class  
31.29 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use.  
31.30 The grading, sorting, and packaging of raw agricultural products for first sale is considered  
31.31 an agricultural purpose. A greenhouse or other building where horticultural or nursery  
31.32 products are grown that is also used for the conduct of retail sales must be classified as

32.1 agricultural if it is primarily used for the growing of horticultural or nursery products from  
32.2 seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products.  
32.3 Use of a greenhouse or building only for the display of already grown horticultural or nursery  
32.4 products does not qualify as an agricultural purpose.

32.5 (k) The assessor shall determine and list separately on the records the market value of  
32.6 the homestead dwelling and the one acre of land on which that dwelling is located. If any  
32.7 farm buildings or structures are located on this homesteaded acre of land, their market value  
32.8 shall not be included in this separate determination.

32.9 (l) Class 2d airport landing area consists of a landing area or public access area of a  
32.10 privately owned public use airport. It has a classification rate of one percent of market value.  
32.11 To qualify for classification under this paragraph, a privately owned public use airport must  
32.12 be licensed as a public airport under section 360.018. For purposes of this paragraph, "landing  
32.13 area" means that part of a privately owned public use airport properly cleared, regularly  
32.14 maintained, and made available to the public for use by aircraft and includes runways,  
32.15 taxiways, aprons, and sites upon which are situated landing or navigational aids. A landing  
32.16 area also includes land underlying both the primary surface and the approach surfaces that  
32.17 comply with all of the following:

32.18 (i) the land is properly cleared and regularly maintained for the primary purposes of the  
32.19 landing, taking off, and taxiing of aircraft; but that portion of the land that contains facilities  
32.20 for servicing, repair, or maintenance of aircraft is not included as a landing area;

32.21 (ii) the land is part of the airport property; and

32.22 (iii) the land is not used for commercial or residential purposes.

32.23 The land contained in a landing area under this paragraph must be described and certified  
32.24 by the commissioner of transportation. The certification is effective until it is modified, or  
32.25 until the airport or landing area no longer meets the requirements of this paragraph. For  
32.26 purposes of this paragraph, "public access area" means property used as an aircraft parking  
32.27 ramp, apron, or storage hangar, or an arrival and departure building in connection with the  
32.28 airport.

32.29 (m) Class 2e consists of land with a commercial aggregate deposit that is not actively  
32.30 being mined and is not otherwise classified as class 2a or 2b, provided that the land is not  
32.31 located in a county that has elected to opt-out of the aggregate preservation program as  
32.32 provided in section 273.1115, subdivision 6. It has a classification rate of one percent of  
32.33 market value. To qualify for classification under this paragraph, the property must be at



33.1 least ten contiguous acres in size and the owner of the property must record with the county  
33.2 recorder of the county in which the property is located an affidavit containing:

33.3 (1) a legal description of the property;

33.4 (2) a disclosure that the property contains a commercial aggregate deposit that is not  
33.5 actively being mined but is present on the entire parcel enrolled;

33.6 (3) documentation that the conditional use under the county or local zoning ordinance  
33.7 of this property is for mining; and

33.8 (4) documentation that a permit has been issued by the local unit of government or the  
33.9 mining activity is allowed under local ordinance. The disclosure must include a statement  
33.10 from a registered professional geologist, engineer, or soil scientist delineating the deposit  
33.11 and certifying that it is a commercial aggregate deposit.

33.12 For purposes of this section and section 273.1115, "commercial aggregate deposit"  
33.13 means a deposit that will yield crushed stone or sand and gravel that is suitable for use as  
33.14 a construction aggregate; and "actively mined" means the removal of top soil and overburden  
33.15 in preparation for excavation or excavation of a commercial deposit.

33.16 (n) When any portion of the property under this subdivision or subdivision 22 begins to  
33.17 be actively mined, the owner must file a supplemental affidavit within 60 days from the  
33.18 day any aggregate is removed stating the number of acres of the property that is actively  
33.19 being mined. The acres actively being mined must be (1) valued and classified under  
33.20 subdivision 24 in the next subsequent assessment year, and (2) removed from the aggregate  
33.21 resource preservation property tax program under section 273.1115, if the land was enrolled  
33.22 in that program. Copies of the original affidavit and all supplemental affidavits must be  
33.23 filed with the county assessor, the local zoning administrator, and the Department of Natural  
33.24 Resources, Division of Land and Minerals. A supplemental affidavit must be filed each  
33.25 time a subsequent portion of the property is actively mined, provided that the minimum  
33.26 acreage change is five acres, even if the actual mining activity constitutes less than five  
33.27 acres.

33.28 (o) The definitions prescribed by the commissioner under paragraphs (c) and (d) are not  
33.29 rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in  
33.30 section 14.386 concerning exempt rules do not apply.

33.31 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023  
33.32 and thereafter.

34.1 Sec. 21. Minnesota Statutes 2021 Supplement, section 273.13, subdivision 25, is amended  
34.2 to read:

34.3 Subd. 25. **Class 4.** (a) Class 4a is residential real estate containing four or more units  
34.4 and used or held for use by the owner or by the tenants or lessees of the owner as a residence  
34.5 for rental periods of 30 days or more, excluding property qualifying for class 4d. Class 4a  
34.6 also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt  
34.7 under section 272.02, and contiguous property used for hospital purposes, without regard  
34.8 to whether the property has been platted or subdivided. The market value of class 4a property  
34.9 has a classification rate of 1.25 percent.

34.10 (b) Class 4b includes:

34.11 (1) residential real estate containing less than four units, including property rented as a  
34.12 short-term rental property for more than 14 days in the preceding year, that does not qualify  
34.13 as class 4bb, other than seasonal residential recreational property;

34.14 (2) manufactured homes not classified under any other provision;

34.15 (3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm  
34.16 classified under subdivision 23, paragraph (b) containing two or three units; and

34.17 (4) unimproved property that is classified residential as determined under subdivision  
34.18 33.

34.19 For the purposes of this paragraph, "short-term rental property" means nonhomestead  
34.20 residential real estate rented for periods of less than 30 consecutive days.

34.21 The market value of class 4b property has a classification rate of 1.25 percent.

34.22 (c) Class 4bb includes:

34.23 (1) nonhomestead residential real estate containing one unit, other than seasonal  
34.24 residential recreational property;

34.25 (2) a single family dwelling, garage, and surrounding one acre of property on a  
34.26 nonhomestead farm classified under subdivision 23, paragraph (b); and

34.27 (3) a condominium-type storage unit having an individual property identification number  
34.28 that is not used for a commercial purpose.

34.29 Class 4bb property has the same classification rates as class 1a property under subdivision  
34.30 22.

35.1 Property that has been classified as seasonal residential recreational property at any time  
35.2 during which it has been owned by the current owner or spouse of the current owner does  
35.3 not qualify for class 4bb.

35.4 (d) Class 4c property includes:

35.5 (1) except as provided in subdivision 22, paragraph (c), real and personal property  
35.6 devoted to commercial temporary and seasonal residential occupancy for recreation purposes,  
35.7 for not more than 250 days in the year preceding the year of assessment. For purposes of  
35.8 this clause, property is devoted to a commercial purpose on a specific day if any portion of  
35.9 the property is used for residential occupancy, and a fee is charged for residential occupancy.  
35.10 Class 4c property under this clause must contain three or more rental units. A "rental unit"  
35.11 is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site  
35.12 equipped with water and electrical hookups for recreational vehicles. A camping pad offered  
35.13 for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c  
35.14 under this clause regardless of the term of the rental agreement, as long as the use of the  
35.15 camping pad does not exceed 250 days. In order for a property to be classified under this  
35.16 clause, either (i) the business located on the property must provide recreational activities,  
35.17 at least 40 percent of the annual gross lodging receipts related to the property must be from  
35.18 business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid  
35.19 bookings by lodging guests during the year must be for periods of at least two consecutive  
35.20 nights; or (B) at least 20 percent of the annual gross receipts must be from charges for  
35.21 providing recreational activities, or (ii) the business must contain 20 or fewer rental units,  
35.22 and must be located in a township or a city with a population of 2,500 or less located outside  
35.23 the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion  
35.24 of a state trail administered by the Department of Natural Resources. For purposes of item  
35.25 (i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4c  
35.26 property also includes commercial use real property used exclusively for recreational  
35.27 purposes in conjunction with other class 4c property classified under this clause and devoted  
35.28 to temporary and seasonal residential occupancy for recreational purposes, up to a total of  
35.29 two acres, provided the property is not devoted to commercial recreational use for more  
35.30 than 250 days in the year preceding the year of assessment and is located within two miles  
35.31 of the class 4c property with which it is used. In order for a property to qualify for  
35.32 classification under this clause, the owner must submit a declaration to the assessor  
35.33 designating the cabins or units occupied for 250 days or less in the year preceding the year  
35.34 of assessment by January 15 of the assessment year. Those cabins or units and a proportionate  
35.35 share of the land on which they are located must be designated class 4c under this clause

36.1 as otherwise provided. The remainder of the cabins or units and a proportionate share of  
36.2 the land on which they are located will be designated as class 3a. The owner of property  
36.3 desiring designation as class 4c property under this clause must provide guest registers or  
36.4 other records demonstrating that the units for which class 4c designation is sought were not  
36.5 occupied for more than 250 days in the year preceding the assessment if so requested. The  
36.6 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center  
36.7 or meeting room, and (5) other nonresidential facility operated on a commercial basis not  
36.8 directly related to temporary and seasonal residential occupancy for recreation purposes  
36.9 does not qualify for class 4c. For the purposes of this paragraph, "recreational activities"  
36.10 means renting ice fishing houses, boats and motors, snowmobiles, downhill or cross-country  
36.11 ski equipment; providing marina services, launch services, or guide services; or selling bait  
36.12 and fishing tackle;

36.13 (2) qualified property used as a golf course if:

36.14 (i) it is open to the public on a daily fee basis. It may charge membership fees or dues,  
36.15 but a membership fee may not be required in order to use the property for golfing, and its  
36.16 green fees for golfing must be comparable to green fees typically charged by municipal  
36.17 courses; and

36.18 (ii) it meets the requirements of section 273.112, subdivision 3, paragraph (d).

36.19 A structure used as a clubhouse, restaurant, or place of refreshment in conjunction with  
36.20 the golf course is classified as class 3a property;

36.21 (3) real property up to a maximum of three acres of land owned and used by a nonprofit  
36.22 community service oriented organization and not used for residential purposes on either a  
36.23 temporary or permanent basis, provided that:

36.24 (i) the property is not used for a revenue-producing activity for more than six days in  
36.25 the calendar year preceding the year of assessment; or

36.26 (ii) the organization makes annual charitable contributions and donations at least equal  
36.27 to the property's previous year's property taxes and the property is allowed to be used for  
36.28 public and community meetings or events for no charge, as appropriate to the size of the  
36.29 facility.

36.30 For purposes of this clause:

36.31 (A) "charitable contributions and donations" has the same meaning as lawful gambling  
36.32 purposes under section 349.12, subdivision 25, excluding those purposes relating to the  
36.33 payment of taxes, assessments, fees, auditing costs, and utility payments;

37.1 (B) "property taxes" excludes the state general tax;

37.2 (C) a "nonprofit community service oriented organization" means any corporation,  
37.3 society, association, foundation, or institution organized and operated exclusively for  
37.4 charitable, religious, fraternal, civic, or educational purposes, and which is exempt from  
37.5 federal income taxation pursuant to section 501(c)(3), (8), (10), or (19) of the Internal  
37.6 Revenue Code; and

37.7 (D) "revenue-producing activities" shall include but not be limited to property or that  
37.8 portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt  
37.9 liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling  
37.10 alley, a retail store, gambling conducted by organizations licensed under chapter 349, an  
37.11 insurance business, or office or other space leased or rented to a lessee who conducts a  
37.12 for-profit enterprise on the premises.

37.13 Any portion of the property not qualifying under either item (i) or (ii) is class 3a. The  
37.14 use of the property for social events open exclusively to members and their guests for periods  
37.15 of less than 24 hours, when an admission is not charged nor any revenues are received by  
37.16 the organization shall not be considered a revenue-producing activity.

37.17 The organization shall maintain records of its charitable contributions and donations  
37.18 and of public meetings and events held on the property and make them available upon  
37.19 request any time to the assessor to ensure eligibility. An organization meeting the requirement  
37.20 under item (ii) must file an application by May 1 with the assessor for eligibility for the  
37.21 current year's assessment. The commissioner shall prescribe a uniform application form  
37.22 and instructions;

37.23 (4) postsecondary student housing of not more than one acre of land that is owned by a  
37.24 nonprofit corporation organized under chapter 317A and is used exclusively by a student  
37.25 cooperative, sorority, or fraternity for on-campus housing or housing located within two  
37.26 miles of the border of a college campus;

37.27 (5)~~(i)~~ manufactured home parks as defined in section 327.14, subdivision 3, ~~excluding~~  
37.28 including manufactured home parks ~~described in items (ii) and (iii), (ii) manufactured home~~  
37.29 ~~parks as defined in section 327.14, subdivision 3,~~ that are described in section 273.124,  
37.30 subdivision 3a, ~~and (iii) class I manufactured home parks as defined in section 327C.01,~~  
37.31 ~~subdivision 13;~~

37.32 (6) real property that is actively and exclusively devoted to indoor fitness, health, social,  
37.33 recreational, and related uses, is owned and operated by a not-for-profit corporation, and is  
37.34 located within the metropolitan area as defined in section 473.121, subdivision 2;

38.1 (7) a leased or privately owned noncommercial aircraft storage hangar not exempt under  
38.2 section 272.01, subdivision 2, and the land on which it is located, provided that:

38.3 (i) the land is on an airport owned or operated by a city, town, county, Metropolitan  
38.4 Airports Commission, or group thereof; and

38.5 (ii) the land lease, or any ordinance or signed agreement restricting the use of the leased  
38.6 premise, prohibits commercial activity performed at the hangar.

38.7 If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be  
38.8 filed by the new owner with the assessor of the county where the property is located within  
38.9 60 days of the sale;

38.10 (8) a privately owned noncommercial aircraft storage hangar not exempt under section  
38.11 272.01, subdivision 2, and the land on which it is located, provided that:

38.12 (i) the land abuts a public airport; and

38.13 (ii) the owner of the aircraft storage hangar provides the assessor with a signed agreement  
38.14 restricting the use of the premises, prohibiting commercial use or activity performed at the  
38.15 hangar; and

38.16 (9) residential real estate, a portion of which is used by the owner for homestead purposes,  
38.17 and that is also a place of lodging, if all of the following criteria are met:

38.18 (i) rooms are provided for rent to transient guests that generally stay for periods of 14  
38.19 or fewer days;

38.20 (ii) meals are provided to persons who rent rooms, the cost of which is incorporated in  
38.21 the basic room rate;

38.22 (iii) meals are not provided to the general public except for special events on fewer than  
38.23 seven days in the calendar year preceding the year of the assessment; and

38.24 (iv) the owner is the operator of the property.

38.25 The market value subject to the 4c classification under this clause is limited to five rental  
38.26 units. Any rental units on the property in excess of five, must be valued and assessed as  
38.27 class 3a. The portion of the property used for purposes of a homestead by the owner must  
38.28 be classified as class 1a property under subdivision 22;

38.29 (10) real property up to a maximum of three acres and operated as a restaurant as defined  
38.30 under section 157.15, subdivision 12, provided it: (i) is located on a lake as defined under  
38.31 section 103G.005, subdivision 15, paragraph (a), clause (3); and (ii) is either devoted to  
38.32 commercial purposes for not more than 250 consecutive days, or receives at least 60 percent

39.1 of its annual gross receipts from business conducted during four consecutive months. Gross  
39.2 receipts from the sale of alcoholic beverages must be included in determining the property's  
39.3 qualification under item (ii). The property's primary business must be as a restaurant and  
39.4 not as a bar. Gross receipts from gift shop sales located on the premises must be excluded.  
39.5 Owners of real property desiring 4c classification under this clause must submit an annual  
39.6 declaration to the assessor by February 1 of the current assessment year, based on the  
39.7 property's relevant information for the preceding assessment year;

39.8 (11) lakeshore and riparian property and adjacent land, not to exceed six acres, used as  
39.9 a marina, as defined in section 86A.20, subdivision 5, which is made accessible to the public  
39.10 and devoted to recreational use for marina services. The marina owner must annually provide  
39.11 evidence to the assessor that it provides services, including lake or river access to the public  
39.12 by means of an access ramp or other facility that is either located on the property of the  
39.13 marina or at a publicly owned site that abuts the property of the marina. No more than 800  
39.14 feet of lakeshore may be included in this classification. Buildings used in conjunction with  
39.15 a marina for marina services, including but not limited to buildings used to provide food  
39.16 and beverage services, fuel, boat repairs, or the sale of bait or fishing tackle, are classified  
39.17 as class 3a property; and

39.18 (12) real and personal property devoted to noncommercial temporary and seasonal  
39.19 residential occupancy for recreation purposes.

39.20 Class 4c property has a classification rate of 1.5 percent of market value, except that (i)  
39.21 each parcel of noncommercial seasonal residential recreational property under clause (12)  
39.22 has the same classification rates as class 4bb property, (ii) manufactured home parks assessed  
39.23 under clause (5), ~~item (i), have the same classification rate as class 4b property, the market~~  
39.24 ~~value of manufactured home parks assessed under clause (5), item (ii), have a classification~~  
39.25 ~~rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by~~  
39.26 ~~shareholders in the cooperative corporation or association and a classification rate of one~~  
39.27 ~~percent if 50 percent or less of the lots are so occupied, and class I manufactured home~~  
39.28 ~~parks as defined in section 327C.01, subdivision 13, have a classification rate of 1.0~~ 0.75  
39.29 percent, (iii) commercial-use seasonal residential recreational property and marina  
39.30 recreational land as described in clause (11), has a classification rate of one percent for the  
39.31 first \$500,000 of market value, and 1.25 percent for the remaining market value, (iv) the  
39.32 market value of property described in clause (4) has a classification rate of one percent, (v)  
39.33 the market value of property described in clauses (2), (6), and (10) has a classification rate  
39.34 of 1.25 percent, (vi) that portion of the market value of property in clause (9) qualifying for  
39.35 class 4c property has a classification rate of 1.25 percent, and (vii) property qualifying for

40.1 classification under clause (3) that is owned or operated by a congressionally chartered  
40.2 veterans organization has a classification rate of one percent. The commissioner of veterans  
40.3 affairs must provide a list of congressionally chartered veterans organizations to the  
40.4 commissioner of revenue by June 30, 2017, and by January 1, 2018, and each year thereafter.

40.5 (e) Class 4d property ~~is~~ includes:

40.6 (1) qualifying low-income rental housing certified to the assessor by the Housing Finance  
40.7 Agency under section 273.128, subdivision 3. If only a portion of the units in the building  
40.8 qualify as low-income rental housing units as certified under section 273.128, subdivision  
40.9 3, only the proportion of qualifying units to the total number of units in the building qualify  
40.10 for class ~~4d~~ 4d(1). The remaining portion of the building shall be classified by the assessor  
40.11 based upon its use. Class ~~4d~~ 4d(1) also includes the same proportion of land as the qualifying  
40.12 low-income rental housing units are to the total units in the building. For all properties  
40.13 qualifying as class ~~4d~~ 4d(1), the market value determined by the assessor must be based on  
40.14 the normal approach to value using normal unrestricted rents; and

40.15 (2) a unit that is owned by the occupant and used as a homestead by the occupant, and  
40.16 otherwise meets all the requirements for community land trust property under section 273.11,  
40.17 subdivision 12, provided that by December 31 of each assessment year, the community land  
40.18 trust certifies to the assessor that (i) the community land trust owns the real property on  
40.19 which the unit is located, and (ii) the unit owner is a member in good standing of the  
40.20 community land trust. For all units qualifying as class 4d(2), the market value determined  
40.21 by the assessor must be based on the normal approach to value without regard to any  
40.22 restrictions that apply because the unit is a community land trust property.

40.23 ~~(f) The first tier of market value of class 4d property has a classification rate of 0.75~~  
40.24 ~~percent. The remaining value of class 4d property has a classification rate of 0.25 percent.~~  
40.25 ~~For the purposes of this paragraph, the "first tier of market value of class 4d property" means~~  
40.26 ~~the market value of each housing unit up to the first tier limit. For the purposes of this~~  
40.27 ~~paragraph, all class 4d property value must be assigned to individual housing units. The~~  
40.28 ~~first tier limit is \$100,000 for assessment years 2022 and 2023. For subsequent assessment~~  
40.29 ~~years, the limit is adjusted each year by the average statewide change in estimated market~~  
40.30 ~~value of property classified as class 4a and 4d under this section for the previous assessment~~  
40.31 ~~year, excluding valuation change due to new construction, rounded to the nearest \$1,000,~~  
40.32 ~~provided, however, that the limit may never be less than \$100,000. Beginning with~~  
40.33 ~~assessment year 2015, the commissioner of revenue must certify the limit for each assessment~~  
40.34 ~~year by November 1 of the previous year.~~



41.1 (f) Class 4d(1) property has a classification rate of 0.25 percent. Class 4d(2) property  
41.2 has a classification rate of 0.75 percent.

41.3 **EFFECTIVE DATE.** (a) The amendments to paragraph (d) are effective for property  
41.4 taxes payable in 2024 and thereafter.

41.5 (b) The amendments to paragraph (e) are effective for property taxes payable in 2023  
41.6 and thereafter.

41.7 (c) The amendments to paragraph (f) for 4(d)(1) property are effective beginning with  
41.8 assessment year 2023. The amendments to paragraph (f) for 4(d)(2) property are effective  
41.9 for taxes payable in 2023 and thereafter.

41.10 Sec. 22. Minnesota Statutes 2021 Supplement, section 273.13, subdivision 34, is amended  
41.11 to read:

41.12 Subd. 34. **Homestead of veteran with a disability or family caregiver.** (a) All or a  
41.13 portion of the market value of property owned by a veteran and serving as the veteran's  
41.14 homestead under this section is excluded in determining the property's taxable market value  
41.15 if the veteran has a service-connected disability of 70 percent or more as certified by the  
41.16 United States Department of Veterans Affairs. To qualify for exclusion under this subdivision,  
41.17 the veteran must have been honorably discharged from the United States armed forces, as  
41.18 indicated by United States Government Form DD214 or other official military discharge  
41.19 papers.

41.20 (b)(1) For a disability rating of 70 percent or more, \$150,000 of market value is excluded,  
41.21 except as provided in clause (2); and

41.22 (2) for a total (100 percent) and permanent disability, \$300,000 of market value is  
41.23 excluded.

41.24 (c) If a veteran with a disability qualifying for a valuation exclusion under paragraph  
41.25 (b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the  
41.26 spouse holds the legal or beneficial title to the homestead and permanently resides there,  
41.27 the exclusion shall carry over to the benefit of the veteran's spouse until such time as the  
41.28 spouse remarries, or sells, transfers, or otherwise disposes of the property, except as otherwise  
41.29 provided in paragraph (n). Qualification under this paragraph requires an application under  
41.30 paragraph (h), and a spouse must notify the assessor if there is a change in the spouse's  
41.31 marital status, ownership of the property, or use of the property as a permanent residence.  
41.32 If a spouse previously received the exclusion under this paragraph, but the exclusion expired  
41.33 prior to assessment year 2019 before the eligibility time period for surviving spouses was

42.1 changed to a lifetime benefit, the spouse may reapply under paragraph (h) for the exclusion  
42.2 under this paragraph.

42.3 (d) If the spouse of a member of any branch or unit of the United States armed forces  
42.4 who dies due to a service-connected cause while serving honorably in active service, as  
42.5 indicated on United States Government Form DD1300 or DD2064, holds the legal or  
42.6 beneficial title to a homestead and permanently resides there, the spouse is entitled to the  
42.7 benefit described in paragraph (b), clause (2), until such time as the spouse remarries or  
42.8 sells, transfers, or otherwise disposes of the property, except as otherwise provided in  
42.9 paragraph (n). If a spouse previously received the exclusion under this paragraph, but the  
42.10 exclusion expired prior to assessment year 2019 before the eligibility time period for  
42.11 surviving spouses was changed to a lifetime benefit, the spouse may reapply under paragraph  
42.12 (h) for the exclusion under this paragraph.

42.13 (e) If a veteran meets the disability criteria of paragraph (a) but does not own property  
42.14 classified as homestead in the state of Minnesota, then the homestead of the veteran's primary  
42.15 family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify  
42.16 for under paragraph (b).

42.17 (f) In the case of an agricultural homestead, only the portion of the property consisting  
42.18 of the house and garage and immediately surrounding one acre of land qualifies for the  
42.19 valuation exclusion under this subdivision.

42.20 (g) A property qualifying for a valuation exclusion under this subdivision is not eligible  
42.21 for the market value exclusion under subdivision 35, or classification under subdivision 22,  
42.22 paragraph (b).

42.23 (h) To qualify for a valuation exclusion under this subdivision a property owner must  
42.24 apply to the assessor by December 31 of the first assessment year for which the exclusion  
42.25 is sought. Except as provided in paragraph (c), the owner of a property that has been accepted  
42.26 for a valuation exclusion must notify the assessor if there is a change in ownership of the  
42.27 property or in the use of the property as a homestead.

42.28 (i) A first-time application by a qualifying spouse for the market value exclusion under  
42.29 paragraph (d) must be made any time within two years of the death of the service member,  
42.30 within two years of the United States Department of Veterans Affairs Dependency and  
42.31 Indemnity Compensation determination, or by December 31, 2023, whichever is later. A  
42.32 qualifying spouse whose application was previously denied may reapply, pursuant to this  
42.33 paragraph, by December 31, 2023.

42.34 (j) For purposes of this subdivision:

43.1 (1) "active service" has the meaning given in section 190.05;

43.2 (2) "own" means that the person's name is present as an owner on the property deed;

43.3 (3) "primary family caregiver" means a person who is approved by the secretary of the  
43.4 United States Department of Veterans Affairs for assistance as the primary provider of  
43.5 personal care services for an eligible veteran under the Program of Comprehensive Assistance  
43.6 for Family Caregivers, codified as United States Code, title 38, section 1720G; and

43.7 (4) "veteran" has the meaning given the term in section 197.447.

43.8 (k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion  
43.9 under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit  
43.10 under paragraph (b), clause (2), until the spouse remarries or sells, transfers, or otherwise  
43.11 disposes of the property, except as otherwise provided in paragraph (n), if:

43.12 (1) the spouse files a first-time application within two years of the death of the service  
43.13 member, within two years of the United States Department of Veterans Affairs Dependency  
43.14 and Indemnity Compensation determination, if applicable, or by ~~June 1, 2019~~ December  
43.15 31, 2023, whichever is later. A spouse whose application was previously denied may reapply,  
43.16 pursuant to this paragraph, by December 31, 2023;

43.17 (2) upon the death of the veteran, the spouse holds the legal or beneficial title to the  
43.18 homestead and permanently resides there;

43.19 (3) the veteran met the honorable discharge requirements of paragraph (a); and

43.20 (4) the United States Department of Veterans Affairs certifies that:

43.21 (i) the veteran met the total (100 percent) and permanent disability requirement under  
43.22 paragraph (b), clause (2); or

43.23 (ii) the spouse has been awarded dependency and indemnity compensation.

43.24 (l) The purpose of this provision of law providing a level of homestead property tax  
43.25 relief for veterans with a disability, their primary family caregivers, and their surviving  
43.26 spouses is to help ease the burdens of war for those among our state's citizens who bear  
43.27 those burdens most heavily.

43.28 (m) By July 1, the county veterans service officer must certify the disability rating and  
43.29 permanent address of each veteran receiving the benefit under paragraph (b) to the assessor.

43.30 (n) A spouse who received the benefit in paragraph (c), (d), or (k) but no longer holds  
43.31 the legal or beneficial title to the property may continue to receive the exclusion for a

44.1 property other than the property for which the exclusion was initially granted until the spouse  
44.2 remarries or sells, transfers, or otherwise disposes of the property, provided that:

44.3 (1) the spouse applies under paragraph (h) for the continuation of the exclusion allowed  
44.4 under this paragraph;

44.5 (2) the spouse holds the legal or beneficial title to the property for which the continuation  
44.6 of the exclusion is sought under this paragraph, and permanently resides there;

44.7 (3) the estimated market value of the property for which the exclusion is sought under  
44.8 this paragraph is less than or equal to the estimated market value of the property that first  
44.9 received the exclusion, based on the value of each property on the date of the sale of the  
44.10 property that first received the exclusion; and

44.11 (4) the spouse has not previously received the benefit under this paragraph for a property  
44.12 other than the property for which the exclusion is sought.

44.13 **EFFECTIVE DATE.** This section is effective for assessment year 2022 and thereafter.

44.14 Sec. 23. Minnesota Statutes 2020, section 273.13, subdivision 35, is amended to read:

44.15 Subd. 35. **Homestead market value exclusion.** (a) Prior to determining a property's  
44.16 net tax capacity under this section, property classified as class 1a or 1b under subdivision  
44.17 22, and the portion of property classified as class 2a under subdivision 23 consisting of the  
44.18 house, garage, and surrounding one acre of land, shall be eligible for a market value exclusion  
44.19 as determined under paragraph (b).

44.20 (b) For a homestead valued at ~~\$76,000~~ \$95,000 or less, the exclusion is 40 percent of  
44.21 market value. For a homestead valued between ~~\$76,000~~ \$95,000 and ~~\$413,800~~ \$517,200,  
44.22 the exclusion is ~~\$30,400~~ \$38,000 minus nine percent of the valuation over ~~\$76,000~~ \$95,000.  
44.23 For a homestead valued at ~~\$413,800~~ \$517,200 or more, there is no valuation exclusion. The  
44.24 valuation exclusion shall be rounded to the nearest whole dollar, and may not be less than  
44.25 zero.

44.26 (c) Any valuation exclusions or adjustments under section 273.11 shall be applied prior  
44.27 to determining the amount of the valuation exclusion under this subdivision.

44.28 (d) In the case of a property that is classified as part homestead and part nonhomestead,  
44.29 (i) the exclusion shall apply only to the homestead portion of the property, but (ii) if a portion  
44.30 of a property is classified as nonhomestead solely because not all the owners occupy the  
44.31 property, not all the owners have qualifying relatives occupying the property, or solely  
44.32 because not all the spouses of owners occupy the property, the exclusion amount shall be

45.1 initially computed as if that nonhomestead portion were also in the homestead class and  
45.2 then prorated to the owner-occupant's percentage of ownership. For the purpose of this  
45.3 section, when an owner-occupant's spouse does not occupy the property, the percentage of  
45.4 ownership for the owner-occupant spouse is one-half of the couple's ownership percentage.

45.5 **EFFECTIVE DATE.** This section is effective for assessment year 2023 and thereafter.

45.6 Sec. 24. Minnesota Statutes 2020, section 273.13, is amended by adding a subdivision to  
45.7 read:

45.8 Subd. 36. **Affordable housing market value exclusion.** (a) Prior to determining a  
45.9 property's net tax capacity under this section, property classified as class 4a under subdivision  
45.10 25, paragraph (a), shall be eligible for an affordable housing market value exclusion as  
45.11 determined under paragraph (b).

45.12 (b) For a property that meets the requirements under section 273.129, the exclusion is  
45.13 50 percent of the market value. The valuation shall be rounded to the nearest whole dollar,  
45.14 and may not be less than zero.

45.15 (c) Any valuation exclusions or adjustments under section 273.11 shall be applied prior  
45.16 to determining the amount of the valuation exclusion under this subdivision.

45.17 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

45.18 Sec. 25. Minnesota Statutes 2020, section 273.1387, subdivision 2, is amended to read:

45.19 Subd. 2. **Credit amount.** For each qualifying property, the school building bond  
45.20 agricultural credit is equal to the credit percent multiplied by the property's eligible net tax  
45.21 capacity multiplied by the school debt tax rate determined under section 275.08, subdivision  
45.22 1b. For property taxes payable prior to 2020, the credit percent is equal to 40 percent. For  
45.23 property taxes payable in 2020, the credit percent is equal to 50 percent. For property taxes  
45.24 payable in 2021, the credit percent is equal to 55 percent. For property taxes payable in  
45.25 2022, the credit percent is equal to 60 percent. For property taxes payable in 2023 ~~and~~  
45.26 ~~thereafter~~, the credit percent is equal to 70 percent. For property taxes payable in 2024 and  
45.27 thereafter, the credit percent is equal to 85 percent.

45.28 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
45.29 in 2024.

46.1 Sec. 26. Minnesota Statutes 2020, section 273.41, is amended to read:

46.2 **273.41 AMOUNT OF TAX; DISTRIBUTION.**

46.3 There is hereby imposed upon each such cooperative association on December 31 of  
46.4 each year a tax of \$10 for each 100 members, or fraction thereof, of such association. The  
46.5 tax, when paid, shall be in lieu of all personal property taxes, state, county, or local, upon  
46.6 distribution lines and the attachments and appurtenances thereto of such associations located  
46.7 in rural areas. For purposes of this section, "attachments and appurtenances" include, but  
46.8 are not limited to, all cooperative association-owned metering and streetlighting equipment  
46.9 that is physically or electrically connected to the cooperative association's distribution  
46.10 system. The tax shall be payable on or before March 1 of the next succeeding year, to the  
46.11 commissioner of revenue. If the tax, or any portion thereof, is not paid within the time herein  
46.12 specified for the payment thereof, there shall be added thereto a specific penalty equal to  
46.13 ten percent of the amount so remaining unpaid. Such penalty shall be collected as part of  
46.14 said tax, and the amount of said tax not timely paid, together with said penalty, shall bear  
46.15 interest at the rate specified in section 270C.40 from the time such tax should have been  
46.16 paid until paid. The commissioner shall deposit the amount so received in the general fund  
46.17 of the state treasury.

46.18 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

46.19 Sec. 27. Minnesota Statutes 2021 Supplement, section 275.025, subdivision 1, is amended  
46.20 to read:

46.21 Subdivision 1. **Levy amount.** The state general levy is levied against  
46.22 commercial-industrial property and seasonal residential recreational property, as defined  
46.23 in this section. The state general levy for commercial-industrial property is ~~\$716,990,000~~  
46.24 \$688,641,000 for taxes payable in 2023 and thereafter. The state general levy for  
46.25 seasonal-recreational property is ~~\$41,690,000~~ \$40,042,000 for taxes payable in ~~2020~~ 2023  
46.26 and thereafter. The tax under this section is not treated as a local tax rate under section  
46.27 469.177 and is not the levy of a governmental unit under chapters 276A and 473F.

46.28 The commissioner shall increase or decrease the preliminary or final rate for a year as  
46.29 necessary to account for errors and tax base changes that affected a preliminary or final rate  
46.30 for either of the two preceding years. Adjustments are allowed to the extent that the necessary  
46.31 information is available to the commissioner at the time the rates for a year must be certified,  
46.32 and for the following reasons:

46.33 (1) an erroneous report of taxable value by a local official;

47.1 (2) an erroneous calculation by the commissioner; and

47.2 (3) an increase or decrease in taxable value for commercial-industrial or seasonal  
47.3 residential recreational property reported to the commissioner under section 270C.85,  
47.4 subdivision 2, clause (4), for the same year.

47.5 The commissioner may, but need not, make adjustments if the total difference in the tax  
47.6 levied for the year would be less than \$100,000.

47.7 **EFFECTIVE DATE.** This section is effective for taxes payable in 2023 and thereafter.

47.8 Sec. 28. Minnesota Statutes 2020, section 276.04, subdivision 2, is amended to read:

47.9 Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the printing of  
47.10 the tax statements. The commissioner of revenue shall prescribe the form of the property  
47.11 tax statement and its contents. The tax statement must not state or imply that property tax  
47.12 credits are paid by the state of Minnesota. The statement must contain a tabulated statement  
47.13 of the dollar amount due to each taxing authority and the amount of the state tax from the  
47.14 parcel of real property for which a particular tax statement is prepared. The dollar amounts  
47.15 attributable to the county, the state tax, the voter approved school tax, the other local school  
47.16 tax, the township or municipality, and the total of the metropolitan special taxing districts  
47.17 as defined in section 275.065, subdivision 3, paragraph (i), must be separately stated. The  
47.18 amounts due all other special taxing districts, if any, may be aggregated except that any  
47.19 levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin,  
47.20 Ramsey, Scott, or Washington under chapter 398A shall be listed on a separate line directly  
47.21 under the appropriate county's levy. If the county levy under this paragraph includes an  
47.22 amount for a lake improvement district as defined under sections 103B.501 to 103B.581,  
47.23 the amount attributable for that purpose must be separately stated from the remaining county  
47.24 levy amount. In the case of Ramsey County, if the county levy under this paragraph includes  
47.25 an amount for public library service under section 134.07, the amount attributable for that  
47.26 purpose may be separated from the remaining county levy amount. The amount of the tax  
47.27 on homesteads qualifying under the senior citizens' property tax deferral program under  
47.28 chapter 290B is the total amount of property tax before subtraction of the deferred property  
47.29 tax amount. The amount of the tax on contamination value imposed under sections 270.91  
47.30 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar  
47.31 amount of any special assessments, may be rounded to the nearest even whole dollar. For  
47.32 purposes of this section whole odd-numbered dollars may be adjusted to the next higher  
47.33 even-numbered dollar. The amount of market value excluded under section 273.11,  
47.34 subdivision 16, if any, must also be listed on the tax statement.

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

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

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

48.9 (2) the property's homestead market value exclusion under section 273.13, subdivision  
 48.10 35, or the affordable housing market value exclusion under section 273.13, subdivision 36;

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

48.12 (4) the property's gross tax, before credits;

48.13 (5) for agricultural properties, the credits under sections 273.1384 and 273.1387;

48.14 (6) any credits received under sections 273.119; 273.1234 or 273.1235; 273.135;  
 48.15 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit  
 48.16 received under section 273.135 must be separately stated and identified as "taconite tax  
 48.17 relief"; and

48.18 (7) the net tax payable in the manner required in paragraph (a).

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

48.27 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

48.28 Sec. 29. Minnesota Statutes 2020, section 279.03, subdivision 1a, is amended to read:

48.29 Subd. 1a. **Rate.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), interest on  
 48.30 delinquent property taxes, penalties, and costs unpaid on or after January 1 is payable at the  
 48.31 per annum rate determined in section 270C.40, subdivision 5. ~~If the rate so determined is~~  
 48.32 ~~less than ten percent, the rate of interest is ten percent.~~ The maximum per annum rate is 14



49.1 percent if the rate specified under section 270C.40, subdivision 5, exceeds 14 percent. The  
49.2 rate is subject to change on January 1 of each year.

49.3 (b) If a person is the owner of one or more parcels of property on which taxes are  
49.4 delinquent, and the delinquent taxes are more than 25 percent of the prior year's school  
49.5 district levy, interest on the delinquent property taxes, penalties, and costs unpaid is payable  
49.6 at twice the rate determined under paragraph (a) for the year.

49.7 (c) A county board, by resolution, may establish an interest rate lower than the interest  
49.8 rate determined under paragraph (a).

49.9 **EFFECTIVE DATE.** This section is effective for property taxes, penalties, and costs  
49.10 determined to be delinquent on or after January 1, 2023.

49.11 Sec. 30. Minnesota Statutes 2020, section 282.261, subdivision 2, is amended to read:

49.12 Subd. 2. **Interest rate.** (a) Except as provided under paragraph (b), the unpaid balance  
49.13 on any repurchase contract approved by the county board is subject to interest at the rate  
49.14 determined in section 279.03, subdivision 1a. The interest rate is subject to change each  
49.15 year on the unpaid balance in the manner provided for rate changes in section 279.03,  
49.16 subdivision 1a.

49.17 (b) A county board, by resolution, or a county auditor, if delegated the responsibility to  
49.18 administer tax-forfeited land assigned to the county board as provided under section 282.135,  
49.19 may establish an interest rate lower than the interest rate determined under paragraph (a).

49.20 **EFFECTIVE DATE.** This section is effective January 1, 2023.

49.21 Sec. 31. Minnesota Statutes 2020, section 290A.03, subdivision 6, is amended to read:

49.22 Subd. 6. **Homestead.** "Homestead" means the dwelling occupied as the claimant's  
49.23 principal residence and so much of the land surrounding it, not exceeding ten acres, as is  
49.24 reasonably necessary for use of the dwelling as a home and any other property used for  
49.25 purposes of a homestead as defined in section 273.13, subdivision 22, ~~except for~~ or 273.13,  
49.26 subdivision 25, paragraph (e), clause (2). For agricultural land assessed as part of a homestead  
49.27 pursuant to section 273.13, subdivision 23, "homestead" is limited to the house and garage  
49.28 and immediately surrounding one acre of land. The homestead may be owned or rented and  
49.29 may be a part of a multidwelling or multipurpose building and the land on which it is built.  
49.30 A manufactured home, as defined in section 273.125, subdivision 8, or a park trailer taxed  
49.31 as a manufactured home under section 168.012, subdivision 9, assessed as personal property  
49.32 may be a dwelling for purposes of this subdivision.

50.1 **EFFECTIVE DATE.** This section is effective for refund claims based on taxes payable  
50.2 in 2023 and thereafter.

50.3 Sec. 32. Minnesota Statutes 2020, section 290B.03, subdivision 1, is amended to read:

50.4 Subdivision 1. **Program qualifications.** The qualifications for the senior citizens'  
50.5 property tax deferral program are as follows:

50.6 (1) the property must be owned and occupied as a homestead by a person 65 years of  
50.7 age or older. In the case of a married couple, at least one of the spouses must be at least 65  
50.8 years old at the time the first property tax deferral is granted, regardless of whether the  
50.9 property is titled in the name of one spouse or both spouses, or titled in another way that  
50.10 permits the property to have homestead status, and the other spouse must be at least 62 years  
50.11 of age;

50.12 (2) the total household income of the qualifying homeowners, as defined in section  
50.13 290A.03, subdivision 5, for the calendar year preceding the year of the initial application  
50.14 may not exceed ~~\$60,000~~ \$75,000;

50.15 (3) the homestead must have been owned and occupied as the homestead of at least one  
50.16 of the qualifying homeowners for at least ~~15~~ five years prior to the year the initial application  
50.17 is filed;

50.18 (4) there are no state or federal tax liens or judgment liens on the homesteaded property;

50.19 (5) there are no mortgages or other liens on the property that secure future advances,  
50.20 except for those subject to credit limits that result in compliance with clause (6); and

50.21 (6) the total unpaid balances of debts secured by mortgages and other liens on the  
50.22 property, including unpaid and delinquent special assessments and interest and any delinquent  
50.23 property taxes, penalties, and interest, but not including property taxes payable during the  
50.24 year or debts secured by a residential PACE lien, as defined in section 216C.435, subdivision  
50.25 10d, does not exceed 75 percent of the assessor's estimated market value for the year.

50.26 **EFFECTIVE DATE.** This section is effective for applications received for deferral of  
50.27 taxes payable in 2023 and thereafter.

50.28 Sec. 33. Minnesota Statutes 2020, section 290B.04, subdivision 3, is amended to read:

50.29 Subd. 3. **Excess-income certification by taxpayer.** A taxpayer whose initial application  
50.30 has been approved under subdivision 2 shall notify the commissioner of revenue in writing  
50.31 by July 1 if the taxpayer's household income for the preceding calendar year exceeded

51.1 ~~\$60,000~~ \$75,000. The certification must state the homeowner's total household income for  
 51.2 the previous calendar year. No property taxes may be deferred under this chapter in any  
 51.3 year following the year in which a program participant filed or should have filed an  
 51.4 excess-income certification under this subdivision, unless the participant has filed a  
 51.5 resumption of eligibility certification as described in subdivision 4.

51.6 **EFFECTIVE DATE.** This section is effective for applications received for deferral of  
 51.7 taxes payable in 2023 and thereafter.

51.8 Sec. 34. Minnesota Statutes 2020, section 290B.04, subdivision 4, is amended to read:

51.9 Subd. 4. **Resumption of eligibility certification by taxpayer.** A taxpayer who has  
 51.10 previously filed an excess-income certification under subdivision 3 may resume program  
 51.11 participation if the taxpayer's household income for a subsequent year is ~~\$60,000~~ \$75,000  
 51.12 or less. If the taxpayer chooses to resume program participation, the taxpayer must notify  
 51.13 the commissioner of revenue in writing by July 1 of the year following a calendar year in  
 51.14 which the taxpayer's household income is ~~\$60,000~~ \$75,000 or less. The certification must  
 51.15 state the taxpayer's total household income for the previous calendar year. Once a taxpayer  
 51.16 resumes participation in the program under this subdivision, participation will continue until  
 51.17 the taxpayer files a subsequent excess-income certification under subdivision 3 or until  
 51.18 participation is terminated under section 290B.08, subdivision 1.

51.19 **EFFECTIVE DATE.** This section is effective for applications received for deferral of  
 51.20 taxes payable in 2023 and thereafter.

51.21 Sec. 35. Minnesota Statutes 2020, section 290B.05, subdivision 1, is amended to read:

51.22 Subdivision 1. **Determination by commissioner.** The commissioner shall determine  
 51.23 each qualifying homeowner's "annual maximum property tax amount" following approval  
 51.24 of the homeowner's initial application and following the receipt of a resumption of eligibility  
 51.25 certification. The "annual maximum property tax amount" equals three percent of the  
 51.26 homeowner's total household income for the year preceding either the initial application or  
 51.27 the resumption of eligibility certification, whichever is applicable. Following approval of  
 51.28 the initial application, the commissioner shall determine the qualifying homeowner's  
 51.29 "maximum allowable deferral." No tax may be deferred relative to the appropriate assessment  
 51.30 year for any homeowner whose total household income for the previous year exceeds  
 51.31 ~~\$60,000~~ \$75,000. No tax shall be deferred in any year in which the homeowner does not  
 51.32 meet the program qualifications in section 290B.03. The maximum allowable total deferral  
 51.33 is equal to 75 percent of the assessor's estimated market value for the year, less the balance

52.1 of any mortgage loans and other amounts secured by liens against the property at the time  
 52.2 of application, including any unpaid and delinquent special assessments and interest and  
 52.3 any delinquent property taxes, penalties, and interest, but not including property taxes  
 52.4 payable during the year.

52.5 EFFECTIVE DATE. This section is effective for applications received for deferral of  
 52.6 taxes payable in 2023 and thereafter.

52.7 Sec. 36. CLASS 4D(1); CLASS-RATE REDUCTION PROPERTY TAX SAVINGS  
 52.8 REPORT.

52.9 (a) By November 1, 2024, each county must identify ten properties located within the  
 52.10 county with the greatest number of units classified as class 4d(1) under Minnesota Statutes,  
 52.11 section 273.13, subdivision 25. After identifying each property, the county must contact  
 52.12 and survey each property owner as to how each owner used property tax savings resulting  
 52.13 from the class rate change made to property classified as class 4d(1) under Minnesota  
 52.14 Statutes, section 273.13, subdivision 25, beginning with property taxes payable in 2024.

52.15 (b) By March 15, 2025, each county shall issue a report to the commissioner of revenue  
 52.16 and to the house of representatives and senate committees with jurisdiction over taxes and  
 52.17 property taxes indicating how each surveyed property owner used property tax savings  
 52.18 resulting from the class 4d(1) class rate change. The report shall include uses identified by  
 52.19 type including, but not limited to, property maintenance, property security, property  
 52.20 improvements, property operations, rent stabilization, and increases in the property's capital  
 52.21 expenditure fund balance.

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

52.23 Sec. 37. CHILD PROTECTION COST STUDY.

52.24 (a) The legislative auditor is requested to conduct a special review of the costs to  
 52.25 Minnesota counties for the provision of child protective services. The review would need  
 52.26 to include:

52.27 (1) an overview of the roles and responsibilities of counties in Minnesota's child protective  
 52.28 services system and a comparison of these roles and responsibilities to those in other states;

52.29 (2) from 2013 through 2022, the amount each county spent on duties related to child  
 52.30 protective services;

52.31 (3) from 2013 through 2022, the amount of federal and state funds received by each  
 52.32 county for duties related to child protective services; and

53.1 (4) from 2013 through 2022, the amount each county paid for child protective services  
53.2 using property tax revenue.

53.3 (b) The legislative auditor would need to complete the review by August 1, 2023, and  
53.4 report the results of the review to the chairs and ranking minority members of the legislative  
53.5 committees with jurisdiction over property taxation.

53.6 Sec. 38. **REPEALER.**

53.7 Minnesota Statutes 2020, sections 327C.01, subdivision 13; and 327C.16, are repealed.

53.8 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
53.9 in 2024 and thereafter.