

1.1 A bill for an act  
1.2 relating to taxation; property; modifying provisions related to agricultural historical  
1.3 society property, certain property owned by Indian tribes, the disabled veteran  
1.4 homestead exclusion, and the senior citizens' property tax deferral program;  
1.5 appropriating money; amending Minnesota Statutes 2018, sections 272.02,  
1.6 subdivision 49, by adding a subdivision; 273.13, subdivision 34; 290B.04,  
1.7 subdivision 1.

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

1.9 Section 1. Minnesota Statutes 2018, section 272.02, subdivision 49, is amended to read:

1.10 Subd. 49. **Agricultural historical society property.** Property is exempt from taxation  
1.11 if it is owned by a nonprofit charitable or educational organization that qualifies for  
1.12 exemption under section 501(c)(3) of the Internal Revenue Code and meets the following  
1.13 criteria:

1.14 (1) the property is primarily used for storing and exhibiting tools, equipment, and artifacts  
1.15 useful in providing an understanding of local or regional agricultural history. Primary use  
1.16 is determined each year based on the number of days the property is used solely for storage  
1.17 and exhibition purposes;

1.18 (2) the property is limited to a maximum of ~~20~~ 40 acres per owner per county, but  
1.19 includes the land and any taxable structures, fixtures, and equipment on the land;

1.20 (3) the property is not used for a revenue-producing activity for more than ten days in  
1.21 each calendar year; and

1.22 (4) the property is not used for residential purposes on either a temporary or permanent  
1.23 basis.

2.1 **EFFECTIVE DATE.** This section is effective for assessments beginning in 2019.

2.2 Sec. 2. Minnesota Statutes 2018, section 272.02, is amended by adding a subdivision to  
2.3 read:

2.4 Subd. 102. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

2.5 (1) is located in a city of the first class with a population of more than 380,000 as of the  
2.6 2010 federal census;

2.7 (2) was on January 1, 2016, and is for the current assessment, owned by a federally  
2.8 recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota;  
2.9 and

2.10 (3) is used exclusively as a pharmacy.

2.11 (b) Property that qualifies for the exemption under this subdivision is limited to parcels  
2.12 and structures that do not exceed, in the aggregate, 4,000 square feet. Property acquired for  
2.13 single-family housing, market-rate apartments, agriculture, or forestry does not qualify for  
2.14 this exemption. The exemption created by this subdivision expires with taxes payable in  
2.15 2028.

2.16 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020  
2.17 and thereafter.

2.18 Sec. 3. Minnesota Statutes 2018, section 273.13, subdivision 34, is amended to read:

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

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

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

3.1 (c) If a disabled veteran qualifying for a valuation exclusion under paragraph (b), clause  
3.2 (2), predeceases the veteran's spouse, and if upon the death of the veteran the spouse holds  
3.3 the legal or beneficial title to the homestead and permanently resides there, the exclusion  
3.4 shall carry over to the benefit of the veteran's spouse for the current taxes payable year and  
3.5 for eight additional taxes payable years or until such time as the spouse remarries, or sells,  
3.6 transfers, or otherwise disposes of the property, whichever comes first. Qualification under  
3.7 this paragraph requires an application under paragraph (h), and a spouse must notify the  
3.8 assessor if there is a change in the spouse's marital status, ownership of the property, or use  
3.9 of the property as a permanent residence.

3.10 (d) If the spouse of a member of any branch or unit of the United States armed forces  
3.11 who dies due to a service-connected cause while serving honorably in active service, as  
3.12 indicated on United States Government Form DD1300 or DD2064, holds the legal or  
3.13 beneficial title to a homestead and permanently resides there, the spouse is entitled to the  
3.14 benefit described in paragraph (b), clause (2), for eight taxes payable years, or until such  
3.15 time as the spouse remarries or sells, transfers, or otherwise disposes of the property,  
3.16 whichever comes first.

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

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

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

3.27 (h) To qualify for a valuation exclusion under this subdivision a property owner must  
3.28 apply to the assessor by ~~July 1~~ December 15 of the first assessment year for which the  
3.29 exclusion is sought. For an application received after ~~July 1~~ December 15, the exclusion  
3.30 shall become effective for the following assessment year. Except as provided in paragraph  
3.31 (c), the owner of a property that has been accepted for a valuation exclusion must notify  
3.32 the assessor if there is a change in ownership of the property or in the use of the property  
3.33 as a homestead.

4.1 (i) A first-time application by a qualifying spouse for the market value exclusion under  
4.2 paragraph (d) must be made any time within two years of the death of the service member.

4.3 (j) For purposes of this subdivision:

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

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

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

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

4.11 (k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion  
4.12 under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit  
4.13 under paragraph (b), clause (2), for eight taxes payable years or until the spouse remarries  
4.14 or sells, transfers, or otherwise disposes of the property if:

4.15 (1) the spouse files a first-time application within two years of the death of the service  
4.16 member or by June 1, 2019, whichever is later;

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

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

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

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

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

4.24 (l) The purpose of this provision of law providing a level of homestead property tax  
4.25 relief for gravely disabled veterans, their primary family caregivers, and their surviving  
4.26 spouses is to help ease the burdens of war for those among our state's citizens who bear  
4.27 those burdens most heavily.

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

4.30 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2019, for  
4.31 taxes payable in 2020.

5.1 Sec. 4. Minnesota Statutes 2018, section 290B.04, subdivision 1, is amended to read:

5.2 Subdivision 1. **Initial application.** (a) A taxpayer meeting the program qualifications  
5.3 under section 290B.03 may apply to the commissioner of revenue for the deferral of taxes.  
5.4 Applications are due on or before ~~July~~ November 1 for deferral of any of the following  
5.5 year's property taxes. A taxpayer may request an early notification of approval or denial at  
5.6 any time. The commissioner must notify a taxpayer in writing of the reasons for an  
5.7 application denial and that the application may be amended and resubmitted by the due date  
5.8 specified in this subdivision. A taxpayer may apply in the year in which the taxpayer becomes  
5.9 65 years old, provided that no deferral of property taxes will be made until the calendar  
5.10 year after the taxpayer becomes 65 years old. The application, which shall be prescribed  
5.11 by the commissioner of revenue, shall include the following items and any other information  
5.12 which the commissioner deems necessary:

5.13 (1) the name, address, and Social Security number of the owner or owners;

5.14 (2) a copy of the property tax statement for the current payable year for the homesteaded  
5.15 property;

5.16 (3) the initial year of ownership and occupancy as a homestead;

5.17 (4) the owner's household income for the previous calendar year; and

5.18 (5) information on any mortgage loans or other amounts secured by mortgages or other  
5.19 liens against the property, for which purpose the commissioner may require the applicant  
5.20 to provide a copy of the mortgage note, the mortgage, or a statement of the balance owing  
5.21 on the mortgage loan provided by the mortgage holder. The commissioner may require the  
5.22 appropriate documents in connection with obtaining and confirming information on unpaid  
5.23 amounts secured by other liens.

5.24 The application must state that program participation is voluntary. The application must  
5.25 also state that the deferred amount depends directly on the applicant's household income,  
5.26 and that program participation includes authorization for the annual deferred amount, the  
5.27 cumulative deferral and interest that appear on each year's notice prepared by the county  
5.28 under subdivision 6, is public data.

5.29 The application must state that program participants may claim the property tax refund  
5.30 based on the full amount of property taxes eligible for the refund, including any deferred  
5.31 amounts. The application must also state that property tax refunds will be used to offset any  
5.32 deferral and interest under this program, and that any other amounts subject to revenue

6.1 recapture under section 270A.03, subdivision 7, will also be used to offset any deferral and  
6.2 interest under this program.

6.3 (b) As part of the initial application process, the commissioner may require the applicant  
6.4 to obtain at the applicant's own cost and submit:

6.5 (1) if the property is registered property under chapter 508 or 508A, a copy of the original  
6.6 certificate of title in the possession of the county registrar of titles (sometimes referred to  
6.7 as "condition of register"); or

6.8 (2) if the property is abstract property, a report prepared by a licensed abstracter showing  
6.9 the last deed and any unsatisfied mortgages, liens, judgments, and state and federal tax lien  
6.10 notices which were recorded on or after the date of that last deed with respect to the property  
6.11 or to the applicant.

6.12 The certificate or report under clauses (1) and (2) need not include references to any  
6.13 documents filed or recorded more than 40 years prior to the date of the certification or report.  
6.14 The certification or report must be as of a date not more than 30 days prior to submission  
6.15 of the application.

6.16 The commissioner may also require the county recorder or county registrar of the county  
6.17 where the property is located to provide copies of recorded documents related to the applicant  
6.18 or the property, for which the recorder or registrar shall not charge a fee. The commissioner  
6.19 may use any information available to determine or verify eligibility under this section. The  
6.20 household income from the application is private data on individuals as defined in section  
6.21 13.02, subdivision 12.

6.22 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2021.

6.23 Sec. 5. **APPROPRIATION.**

6.24 \$5,000 in fiscal year 2020 only is appropriated from the general fund to the commissioner  
6.25 of revenue for a grant of \$2,600 to the city of Mazeppa and a grant of \$2,400 to Wabasha  
6.26 County. The grants, which shall be paid by July 20, 2019, may be used for property tax  
6.27 abatements and other costs incurred by public and private entities as a result of a fire in the  
6.28 city of Mazeppa on March 11, 2018. This is a onetime appropriation.

6.29 **EFFECTIVE DATE.** This section is effective July 1, 2019.