

1.1 ..... moves to amend H.F. No. 4385, the delete everything amendment  
1.2 (H4385DE1), as follows:

1.3 Page 97, delete article 4 and insert:

1.4 **"ARTICLE 4**

1.5 **PROPERTY TAXES**

1.6 Section 1. Minnesota Statutes 2016, section 272.02, subdivision 49, is amended to read:

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

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

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

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

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

1.21 **EFFECTIVE DATE.** This section is effective for assessments beginning in 2018.

2.1 Sec. 2. Minnesota Statutes 2016, section 272.02, is amended by adding a subdivision to  
 2.2 read:

2.3 Subd. 102. **Licensed child care facility.** Property used as a licensed child care facility  
 2.4 that accepts families participating in the child care assistance program under chapter 119B,  
 2.5 and that is owned and operated as part of their mission by a church organization that qualifies  
 2.6 for tax exemption under section 272.02, subdivision 6, is exempt. For the purposes of this  
 2.7 subdivision, "licensed child care facility" means a child care center licensed under Minnesota  
 2.8 Rules, chapter 9503, or a facility used to provide licensed family day care or group family  
 2.9 day care as defined under Minnesota Rules, chapter 9502.

2.10 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2018,  
 2.11 for taxes payable in 2019.

2.12 Sec. 3. Minnesota Statutes 2016, section 273.124, subdivision 8, is amended to read:

2.13 **Subd. 8. Homestead owned by or leased to family farm corporation, joint farm**  
 2.14 **venture, limited liability company, or partnership.** (a) Each family farm corporation;  
 2.15 each joint family farm venture; and each limited liability company or partnership which  
 2.16 operates a family farm; is entitled to class 1b under section 273.13, subdivision 22, paragraph  
 2.17 (b), or class 2a assessment for one homestead occupied by a shareholder, member, or partner  
 2.18 thereof who is residing on the land, and actively engaged in farming of the land owned by  
 2.19 the family farm corporation, joint family farm venture, limited liability company, or  
 2.20 partnership. Homestead treatment applies even if:

2.21 (1) legal title to the property is in the name of the family farm corporation, joint family  
 2.22 farm venture, limited liability company, or partnership, and not in the name of the person  
 2.23 residing on it; or

2.24 (2) the family farm is operated by a family farm corporation, joint family farm venture,  
 2.25 partnership, or limited liability company other than the family farm corporation, joint family  
 2.26 farm venture, partnership, or limited liability company that owns the land, provided that:

2.27 (i) the shareholder, member, or partner of the family farm corporation, joint family farm  
 2.28 venture, partnership, or limited liability company that owns the land and that is residing on  
 2.29 and actively engaged in farming the land is a shareholder, member, or partner of the family  
 2.30 farm corporation, joint family farm venture, partnership, or limited liability company that  
 2.31 is operating the farm;

2.32 (ii) each shareholder, member, or partner of the family farm corporation, joint family  
 2.33 farm venture, partnership, or limited liability company that is operating the farm is also a

3.1 shareholder, member, or partner of the family farm corporation, joint family farm venture,  
3.2 partnership, or limited liability company that owns the land; and

3.3 (iii) a majority of the shareholders, members, or partners of each family farm corporation,  
3.4 joint family farm venture, partnership, or limited liability company are persons or spouses  
3.5 of persons who are related to each other within the second degree of kindred according to  
3.6 the rules of civil law.

3.7 "Family farm corporation," "family farm," and "partnership operating a family farm"  
3.8 have the meanings given in section 500.24, except that the number of allowable shareholders,  
3.9 members, or partners under this subdivision shall not exceed 12. "Limited liability company"  
3.10 has the meaning contained in sections 322B.03, subdivision 28, or 322C.0102, subdivision  
3.11 12, and 500.24, subdivision 2, paragraphs (l) and (m). "Joint family farm venture" means  
3.12 a cooperative agreement among two or more farm enterprises authorized to operate a family  
3.13 farm under section 500.24.

3.14 (b) In addition to property specified in paragraph (a), any other residences owned by  
3.15 family farm corporations, joint family farm ventures, limited liability companies, or  
3.16 partnerships described in paragraph (a) which are located on agricultural land and occupied  
3.17 as homesteads by its shareholders, members, or partners who are actively engaged in farming  
3.18 on behalf of that corporation, joint farm venture, limited liability company, or partnership  
3.19 must also be assessed as class 2a property or as class 1b property under section 273.13.

3.20 (c) Agricultural property that is owned by a member, partner, or shareholder of a family  
3.21 farm corporation or joint family farm venture, limited liability company operating a family  
3.22 farm, or by a partnership operating a family farm and leased to the family farm corporation,  
3.23 limited liability company, partnership, or joint farm venture, as defined in paragraph (a), is  
3.24 eligible for classification as class 1b or class 2a under section 273.13, if the owner is actually  
3.25 residing on the property, and is actually engaged in farming the land on behalf of that  
3.26 corporation, joint farm venture, limited liability company, or partnership. This paragraph  
3.27 applies without regard to any legal possession rights of the family farm corporation, joint  
3.28 family farm venture, limited liability company, or partnership under the lease.

3.29 (d) Nonhomestead agricultural property that is owned by a family farm corporation,  
3.30 joint farm venture, limited liability company, or partnership; and located not farther than  
3.31 four townships or cities, or combination thereof, from agricultural land that is owned, and  
3.32 used for the purposes of a homestead by an individual who is a shareholder, member, or  
3.33 partner of the corporation, venture, company, or partnership; is entitled to receive the first  
3.34 tier homestead classification rate on any remaining market value in the first homestead class

4.1 tier that is in excess of the market value of the shareholder's, member's, or partner's class 2  
4.2 agricultural homestead property, if the owner, or someone acting on the owner's behalf  
4.3 notifies the county assessor by July 1 that the property may be eligible under this paragraph  
4.4 for the current assessment year, for taxes payable in the following year. As used in this  
4.5 paragraph, "agricultural property" means property classified as 2a under section 273.13,  
4.6 along with any contiguous property classified as 2b under section 273.13, if the contiguous  
4.7 2a and 2b properties are under the same ownership.

4.8 **EFFECTIVE DATE.** This section is effective for assessments beginning in 2018.

4.9 Sec. 4. Minnesota Statutes 2016, section 273.124, subdivision 14, is amended to read:

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

4.13 (1) the parcel on which the house is located is contiguous on at least two sides to (i)  
4.14 agricultural land, (ii) land owned or administered by the United States Fish and Wildlife  
4.15 Service, or (iii) land administered by the Department of Natural Resources on which in lieu  
4.16 taxes are paid under sections 477A.11 to 477A.14;

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

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

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

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

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

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

5.1 (2) the owner, the owner's spouse, or a grandchild, child, sibling, or parent of the owner  
5.2 or of the owner's spouse, is actively farming the agricultural property, either on the person's  
5.3 own behalf as an individual or on behalf of a partnership operating a family farm, family  
5.4 farm corporation, joint family farm venture, or limited liability company of which the person  
5.5 is a partner, shareholder, or member;

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

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

5.10 (5) neither the owner nor the person actively farming the agricultural property lives  
5.11 farther than four townships or cities, or a combination of four townships or cities, from the  
5.12 agricultural property, except that if the owner or the owner's spouse is required to live in  
5.13 employer-provided housing, the owner or owner's spouse, whichever is actively farming  
5.14 the agricultural property, may live more than four townships or cities, or combination of  
5.15 four townships or cities from the agricultural property.

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

5.17 (ii) ~~Agricultural property held by a trustee under a trust is eligible for agricultural~~  
5.18 ~~homestead classification under this paragraph if the qualifications in clause (i) are met,~~  
5.19 ~~except that "owner" means the grantor of the trust.~~

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

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

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

6.1 (d) Agricultural land used for purposes of a homestead and actively farmed by a person  
6.2 holding a vested remainder interest in it must be classified as a homestead under section  
6.3 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other  
6.4 dwellings on the land used for purposes of a homestead by persons holding vested remainder  
6.5 interests who are actively engaged in farming the property, and up to one acre of the land  
6.6 surrounding each homestead and reasonably necessary for the use of the dwelling as a home,  
6.7 must also be assessed class 2a.

6.8 (e) Agricultural land and buildings that were class 2a homestead property under section  
6.9 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as  
6.10 agricultural homesteads for subsequent assessments if:

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

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

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

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

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

6.25 (f) Agricultural land and buildings that were class 2a homestead property under section  
6.26 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified  
6.27 agricultural homesteads for subsequent assessments if:

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

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

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

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

7.3 (5) the owner notifies the county assessor that the relocation was due to a March 29,  
7.4 1998, tornado, and the owner furnishes the assessor any information deemed necessary by  
7.5 the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the  
7.6 owner must notify the assessor by December 1, 1998. Further notifications to the assessor  
7.7 are not required if the property continues to meet all the requirements in this paragraph and  
7.8 any dwellings on the agricultural land remain uninhabited.

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

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

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

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

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

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

7.23 Homestead treatment applies under this paragraph even if:

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

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

7.29 (A) the shareholder, member, or partner of the family farm corporation, joint family  
7.30 farm venture, partnership, or limited liability company that owns the land that is actively  
7.31 farming the land is a shareholder, member, or partner of the family farm corporation, joint  
7.32 family farm venture, partnership, or limited liability company that is operating the farm;

8.1 (B) each shareholder, member, or partner of the family farm corporation, joint family  
8.2 farm venture, partnership, or limited liability company that is operating the farm is also a  
8.3 shareholder, member, or partner of the family farm corporation, joint family farm venture,  
8.4 partnership, or limited liability company that owns the land; and

8.5 (C) a majority of the shareholders, members, or partners of each family farm corporation,  
8.6 joint family farm venture, partnership, or limited liability company are persons or spouses  
8.7 of persons who are related to each other within the second degree of kindred according to  
8.8 the rules of civil law.

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

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

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

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

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

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

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

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

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



9.1 (i) Agricultural land and buildings that were class 2a homestead property under section  
9.2 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified  
9.3 agricultural homesteads for subsequent assessments if:

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

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

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

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

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

9.18 (j) Agricultural land and buildings that were class 2a homestead property under section  
9.19 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as  
9.20 agricultural homesteads for subsequent assessments if:

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

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

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

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

9.29 (5) the owner notifies the county assessor that the relocation was due to the 2009 floods,  
9.30 and the owner furnishes the assessor any information deemed necessary by the assessor in  
9.31 verifying the change in dwelling. Further notifications to the assessor are not required if the

10.1 property continues to meet all the requirements in this paragraph and any dwellings on the  
 10.2 agricultural land remain uninhabited.

10.3 **EFFECTIVE DATE.** This section is effective beginning for property taxes payable in  
 10.4 2019.

10.5 Sec. 5. Minnesota Statutes 2016, section 273.124, subdivision 21, is amended to read:

10.6 Subd. 21. **Trust property; homestead.** Real or personal property, including agricultural  
 10.7 property, held by a trustee under a trust is eligible for classification as homestead property  
 10.8 if the property satisfies the requirements of paragraph (a), (b), (c), ~~(d)~~, or (e).

10.9 (a) The grantor or surviving spouse of the grantor of the trust occupies and uses the  
 10.10 property as a homestead.

10.11 (b) A relative or surviving relative of the grantor who meets the requirements of  
 10.12 subdivision 1, paragraph (c), in the case of residential real estate; or subdivision 1, paragraph  
 10.13 (d), in the case of agricultural property, occupies and uses the property as a homestead.

10.14 (c) A family farm corporation, joint farm venture, limited liability company, or partnership  
 10.15 operating a family farm in which the grantor or the grantor's surviving spouse is a  
 10.16 shareholder, member, or partner rents the property; and, either (1) a shareholder, member,  
 10.17 or partner of the corporation, joint farm venture, limited liability company, or partnership  
 10.18 occupies and uses the property as a homestead; or (2) the property is at least 40 acres,  
 10.19 including undivided government lots and correctional 40's, and a shareholder, member, or  
 10.20 partner of the tenant-entity is actively farming the property on behalf of the corporation,  
 10.21 joint farm venture, limited liability company, or partnership.

10.22 (d) A person who has received homestead classification for property taxes payable in  
 10.23 2000 on the basis of an unqualified legal right under the terms of the trust agreement to  
 10.24 occupy the property as that person's homestead and who continues to use the property as a  
 10.25 homestead; or, a person who received the homestead classification for taxes payable in 2005  
 10.26 under paragraph (c) who does not qualify under paragraph (c) for taxes payable in 2006 or  
 10.27 thereafter but who continues to qualify under paragraph (c) as it existed for taxes payable  
 10.28 in 2005.

10.29 (e) The qualifications under subdivision 14, paragraph (b), clause (i), are met. For  
 10.30 purposes of this paragraph, "owner" means the grantor of the trust or the surviving spouse  
 10.31 of the grantor.

10.32 (f) For purposes of this subdivision, the following terms have the meanings given them:

11.1 (1) "agricultural property" means the house, garage, other farm buildings and structures,  
 11.2 and agricultural land;

11.3 (2) "agricultural land" has the meaning given in section 273.13, subdivision 23, except  
 11.4 that the phrases "owned by same person" or "under the same ownership" as used in that  
 11.5 subdivision mean and include contiguous tax parcels owned by:

11.6 (i) an individual and a trust of which the individual, the individual's spouse, or the  
 11.7 individual's deceased spouse is the grantor; or

11.8 (ii) different trusts of which the grantors of each trust are any combination of an  
 11.9 individual, the individual's spouse, or the individual's deceased spouse; and

11.10 ~~For purposes of this subdivision,~~ (3) "grantor" is defined as means the person creating  
 11.11 or establishing a testamentary, inter Vivos, revocable or irrevocable trust by written  
 11.12 instrument or through the exercise of a power of appointment.

11.13 (g) Noncontiguous land is included as part of a homestead under this subdivision, only  
 11.14 if the homestead is classified as class 2a, as defined in section 273.13, subdivision 23, and  
 11.15 the detached land is located in the same township or city, or not farther than four townships  
 11.16 or cities or combination thereof from the homestead. Any taxpayer of these noncontiguous  
 11.17 lands must notify the county assessor by December 15 for taxes payable in the following  
 11.18 year that the noncontiguous land is part of the taxpayer's homestead, and, if the homestead  
 11.19 is located in another county, the taxpayer must also notify the assessor of the other county.

11.20 **EFFECTIVE DATE.** This section is effective beginning for property taxes payable in  
 11.21 2019.

11.22 Sec. 6. Minnesota Statutes 2016, section 273.124, is amended by adding a subdivision to  
 11.23 read:

11.24 Subd. 23. **Fractional homesteads.** In the case of property that is classified as part  
 11.25 homestead and part nonhomestead solely because not all the owners occupy or farm the  
 11.26 property, not all the owners have qualifying relatives occupying or farming the property,  
 11.27 or not all the spouses of owners occupy the property, the portions of property classified as  
 11.28 part homestead and part nonhomestead must correspond to the ownership percentages that  
 11.29 each owner has in the property, as determined by the land records in the county recorder's  
 11.30 office or registrar of titles. If the ownership percentages of each owner cannot be determined  
 11.31 by reference to the land records, the portions of property classified as part homestead and  
 11.32 part nonhomestead must correspond to the ownership percentages each owner would have  
 11.33 if they each owned an equal share of the property.

12.1 **EFFECTIVE DATE.** This section is effective for assessments beginning in 2018.

12.2 Sec. 7. Minnesota Statutes 2017 Supplement, section 273.13, subdivision 22, is amended  
12.3 to read:

12.4 Subd. 22. **Class 1.** (a) Except as provided in subdivision 23 and in paragraphs (b) and  
12.5 (c), real estate which is residential and used for homestead purposes is class 1a. In the case  
12.6 of a duplex or triplex in which one of the units is used for homestead purposes, the entire  
12.7 property is deemed to be used for homestead purposes. The market value of class 1a property  
12.8 must be determined based upon the value of the house, garage, and land.

12.9 The first \$500,000 of market value of class 1a property has a net classification rate of  
12.10 one percent of its market value; and the market value of class 1a property that exceeds  
12.11 \$500,000 has a classification rate of 1.25 percent of its market value.

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

12.14 (1) any person who is blind as defined in section 256D.35, or the blind person and the  
12.15 blind person's spouse;

12.16 (2) any person who is permanently and totally disabled or by the disabled person and  
12.17 the disabled person's spouse; or

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

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

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

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

13.1 (c) Class 1c property is commercial use real and personal property that abuts public  
13.2 water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by  
13.3 the Department of Natural Resources, and is devoted to temporary and seasonal residential  
13.4 occupancy for recreational purposes but not devoted to commercial purposes for more than  
13.5 250 days in the year preceding the year of assessment, and that includes a portion used as  
13.6 a homestead by the owner, which includes a dwelling occupied as a homestead by a  
13.7 shareholder of a corporation that owns the resort, a partner in a partnership that owns the  
13.8 resort, or a member of a limited liability company that owns the resort ~~even if~~, whether the  
13.9 title to the homestead is held by the corporation, partnership, or limited liability company,  
13.10 or by a shareholder of a corporation that owns the resort, a partner in a partnership that owns  
13.11 the resort, or a member of a limited liability company that owns the resort. For purposes of  
13.12 this paragraph, property is devoted to a commercial purpose on a specific day if any portion  
13.13 of the property, excluding the portion used exclusively as a homestead, is used for residential  
13.14 occupancy and a fee is charged for residential occupancy. Class 1c property must contain  
13.15 three or more rental units. A "rental unit" is defined as a cabin, condominium, townhouse,  
13.16 sleeping room, or individual camping site equipped with water and electrical hookups for  
13.17 recreational vehicles. Class 1c property must provide recreational activities such as the  
13.18 rental of ice fishing houses, boats and motors, snowmobiles, downhill or cross-country ski  
13.19 equipment; provide marina services, launch services, or guide services; or sell bait and  
13.20 fishing tackle. Any unit in which the right to use the property is transferred to an individual  
13.21 or entity by deeded interest, or the sale of shares or stock, no longer qualifies for class 1c  
13.22 even though it may remain available for rent. A camping pad offered for rent by a property  
13.23 that otherwise qualifies for class 1c is also class 1c, regardless of the term of the rental  
13.24 agreement, as long as the use of the camping pad does not exceed 250 days. If the same  
13.25 owner owns two separate parcels that are located in the same township, and one of those  
13.26 properties is classified as a class 1c property and the other would be eligible to be classified  
13.27 as a class 1c property if it was used as the homestead of the owner, both properties will be  
13.28 assessed as a single class 1c property; for purposes of this sentence, properties are deemed  
13.29 to be owned by the same owner if each of them is owned by a limited liability company,  
13.30 and both limited liability companies have the same membership. The portion of the property  
13.31 used as a homestead is class 1a property under paragraph (a). The remainder of the property  
13.32 is classified as follows: the first \$600,000 of market value is tier I, the next \$1,700,000 of  
13.33 market value is tier II, and any remaining market value is tier III. The classification rates  
13.34 for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent; and tier III, 1.25 percent. Owners  
13.35 of real and personal property devoted to temporary and seasonal residential occupancy for  
13.36 recreation purposes in which all or a portion of the property was devoted to commercial

14.1 purposes for not more than 250 days in the year preceding the year of assessment desiring  
 14.2 classification as class 1c, must submit a declaration to the assessor designating the cabins  
 14.3 or units occupied for 250 days or less in the year preceding the year of assessment by January  
 14.4 15 of the assessment year. Those cabins or units and a proportionate share of the land on  
 14.5 which they are located must be designated as class 1c as otherwise provided. The remainder  
 14.6 of the cabins or units and a proportionate share of the land on which they are located must  
 14.7 be designated as class 3a commercial. The owner of property desiring designation as class  
 14.8 1c property must provide guest registers or other records demonstrating that the units for  
 14.9 which class 1c designation is sought were not occupied for more than 250 days in the year  
 14.10 preceding the assessment if so requested. The portion of a property operated as a (1)  
 14.11 restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5) other  
 14.12 nonresidential facility operated on a commercial basis not directly related to temporary and  
 14.13 seasonal residential occupancy for recreation purposes does not qualify for class 1c.

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

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

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

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

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

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

14.27 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2019.

14.28 Sec. 8. Minnesota Statutes 2017 Supplement, section 273.13, subdivision 23, is amended  
 14.29 to read:

14.30 Subd. 23. **Class 2.** (a) An agricultural homestead consists of class 2a agricultural land  
 14.31 that is homesteaded, along with any class 2b rural vacant land that is contiguous to the class  
 14.32 2a land under the same ownership. The market value of the house and garage and immediately  
 14.33 surrounding one acre of land has the same classification rates as class 1a or 1b property

15.1 under subdivision 22. The value of the remaining land including improvements up to the  
15.2 first tier valuation limit of agricultural homestead property has a classification rate of 0.5  
15.3 percent of market value. The remaining property over the first tier has a classification rate  
15.4 of one percent of market value. For purposes of this subdivision, the "first tier valuation  
15.5 limit of agricultural homestead property" and "first tier" means the limit certified under  
15.6 section 273.11, subdivision 23.

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

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

15.17 (c) Class 2b rural vacant land consists of parcels of property, or portions thereof, that  
15.18 are unplatted real estate, rural in character and not used for agricultural purposes, including  
15.19 land used for growing trees for timber, lumber, and wood and wood products, that is not  
15.20 improved with a structure. The presence of a minor, ancillary nonresidential structure as  
15.21 defined by the commissioner of revenue does not disqualify the property from classification  
15.22 under this paragraph. Any parcel of 20 acres or more improved with a structure that is not  
15.23 a minor, ancillary nonresidential structure must be split-classified, and ten acres must be  
15.24 assigned to the split parcel containing the structure. Class 2b property has a classification  
15.25 rate of one percent of market value unless it is part of an agricultural homestead under  
15.26 paragraph (a), or qualifies as class 2c under paragraph (d).

15.27 (d) Class 2c managed forest land consists of no less than 20 and no more than 1,920  
15.28 acres statewide per taxpayer that is being managed under a forest management plan that  
15.29 meets the requirements of chapter 290C, but is not enrolled in the sustainable forest resource  
15.30 management incentive program. It has a classification rate of .65 percent, provided that the  
15.31 owner of the property must apply to the assessor in order for the property to initially qualify  
15.32 for the reduced rate and provide the information required by the assessor to verify that the  
15.33 property qualifies for the reduced rate. If the assessor receives the application and information  
15.34 before May 1 in an assessment year, the property qualifies beginning with that assessment  
15.35 year. If the assessor receives the application and information after April 30 in an assessment

16.1 year, the property may not qualify until the next assessment year. The commissioner of  
16.2 natural resources must concur that the land is qualified. The commissioner of natural  
16.3 resources shall annually provide county assessors verification information on a timely basis.  
16.4 The presence of a minor, ancillary nonresidential structure as defined by the commissioner  
16.5 of revenue does not disqualify the property from classification under this paragraph.

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

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

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

16.12 "Agricultural purposes" as used in this section means the raising, cultivation, drying, or  
16.13 storage of agricultural products for sale, or the storage of machinery or equipment used in  
16.14 support of agricultural production by the same farm entity. For a property to be classified  
16.15 as agricultural based only on the drying or storage of agricultural products, the products  
16.16 being dried or stored must have been produced by the same farm entity as the entity operating  
16.17 the drying or storage facility. "Agricultural purposes" also includes (i) enrollment in a local  
16.18 conservation program or the Reinvest in Minnesota program under sections 103F.501 to  
16.19 103F.535 or the federal Conservation Reserve Program as contained in Public Law 99-198  
16.20 or a similar state or federal conservation program if the property was classified as agricultural  
16.21 ~~(A)~~ (A) under this subdivision for taxes payable in 2003 because of its enrollment in a  
16.22 qualifying program and the land remains enrolled or ~~(B)~~ (B) in the year prior to its enrollment,  
16.23 or (ii) use of land, not to exceed the greater of three acres or ten percent of the total land  
16.24 area, to provide environmental benefits such as buffer strips, old growth forest restoration  
16.25 or retention, or retention ponds to prevent soil erosion. For purposes of this section, a "local  
16.26 conservation program" means a program administered by a town, statutory or home rule  
16.27 charter city, or county, including a watershed district, water management organization, or  
16.28 soil and water conservation district, in which landowners voluntarily enroll land and receive  
16.29 incentive payments equal to at least \$50 per acre in exchange for use or other restrictions  
16.30 placed on the land. In order for property to qualify under the local conservation program  
16.31 provision, a taxpayer must apply to the assessor by February 1 of the assessment year and  
16.32 must submit the information required by the assessor, including but not limited to a copy  
16.33 of the program requirements, the specific agreement between the land owner and the local  
16.34 agency, if applicable, and a map of the conservation area. Agricultural classification shall



17.1 not be based upon the market value of any residential structures on the parcel or contiguous  
17.2 parcels under the same ownership.

17.3 "Agricultural purposes" also includes land consisting of a holding pond designed to  
17.4 prevent runoff onto a divided four-lane expressway that is located at least 150 feet above  
17.5 the expressway, as certified by the local soil and water conservation district in accordance  
17.6 with USDA Field Office Technical Guide conservation practice standards, provided that  
17.7 the land is located outside the metropolitan area as defined in section 473.121, and was  
17.8 classified as agricultural in assessment year 2017.

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

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

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

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

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

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

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

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

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

18.1 Classification under this subdivision is not determinative for qualifying under section  
18.2 273.111.

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

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

18.8 (1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing  
18.9 animals, horticultural and nursery stock, fruit of all kinds, vegetables, forage, grains, bees,  
18.10 and apiary products by the owner;

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

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

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

18.18 (5) game birds and waterfowl bred and raised (i) on a game farm licensed under section  
18.19 97A.105, provided that the annual licensing report to the Department of Natural Resources,  
18.20 which must be submitted annually by March 30 to the assessor, indicates that at least 500  
18.21 birds were raised or used for breeding stock on the property during the preceding year and  
18.22 that the owner provides a copy of the owner's most recent schedule F; or (ii) for use on a  
18.23 shooting preserve licensed under section 97A.115;

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

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

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

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

18.31 (1) wholesale and retail sales;

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

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

19.2 (4) office facilities for the support of the activities enumerated in clauses (1), (2), and  
19.3 (3),

19.4 the assessor shall classify the part of the parcel used for agricultural purposes as class 1b,  
19.5 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use.

19.6 The grading, sorting, and packaging of raw agricultural products for first sale is considered  
19.7 an agricultural purpose. A greenhouse or other building where horticultural or nursery  
19.8 products are grown that is also used for the conduct of retail sales must be classified as  
19.9 agricultural if it is primarily used for the growing of horticultural or nursery products from  
19.10 seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products.  
19.11 Use of a greenhouse or building only for the display of already grown horticultural or nursery  
19.12 products does not qualify as an agricultural purpose.

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

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

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

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

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

19.31 The land contained in a landing area under this paragraph must be described and certified  
19.32 by the commissioner of transportation. The certification is effective until it is modified, or  
19.33 until the airport or landing area no longer meets the requirements of this paragraph. For

20.1 purposes of this paragraph, "public access area" means property used as an aircraft parking  
20.2 ramp, apron, or storage hangar, or an arrival and departure building in connection with the  
20.3 airport.

20.4 (m) Class 2e consists of land with a commercial aggregate deposit that is not actively  
20.5 being mined and is not otherwise classified as class 2a or 2b, provided that the land is not  
20.6 located in a county that has elected to opt-out of the aggregate preservation program as  
20.7 provided in section 273.1115, subdivision 6. It has a classification rate of one percent of  
20.8 market value. To qualify for classification under this paragraph, the property must be at  
20.9 least ten contiguous acres in size and the owner of the property must record with the county  
20.10 recorder of the county in which the property is located an affidavit containing:

20.11 (1) a legal description of the property;

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

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

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

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

20.24 (n) When any portion of the property under this subdivision or subdivision 22 begins to  
20.25 be actively mined, the owner must file a supplemental affidavit within 60 days from the  
20.26 day any aggregate is removed stating the number of acres of the property that is actively  
20.27 being mined. The acres actively being mined must be (1) valued and classified under  
20.28 subdivision 24 in the next subsequent assessment year, and (2) removed from the aggregate  
20.29 resource preservation property tax program under section 273.1115, if the land was enrolled  
20.30 in that program. Copies of the original affidavit and all supplemental affidavits must be  
20.31 filed with the county assessor, the local zoning administrator, and the Department of Natural  
20.32 Resources, Division of Land and Minerals. A supplemental affidavit must be filed each  
20.33 time a subsequent portion of the property is actively mined, provided that the minimum

21.1 acreage change is five acres, even if the actual mining activity constitutes less than five  
21.2 acres.

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

21.6 **EFFECTIVE DATE.** This section is effective for assessment year 2018 and thereafter.

21.7 Sec. 9. Minnesota Statutes 2017 Supplement, section 273.13, subdivision 25, is amended  
21.8 to read:

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

21.16 (b) Class 4b includes:

21.17 (1) residential real estate containing less than four units that does not qualify as class  
21.18 4bb, other than seasonal residential recreational property;

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

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

21.22 (4) unimproved property that is classified residential as determined under subdivision  
21.23 33.

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

21.25 (c) Class 4bb includes:

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

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

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

22.1 Class 4bb property has the same classification rates as class 1a property under subdivision  
22.2 22.

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

22.6 (d) Class 4c property includes:

22.7 (1) except as provided in subdivision 22, paragraph (c), real and personal property  
22.8 devoted to commercial temporary and seasonal residential occupancy for recreation purposes,  
22.9 for not more than 250 days in the year preceding the year of assessment. For purposes of  
22.10 this clause, property is devoted to a commercial purpose on a specific day if any portion of  
22.11 the property is used for residential occupancy, and a fee is charged for residential occupancy.  
22.12 Class 4c property under this clause must contain three or more rental units. A "rental unit"  
22.13 is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site  
22.14 equipped with water and electrical hookups for recreational vehicles. A camping pad offered  
22.15 for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c  
22.16 under this clause regardless of the term of the rental agreement, as long as the use of the  
22.17 camping pad does not exceed 250 days. In order for a property to be classified under this  
22.18 clause, either: (i) the business located on the property must provide recreational activities,  
22.19 at least 40 percent of the annual gross lodging receipts related to the property must be from  
22.20 business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid  
22.21 bookings by lodging guests during the year must be for periods of at least two consecutive  
22.22 nights; or (B) at least 20 percent of the annual gross receipts must be from charges for  
22.23 providing recreational activities; ~~or;~~ (ii) the business must contain 20 or fewer rental units,  
22.24 and must be located in a township or a city with a population of 2,500 or less located outside  
22.25 the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion  
22.26 of a state trail administered by the Department of Natural Resources; or (iii) the facility  
22.27 must consist of no more than five sleeping rooms and must provide an area or areas to  
22.28 prepare meals and to conduct indoor craft or hobby activities. For purposes of item (i)(A),  
22.29 a paid booking of five or more nights shall be counted as two bookings. Class 4c property  
22.30 also includes commercial use real property used exclusively for recreational purposes in  
22.31 conjunction with other class 4c property classified under this clause and devoted to temporary  
22.32 and seasonal residential occupancy for recreational purposes, up to a total of two acres,  
22.33 provided the property is not devoted to commercial recreational use for more than 250 days  
22.34 in the year preceding the year of assessment and is located within two miles of the class 4c  
22.35 property with which it is used. In order for a property to qualify for classification under this

23.1 clause, the owner must submit a declaration to the assessor designating the cabins or units  
23.2 occupied for 250 days or less in the year preceding the year of assessment by January 15  
23.3 of the assessment year. Those cabins or units and a proportionate share of the land on which  
23.4 they are located must be designated class 4c under this clause as otherwise provided. The  
23.5 remainder of the cabins or units and a proportionate share of the land on which they are  
23.6 located will be designated as class 3a. The owner of property desiring designation as class  
23.7 4c property under this clause must provide guest registers or other records demonstrating  
23.8 that the units for which class 4c designation is sought were not occupied for more than 250  
23.9 days in the year preceding the assessment if so requested. The portion of a property operated  
23.10 as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5)  
23.11 other nonresidential facility operated on a commercial basis not directly related to temporary  
23.12 and seasonal residential occupancy for recreation purposes does not qualify for class 4c.  
23.13 For the purposes of this paragraph, "recreational activities" means renting ice fishing houses,  
23.14 boats and motors, snowmobiles, downhill or cross-country ski equipment; providing marina  
23.15 services, launch services, or guide services; or selling bait and fishing tackle;

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

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

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

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

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

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

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

23.33 For purposes of this clause:

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

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

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

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

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

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

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

24.30 (5)(i) manufactured home parks as defined in section 327.14, subdivision 3, excluding  
24.31 manufactured home parks described in items (ii) and (iii), (ii) manufactured home parks as  
24.32 defined in section 327.14, subdivision 3, that are described in section 273.124, subdivision  
24.33 3a, and (iii) class I manufactured home parks as defined in section 327C.01, subdivision  
24.34 13;



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

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

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

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

25.10 If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be  
25.11 filed by the new owner with the assessor of the county where the property is located within  
25.12 60 days of the sale;

25.13 (8) a privately owned noncommercial aircraft storage hangar not exempt under section  
25.14 272.01, subdivision 2, and the land on which it is located, provided that:

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

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

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

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

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

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

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

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

26.1 (10) real property up to a maximum of three acres and operated as a restaurant as defined  
26.2 under section 157.15, subdivision 12, provided it: (i) is located on a lake as defined under  
26.3 section 103G.005, subdivision 15, paragraph (a), clause (3); and (ii) is either devoted to  
26.4 commercial purposes for not more than 250 consecutive days, or receives at least 60 percent  
26.5 of its annual gross receipts from business conducted during four consecutive months. Gross  
26.6 receipts from the sale of alcoholic beverages must be included in determining the property's  
26.7 qualification under item (ii). The property's primary business must be as a restaurant and  
26.8 not as a bar. Gross receipts from gift shop sales located on the premises must be excluded.  
26.9 Owners of real property desiring 4c classification under this clause must submit an annual  
26.10 declaration to the assessor by February 1 of the current assessment year, based on the  
26.11 property's relevant information for the preceding assessment year;

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

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

26.24 Class 4c property has a classification rate of 1.5 percent of market value, except that (i)  
26.25 each parcel of noncommercial seasonal residential recreational property under clause (12)  
26.26 has the same classification rates as class 4bb property, (ii) manufactured home parks assessed  
26.27 under clause (5), item (i), have the same classification rate as class 4b property, the market  
26.28 value of manufactured home parks assessed under clause (5), item (ii), have a classification  
26.29 rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by  
26.30 shareholders in the cooperative corporation or association and a classification rate of one  
26.31 percent if 50 percent or less of the lots are so occupied, and class I manufactured home  
26.32 parks as defined in section 327C.01, subdivision 13, have a classification rate of 1.0 percent,  
26.33 (iii) commercial-use seasonal residential recreational property and marina recreational land  
26.34 as described in clause (11), has a classification rate of one percent for the first \$500,000 of  
26.35 market value, and 1.25 percent for the remaining market value, (iv) the market value of

27.1 property described in clause (4) has a classification rate of one percent, (v) the market value  
 27.2 of property described in clauses (2), (6), and (10) has a classification rate of 1.25 percent,  
 27.3 (vi) that portion of the market value of property in clause (9) qualifying for class 4c property  
 27.4 has a classification rate of 1.25 percent, and (vii) property qualifying for classification under  
 27.5 clause (3) that is owned or operated by a congressionally chartered veterans organization  
 27.6 has a classification rate of one percent. The commissioner of veterans affairs must provide  
 27.7 a list of congressionally chartered veterans organizations to the commissioner of revenue  
 27.8 by June 30, 2017, and by January 1, 2018, and each year thereafter.

27.9 (e) Class 4d property is qualifying low-income rental housing certified to the assessor  
 27.10 by the Housing Finance Agency under section 273.128, subdivision 3. If only a portion of  
 27.11 the units in the building qualify as low-income rental housing units as certified under section  
 27.12 273.128, subdivision 3, only the proportion of qualifying units to the total number of units  
 27.13 in the building qualify for class 4d. The remaining portion of the building shall be classified  
 27.14 by the assessor based upon its use. Class 4d also includes the same proportion of land as  
 27.15 the qualifying low-income rental housing units are to the total units in the building. For all  
 27.16 properties qualifying as class 4d, the market value determined by the assessor must be based  
 27.17 on the normal approach to value using normal unrestricted rents.

27.18 (f) The first tier of market value of class 4d property has a classification rate of 0.75  
 27.19 percent. The remaining value of class 4d property has a classification rate of 0.25 percent.  
 27.20 For the purposes of this paragraph, the "first tier of market value of class 4d property" means  
 27.21 the market value of each housing unit up to the first tier limit. For the purposes of this  
 27.22 paragraph, all class 4d property value must be assigned to individual housing units. The  
 27.23 first tier limit is \$100,000 for assessment year 2014. For subsequent years, the limit is  
 27.24 adjusted each year by the average statewide change in estimated market value of property  
 27.25 classified as class 4a and 4d under this section for the previous assessment year, excluding  
 27.26 valuation change due to new construction, rounded to the nearest \$1,000, provided, however,  
 27.27 that the limit may never be less than \$100,000. Beginning with assessment year 2015, the  
 27.28 commissioner of revenue must certify the limit for each assessment year by November 1  
 27.29 of the previous year.

27.30 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2019.

27.31 Sec. 10. Minnesota Statutes 2016, section 273.13, subdivision 35, is amended to read:

27.32 Subd. 35. **Homestead market value exclusion.** (a) Prior to determining a property's  
 27.33 net tax capacity under this section, property classified as class 1a or 1b under subdivision  
 27.34 22, and the portion of property classified as class 2a under subdivision 23 consisting of the

28.1 house, garage, and surrounding one acre of land, shall be eligible for a market value exclusion  
 28.2 as determined under paragraph (b).

28.3 (b) For a homestead valued at \$76,000 or less, the exclusion is 40 percent of market  
 28.4 value. For a homestead valued between \$76,000 and \$413,800, the exclusion is \$30,400  
 28.5 minus nine percent of the valuation over \$76,000. For a homestead valued at \$413,800 or  
 28.6 more, there is no valuation exclusion. The valuation exclusion shall be rounded to the nearest  
 28.7 whole dollar, and may not be less than zero.

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

28.10 (d) In the case of a property that is classified as part homestead and part nonhomestead,  
 28.11 (i) the exclusion shall apply only to the homestead portion of the property, but (ii) if a portion  
 28.12 of a property is classified as nonhomestead solely because not all the owners occupy the  
 28.13 property, not all the owners have qualifying relatives occupying the property, or solely  
 28.14 because not all the spouses of owners occupy the property, the exclusion amount shall be  
 28.15 initially computed as if that nonhomestead portion were also in the homestead class and  
 28.16 then prorated to the owner-occupant's percentage of ownership, as determined by section  
 28.17 273.124, subdivision 23. For the purpose of this section, when an owner-occupant's spouse  
 28.18 does not occupy the property, the percentage of ownership for the owner-occupant spouse  
 28.19 is one-half of the couple's ownership percentage.

28.20 **EFFECTIVE DATE.** This section is effective for taxes payable in 2019 and thereafter.

28.21 Sec. 11. Minnesota Statutes 2017 Supplement, section 273.1384, subdivision 2, is amended  
 28.22 to read:

28.23 Subd. 2. **Agricultural homestead market value credit.** Property classified as agricultural  
 28.24 homestead under section 273.13, subdivision 23, paragraph (a), is eligible for an agricultural  
 28.25 credit. The credit is computed using the property's agricultural credit market value, defined  
 28.26 for this purpose as the property's market value excluding the market value of the house,  
 28.27 garage, and immediately surrounding one acre of land. The credit is equal to 0.3 percent of  
 28.28 the first \$115,000 of the property's agricultural credit market value plus 0.1 percent of the  
 28.29 property's agricultural credit market value in excess of \$115,000, subject to a maximum  
 28.30 credit of \$490. In the case of property that is classified as part homestead and part  
 28.31 nonhomestead solely because not all the owners occupy or farm the property, not all the  
 28.32 owners have qualifying relatives occupying or farming the property, or solely because not  
 28.33 all the spouses of owners occupy the property, the credit is computed on the amount of  
 28.34 agricultural credit market value corresponding to the owner-occupant's percentage of

29.1 ~~homestead. the percentage of homestead is equal to 100 divided by the number of owners~~  
 29.2 ~~of the property, or, in the case of a trust, the number of grantors of the trust that owns the~~  
 29.3 ~~property ownership, as determined by section 273.124, subdivision 23.~~

29.4 **EFFECTIVE DATE.** This section is effective for taxes payable in 2019 and thereafter.

29.5 Sec. 12. Minnesota Statutes 2016, section 275.025, is amended by adding a subdivision  
 29.6 to read:

29.7 Subd. 6. **Natural gas pipeline.** (a) Personal property that is part of an intrastate natural  
 29.8 gas transportation or distribution pipeline system is exempt from the state general levy if:

29.9 (1) construction of the pipeline system began after January 1, 2018; and

29.10 (2) the property is located in an area:

29.11 (i) outside the seven-county metropolitan area, as defined in section 473.121, subdivision  
 29.12 3; and

29.13 (ii) in which households or businesses lacked access to natural gas distribution systems  
 29.14 as of January 1, 2018.

29.15 (b) The exemption under this subdivision applies for a period not to exceed 12 years,  
 29.16 provided that once a property no longer qualifies, it may not subsequently qualify for the  
 29.17 exemption under this subdivision.

29.18 (c) The net tax capacity of property defined under this subdivision must be included in  
 29.19 the definition of commercial-industrial tax capacity for the purpose of determining the state  
 29.20 general levy tax rate under subdivision 4.

29.21 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

29.22 Sec. 13. Minnesota Statutes 2016, section 275.025, is amended by adding a subdivision  
 29.23 to read:

29.24 Subd. 7. **Medical facility in underserved area.** The state general levy for any property  
 29.25 qualifying under section 469.1817 is abated. The net tax capacity of the property must be  
 29.26 included in the definition of commercial-industrial tax capacity for the purposes of  
 29.27 determining the state general levy tax rate under subdivision 4.

29.28 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2019.

30.1 Sec. 14. Minnesota Statutes 2016, section 282.01, subdivision 6, is amended to read:

30.2 Subd. 6. **Duties of commissioner after sale.** (a) When any sale has been made by the  
30.3 county auditor under sections 282.01 to 282.13, the auditor shall immediately certify to the  
30.4 commissioner of revenue such information relating to such sale, on such forms as the  
30.5 commissioner of revenue may prescribe as will enable the commissioner of revenue to  
30.6 prepare an appropriate deed if the sale is for cash, or keep necessary records if the sale is  
30.7 on terms; and not later than October 31 of each year the county auditor shall submit to the  
30.8 commissioner of revenue a statement of all instances wherein any payment of principal,  
30.9 interest, or current taxes on lands held under certificate, due or to be paid during the preceding  
30.10 calendar years, are still outstanding at the time such certificate is made. When such statement  
30.11 shows that a purchaser or the purchaser's assignee is in default, the commissioner of revenue  
30.12 may instruct the county board of the county in which the land is located to cancel said  
30.13 certificate of sale in the manner provided by subdivision 5, provided that upon  
30.14 recommendation of the county board, and where the circumstances are such that the  
30.15 commissioner of revenue after investigation is satisfied that the purchaser has made every  
30.16 effort reasonable to make payment of both the annual installment and said taxes, and that  
30.17 there has been no willful neglect on the part of the purchaser in meeting these obligations,  
30.18 then the commissioner of revenue may extend the time for the payment for such period as  
30.19 the commissioner may deem warranted, not to exceed one year. On payment in full of the  
30.20 purchase price, appropriate conveyance in fee, in such form as may be prescribed by the  
30.21 attorney general, shall be issued by the commissioner of revenue, which conveyance must  
30.22 be recorded by the county and shall have the force and effect of a patent from the state  
30.23 subject to easements and restrictions of record at the date of the tax judgment sale, including,  
30.24 but without limitation, permits for telephone and electric power lines either by underground  
30.25 cable or conduit or otherwise, sewer and water lines, highways, railroads, and pipe lines for  
30.26 gas, liquids, or solids in suspension.

30.27 (b) The commissioner of revenue shall issue an appropriate conveyance in fee (1) upon  
30.28 the approval from the county auditor, or (2) when approval from the county auditor is given  
30.29 based upon written confirmation from a licensed closing agent, title insurer, or title insurance  
30.30 agent as specified in section 82.641. For purposes of this paragraph, "written confirmation"  
30.31 means a written commitment or approval that the funding for the conveyance is held in an  
30.32 escrow account available for disbursement upon delivery of a conveyance. The conveyance  
30.33 issued by the commissioner of revenue shall not be effective as a conveyance until it is  
30.34 recorded. The conveyance shall be issued to the county auditor where the land is located.  
30.35 Upon receipt of the conveyance, the county auditor shall hold the conveyance until the

31.1 conveyance is requested from a licensed closing agent, title insurer, or title insurance agent  
 31.2 to settle and close on the conveyance. If a request for the conveyance is not made within  
 31.3 30 days of the date the conveyance is issued by the commissioner of revenue, the county  
 31.4 auditor shall return the conveyance to the commissioner. If the conveyance is delivered to  
 31.5 the licensed closing agent, title insurer, or title insurance agent and the closing does not  
 31.6 occur within ten days of the request, the licensed closing agent, title insurer, or title insurance  
 31.7 agent shall immediately return the conveyance to the county auditor and, upon receipt, the  
 31.8 county auditor shall return the conveyance to the commissioner of revenue. The commissioner  
 31.9 of revenue shall cancel and destroy all conveyances returned by the county auditor pursuant  
 31.10 to this subdivision. The licensed closing agent, title insurer, or title insurance agent must  
 31.11 promptly record the conveyance after the closing and must deliver an attested or certified  
 31.12 copy to the county auditor and to the grantee or grantees named on the conveyance.

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

31.14 Sec. 15. Minnesota Statutes 2016, section 469.171, subdivision 4, is amended to read:

31.15 Subd. 4. **Restriction.** The tax reductions provided by this section shall not apply to (1)  
 31.16 a facility the primary purpose of which is one of the following: ~~retail food and beverage~~  
 31.17 ~~services, automobile sales or service, or the provision of recreation or entertainment, or a~~  
 31.18 private or commercial golf course, country club, massage parlor, tennis club, skating facility  
 31.19 including roller skating, skateboard, and ice skating, racquet sports facility, including any  
 31.20 handball or racquetball court, hot tub facility, suntan facility, or racetrack; (2) property of  
 31.21 a public utility; (3) property used in the operation of a financial institution; (4) property  
 31.22 owned by a fraternal or veterans' organization; or (5) ~~property of a business operating under~~  
 31.23 ~~a franchise agreement that requires the business to be located in the state; except that tax~~  
 31.24 ~~reductions may be provided to a retail food or beverage facility or an automobile sales or~~  
 31.25 ~~service facility, or a business~~ a retail food or beverage facility operating under a franchise  
 31.26 agreement that requires the business to be located in this state ~~except for such a franchised~~  
 31.27 ~~retail food or beverage facility.~~

31.28 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 31.29 confirms the legislative intent of the amendment made by Laws 2012, chapter 294, article  
 31.30 2, section 25.

31.31 Sec. 16. Minnesota Statutes 2016, section 469.1812, subdivision 1, is amended to read:

31.32 Subdivision 1. **Scope.** For purposes of sections 469.1812 to ~~469.1815~~ 469.1817, the  
 31.33 following terms have the meanings given.

32.1 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2019.

32.2 Sec. 17. Minnesota Statutes 2016, section 469.1812, is amended by adding a subdivision  
32.3 to read:

32.4 Subd. 2a. **Medical facility.** "Medical facility" means:

32.5 (1) an office, clinic, building, or portion of a building, the primary use of which is the  
32.6 provision of primary or specialty health care services to patients on an outpatient basis, by  
32.7 one or more state-licensed or registered health care providers;

32.8 (2) a birth center licensed under section 144.615;

32.9 (3) a hospital licensed under sections 144.50 to 144.56;

32.10 (4) an urgent care clinic which provides treatment for medical conditions that are not  
32.11 life-threatening or potentially permanently disabling and do not require critical or emergency  
32.12 interventions; or

32.13 (5) an outpatient surgical center licensed under section 144.55.

32.14 **EFFECTIVE DATE.** This section is effective the day following final enactment for  
32.15 taxes payable beginning in 2019 and for sales and purchases made after June 30, 2018.

32.16 Sec. 18. Minnesota Statutes 2016, section 469.1812, is amended by adding a subdivision  
32.17 to read:

32.18 Subd. 2b. **Medically underserved county.** "Medically underserved county" means a  
32.19 county, any portion of which is designated by the federal secretary of health and human  
32.20 services as a medically underserved area or medically underserved population, as defined  
32.21 under Code of Federal Regulations, title 42, section 51C.102. By December 15 of each year,  
32.22 the commissioner of health must certify to the commissioner of revenue the counties that  
32.23 are medically underserved. By December 31 of each year, the commissioner of revenue  
32.24 must certify the list of medically underserved counties to county assessors, for assessments  
32.25 in the following year.

32.26 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2018  
32.27 for taxes payable in 2019. For assessment year 2018, the certification required to be made  
32.28 by the commissioner of health must be made by June 1, 2018, and the certification required  
32.29 to be made by the commissioner of revenue must be made by June 15, 2018.



33.1 Sec. 19. **[469.1817] MEDICALLY UNDERSERVED TAX ABATEMENT AREAS.**

33.2 Subdivision 1. **Qualification.** The state general tax under section 275.025 must be abated  
 33.3 for any property or portion thereof containing a medical facility that has been granted an  
 33.4 abatement under section 469.1813, provided that:

33.5 (1) the facility is located in a medically underserved county at the time the abatement  
 33.6 resolution is adopted;

33.7 (2) the facility is not located in a metropolitan county as defined under section 473.121,  
 33.8 subdivision 4;

33.9 (3) the resolution of one or more governing bodies granting the abatement specifies that  
 33.10 the facility addresses an underserved need for medical services in the area; and

33.11 (4) both the county and the city or town are abating all taxes on the property containing  
 33.12 the facility for at least 15 years.

33.13 Subd. 2. **Duration.** The state general tax is abated for 15 years.

33.14 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2019.

33.15 Sec. 20. Minnesota Statutes 2016, section 473H.08, subdivision 1, is amended to read:

33.16 Subdivision 1. **Till expiration started.** Agricultural preserves shall continue until ~~either~~  
 33.17 the landowner or the authority, or a state agency or governmental unit initiates expiration  
 33.18 as provided in this section.

33.19 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 33.20 applies to any agricultural preserve where the previously required eight-year termination  
 33.21 period under Minnesota Statutes, section 473H.08, has not yet expired.

33.22 Sec. 21. Minnesota Statutes 2016, section 473H.08, is amended by adding a subdivision  
 33.23 to read:

33.24 Subd. 3a. **Expiration for park and trail purposes.** (a) An agricultural preserve expires  
 33.25 immediately when a state agency or other governmental unit purchases the property or  
 33.26 obtains an easement over the property for the purpose of creating or expanding a public  
 33.27 trail or public park. This subdivision applies only to the portion of the agricultural preserve  
 33.28 acquired for trail or park purposes, and any portion of the property not acquired for trail or  
 33.29 park purposes shall remain an agricultural preserve.

34.1 (b) The acquiring state agency or governmental unit shall give notice to the authority as  
 34.2 provided in subdivision 5. The notice must specify the portion of the property being removed  
 34.3 from the agricultural preserve and the date on which that portion expires.

34.4 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 34.5 applies to any agricultural preserve where the previously required eight-year termination  
 34.6 period under Minnesota Statutes, section 473H.08, has not yet expired.

34.7 Sec. 22. Minnesota Statutes 2016, section 473H.08, subdivision 4, is amended to read:

34.8 Subd. 4. **Notice to others.** Upon receipt of the notice provided in subdivision 2 or 3a,  
 34.9 or upon notice served by the authority as provided in subdivision 3, the authority shall  
 34.10 forward the original notice to the county recorder for recording, or to the registrar of titles  
 34.11 if the land is registered, and shall notify the county auditor, county assessor, the Metropolitan  
 34.12 Council, and the county soil and water conservation district of the date of expiration.  
 34.13 Designation as an agricultural preserve and all benefits and limitations accruing through  
 34.14 sections 473H.02 to 473H.17 for the preserve shall cease on the date of expiration. The  
 34.15 restrictive covenant contained in the application shall terminate on the date of expiration.

34.16 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 34.17 applies to any agricultural preserve where the previously required eight-year termination  
 34.18 period under Minnesota Statutes, section 473H.08, has not yet expired.

34.19 Sec. 23. Laws 2008, chapter 366, article 5, section 33, the effective date, as amended by  
 34.20 Laws 2013, chapter 143, article 4, section 35, is amended to read:

34.21 **EFFECTIVE DATE.** This section is effective for taxes levied in 2008, payable in 2009,  
 34.22 and is repealed effective for taxes levied in ~~2018~~ 2023, payable in ~~2019~~ 2024, and thereafter.

34.23 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2019.

## 34.24 **ARTICLE 5**

### 34.25 **PROPERTY TAX REFORM**

34.26 Section 1. Minnesota Statutes 2016, section 123A.455, subdivision 1, is amended to read:

34.27 Subdivision 1. **Definitions.** "Split residential property parcel" means a parcel of real  
 34.28 estate that is located within the boundaries of more than one school district and that is  
 34.29 classified as residential property under:

34.30 ~~(1) section 273.13, subdivision 22, paragraph (a) or (b);~~

35.1 ~~(2) section 273.13, subdivision 25, paragraph (b), clause (1); or~~

35.2 ~~(3) section 273.13, subdivision 25, paragraph (c).~~

35.3 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

35.4 Sec. 2. Minnesota Statutes 2016, section 126C.01, subdivision 3, is amended to read:

35.5 Subd. 3. **Referendum market value.** "Referendum market value" means the market  
 35.6 value of all taxable property, excluding property classified as class 2, ~~4e(4), or 4e(12) or~~  
 35.7 ~~4h~~ under section 273.13. ~~The portion of class 2a property consisting of the house, garage,~~  
 35.8 ~~and surrounding one acre of land of an agricultural homestead is included in referendum~~  
 35.9 ~~market value.~~ For the purposes of this subdivision, in the case of class 1a, 1b, or 2a property  
 35.10 qualifying for the exclusion under section 273.13, subdivision 35, "market value" means  
 35.11 the value prior to the exclusion ~~under section 273.13, subdivision 35.~~ Any class of property,  
 35.12 or any portion of a class of property, that is included in the definition of referendum market  
 35.13 value and that has a classification rate of less than one percent under section 273.13 shall  
 35.14 have a referendum market value equal to its market value times its classification rate,  
 35.15 multiplied by 100.

35.16 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

35.17 Sec. 3. Minnesota Statutes 2016, section 270.12, subdivision 2, is amended to read:

35.18 Subd. 2. **Meeting dates; duties.** The board shall meet annually between ~~April 15~~ May  
 35.19 1 and ~~June 30~~ July 1 at the office of the commissioner of revenue and examine and compare  
 35.20 the returns of the assessment of the property in the several counties, and equalize the same  
 35.21 so that all the taxable property in the state shall be assessed at its market value, subject to  
 35.22 the following rules:

35.23 (1) The board shall add to or deduct from the aggregate valuation of the real property  
 35.24 of every county, which the board believes to be valued below or above its market value in  
 35.25 money, such percent as will bring the same to its market value;

35.26 (2) If the board believes the valuation for a part of a class determined by a range of  
 35.27 market value under clause (6) or otherwise, a class, or classes of the real property of any  
 35.28 town or district in any county, or the valuation for a part of a class, a class, or classes of the  
 35.29 real property of any county not in towns or cities, should be raised or reduced, without  
 35.30 raising or reducing the other real property of such county, or without raising or reducing it  
 35.31 in the same ratio, the board may add to, or take from, the valuation of a part of a class, a

36.1 class, or classes in any one or more of such towns or cities, or of the property not in towns  
36.2 or cities, such percent as the board believes will raise or reduce the same to its market value;

36.3 (3) The board shall add to or take from the aggregate valuation of any part of a class, a  
36.4 class, or classes of personal property of any county, town, or city, which the board believes  
36.5 to be valued below or above the market value thereof, such percent as will raise the same  
36.6 to its market value;

36.7 (4) The board shall not reduce the aggregate valuation of all the property of the state,  
36.8 as returned by the several county auditors, more than one percent on the whole valuation  
36.9 thereof;

36.10 (5) When it would be of assistance in equalizing values the board may require any county  
36.11 auditor to furnish statements showing assessments of real and personal property of any  
36.12 individuals, firms, or corporations within the county. The board shall consider and equalize  
36.13 such assessments and may increase the assessment of individuals, firms, or corporations  
36.14 above the amount returned by the county board of equalization when it shall appear to be  
36.15 undervalued, first giving notice to such persons of the intention of the board so to do, which  
36.16 notice shall fix a time and place of hearing. The board shall not decrease any such assessment  
36.17 below the valuation placed by the county board of equalization;

36.18 (6) In equalizing values pursuant to this section, the board shall utilize a 12-month  
36.19 assessment/sales ratio study conducted by the Department of Revenue containing only sales  
36.20 that are filed in the county auditor's office under section 272.115, by November 1 of the  
36.21 previous year and that occurred between October 1 of the year immediately preceding the  
36.22 previous year and September 30 of the previous year.

36.23 The assessment/sales ratio study may separate the values of residential property into  
36.24 market value categories. The board may adjust the market value categories and the number  
36.25 of categories as necessary to create an adequate sample size for each market value category.  
36.26 The board may determine the adequate sample size. To the extent practicable, the  
36.27 methodology used in preparing the assessment/sales ratio study must be consistent with the  
36.28 most recent Standard on Assessment Sales Ratio Studies published by the Assessment  
36.29 Standards Committee of the International Association of Assessing Officers. The board  
36.30 may determine the geographic area used in preparing the study to accurately equalize values.  
36.31 A sales ratio study separating residential property into market value categories may not be  
36.32 used as the basis for a petition under chapter 278.

37.1 The sales prices used in the study must be discounted for terms of financing. The board  
 37.2 shall use the median ratio as the statistical measure of the level of assessment for any  
 37.3 particular category of property; and

37.4 (7) The board shall receive from each county the estimated market values on the  
 37.5 assessment date falling within the study period for all parcels by a medium as prescribed  
 37.6 by the commissioner of revenue.

37.7 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2020.

37.8 Sec. 4. Minnesota Statutes 2016, section 270.12, subdivision 3, is amended to read:

37.9 Subd. 3. **Jurisdictions in two or more counties.** When a taxing jurisdiction lies in two  
 37.10 or more counties, if the sales ratio studies prepared by the Department of Revenue show  
 37.11 that the average levels of assessment in the several portions of the taxing jurisdictions in  
 37.12 the different counties differ by more than five percent, the board may order the apportionment  
 37.13 of the levy. When the sales ratio studies prepared by the Department of Revenue show that  
 37.14 the average levels of assessment in the several portions of the taxing jurisdictions in the  
 37.15 different counties differ by more than ten percent, the board shall order the apportionment  
 37.16 of the levy unless (a) the proportion of total adjusted tax capacity in one of the counties is  
 37.17 less than ten percent of the total adjusted tax capacity in the taxing jurisdiction and the  
 37.18 average level of assessment in that portion of the taxing jurisdiction is the level which differs  
 37.19 by more than five percent from the assessment level in any one of the other portions of the  
 37.20 taxing jurisdiction; (b) significant changes have been made in the level of assessment in the  
 37.21 taxing jurisdiction which have not been reflected in the sales ratio study, and those changes  
 37.22 alter the assessment levels in the portions of the taxing jurisdiction so that the assessment  
 37.23 level now differs by five percent or less; or (c) commercial, industrial, mineral, or public  
 37.24 utility property predominates in one county within the taxing jurisdiction and another class  
 37.25 of property predominates in another county within that same taxing jurisdiction. If one or  
 37.26 more of these factors are present, the board may order the apportionment of the levy.

37.27 Notwithstanding any other provision, the levy for the Metropolitan Mosquito Control  
 37.28 District, Metropolitan Council, metropolitan transit district, and metropolitan transit area  
 37.29 must be apportioned without regard to the percentage difference.

37.30 If, pursuant to this subdivision, the board apportions the levy, then that levy  
 37.31 apportionment among the portions in the different counties shall be made in the same  
 37.32 proportion as the adjusted tax capacity as determined by the commissioner in each portion  
 37.33 is to the total adjusted tax capacity of the taxing jurisdiction.

38.1 For the purposes of this section, the average level of assessment in a taxing jurisdiction  
 38.2 or portion thereof shall be the aggregate assessment sales ratio. Tax capacities as determined  
 38.3 by the commissioner shall be the tax capacities as determined for the year preceding the  
 38.4 year in which the levy to be apportioned is levied.

38.5 Actions pursuant to this subdivision shall be commenced subsequent to the annual  
 38.6 meeting on ~~April 15~~ May 1 of the State Board of Equalization, but notice of the action shall  
 38.7 be given to the affected jurisdiction and the appropriate county auditors by the following  
 38.8 ~~June 30~~ July 1.

38.9 Apportionment of a levy pursuant to this subdivision shall be considered as a remedy  
 38.10 to be taken after equalization pursuant to subdivision 2, and when equalization within the  
 38.11 jurisdiction would disturb equalization within other jurisdictions of which the several portions  
 38.12 of the jurisdiction in question are a part.

38.13 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2020.

38.14 Sec. 5. Minnesota Statutes 2016, section 270.96, subdivision 1, is amended to read:

38.15 Subdivision 1. **Assessors.** Each assessor shall notify the county auditor of the  
 38.16 contamination value under section 270.91 by the separate tax rate categories under  
 38.17 subdivisions 2, 3, and 4 for each parcel of property within the assessor's jurisdiction. The  
 38.18 assessor shall provide notice of the contamination value to the property owner by the later  
 38.19 of ~~June~~ May 1 of the assessment year or 30 days after the reduction in market value is finally  
 38.20 granted.

38.21 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2020.

38.22 Sec. 6. Minnesota Statutes 2016, section 270C.91, is amended to read:

38.23 **270C.91 RECORD OF PROCEEDINGS CHANGING NET TAX CAPACITY;**  
 38.24 **DUTIES OF COUNTY AUDITOR.**

38.25 A record of all proceedings of the commissioner affecting any change in the net tax  
 38.26 capacity of any property, as revised by the State Board of Equalization, shall be kept by the  
 38.27 commissioner and a copy thereof, duly certified, shall be mailed each year to the auditor of  
 38.28 each county wherein such property is situated, on or before ~~June 30~~ July 1 or 30 days after  
 38.29 submission of the abstract required by section 270C.89, whichever is later. This record shall  
 38.30 specify the amounts or amount, or both, added to or deducted from the net tax capacity of  
 38.31 the real property of each of the several towns and cities, and of the real property not in towns  
 38.32 or cities, also the percent or amount of both, added to or deducted from the several classes

39.1 of personal property in each of the towns and cities, and also the amount added to or deducted  
 39.2 from the assessment of any person. The county auditor shall add to or deduct from such  
 39.3 tract or lot, or portion thereof, of any real property in the county the required percent or  
 39.4 amount, or both, on the net tax capacity thereof as it stood after equalized by the county  
 39.5 board, adding in each case a fractional sum of 50 cents or more, and deducting in each case  
 39.6 any fractional sum of less than 50 cents, so that no net tax capacity of any separate tract or  
 39.7 lot shall contain any fraction of a dollar; and add to, or deduct from, the several classes of  
 39.8 personal property in the county the required percent or amount, or both, on the net tax  
 39.9 capacity thereof as it stood after equalized by the county board, adding or deducting in  
 39.10 manner aforesaid any fractional sum so that no net tax capacity of any separate class of  
 39.11 personal property shall contain a fraction of a dollar, and add to or deduct from assessment  
 39.12 of any person, as they stood after equalization by the county board, the required amounts  
 39.13 to agree with the assessments as returned by the commissioner.

39.14 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2020.

39.15 Sec. 7. Minnesota Statutes 2017 Supplement, section 271.21, subdivision 2, is amended  
 39.16 to read:

39.17 Subd. 2. **Jurisdiction.** At the election of the taxpayer, the Small Claims Division shall  
 39.18 have jurisdiction only in the following matters:

39.19 (a) cases involving valuation, assessment, or taxation of real or personal property, if:

39.20 (i) the issue is a denial of a current year application for the homestead classification for  
 39.21 the taxpayer's property;

39.22 (ii) only one parcel is included in the petition, the entire parcel is classified as homestead  
 39.23 class ~~1a or 1b~~ 1 under section 273.13, and the parcel contains no more than one dwelling  
 39.24 unit;

39.25 (iii) the ~~entire~~ property is classified as agricultural homestead class 2a ~~or 1b~~, a portion  
 39.26 of which may be classified as homestead class 1, under section 273.13; or

39.27 (iv) the assessor's estimated market value of the property included in the petition is less  
 39.28 than \$300,000; or

39.29 (b) any case not involving valuation, assessment, or taxation of real and personal property  
 39.30 in which the amount in controversy does not exceed \$15,000, including penalty and interest.

39.31 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

40.1 Sec. 8. Minnesota Statutes 2016, section 272.025, subdivision 3, is amended to read:

40.2 Subd. 3. **Filing dates.** (a) The statement required by subdivision 1, paragraph (a), must  
40.3 be filed with the assessor by ~~February~~ May 1 of the assessment year, however, any taxpayer  
40.4 who has filed the statement required by subdivision 1 more than 12 months prior to February  
40.5 1, 1983, or February 1 of each third year after 1983, shall file a statement by February 1,  
40.6 1983, and by ~~February~~ May 1 of each third year thereafter.

40.7 (b) For churches and houses of worship, and property solely used for educational purposes  
40.8 by academies, colleges, universities, or seminaries of learning, no statement is required after  
40.9 the statement filed for the assessment year in which the exemption began.

40.10 (c) This section does not apply to existing churches and houses of worship, and property  
40.11 solely used for educational purposes by academies, colleges, universities, or seminaries of  
40.12 learning that were exempt for taxes payable in 2011.

40.13 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2020.

40.14 Sec. 9. Minnesota Statutes 2016, section 273.11, subdivision 12, is amended to read:

40.15 Subd. 12. **Community land trusts.** (a) A community land trust, as defined under chapter  
40.16 462A, is (i) a community-based nonprofit corporation organized under chapter 317A, which  
40.17 qualifies for tax exempt status under 501(c)(3), or (ii) a "city" as defined in section 462C.02,  
40.18 subdivision 6, which has received funding from the Minnesota housing finance agency for  
40.19 purposes of the community land trust program. The Minnesota Housing Finance Agency  
40.20 shall set the criteria for community land trusts.

40.21 (b) All occupants of a community land trust building must have a family income of less  
40.22 than 80 percent of the greater of (1) the state median income, or (2) the area or county  
40.23 median income, as most recently determined by the Department of Housing and Urban  
40.24 Development. Before the community land trust can rent or sell a unit to an applicant, the  
40.25 community land trust shall verify to the satisfaction of the administering agency or the city  
40.26 that the family income of each person or family applying for a unit in the community land  
40.27 trust building is within the income criteria provided in this paragraph. The administering  
40.28 agency or the city shall verify to the satisfaction of the county assessor that the occupant  
40.29 meets the income criteria under this paragraph. The property tax benefits under paragraph  
40.30 (c) shall be granted only to property owned or rented by persons or families within the  
40.31 qualifying income limits. The family income criteria and verification is only necessary at  
40.32 the time of initial occupancy in the property.



41.1 (c) A unit which is owned by the occupant and used as a homestead by the occupant  
 41.2 qualifies for homestead treatment as class ~~1a~~ 1 under section 273.13, subdivision 22. A unit  
 41.3 which is rented by the occupant and used as a homestead by the occupant shall be class 4a  
 41.4 or ~~4b~~ nonhomestead class 1 property, under section 273.13, ~~subdivision 25~~, whichever is  
 41.5 applicable. Any remaining portion of the property not used for residential purposes shall  
 41.6 be classified by the assessor in the appropriate class based upon the use of that portion of  
 41.7 the property owned by the community land trust. The land upon which the building is located  
 41.8 shall be assessed at the same classification rate as the units within the building, provided  
 41.9 that if the building contains some units assessed as homestead class 1a ~~1a~~ 1 and some units  
 41.10 assessed as class 4a or ~~4b~~ nonhomestead class 1, the market value of the land will be assessed  
 41.11 in the same proportions as the value of the building.

41.12 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

41.13 Sec. 10. Minnesota Statutes 2016, section 273.1115, subdivision 2, is amended to read:

41.14 Subd. 2. **Requirement.** Real estate is entitled to valuation under this section only if all  
 41.15 of the following requirements are met:

41.16 (1) the property is classified as class ~~1a, 1b~~ 1, 2a, or 2b property under section 273.13,  
 41.17 subdivisions 22 and 23, or the property is classified as class 2e under section 273.13,  
 41.18 subdivision 23, and immediately before being classified as class 2e was classified as class  
 41.19 ~~1a or 1b~~ 1;

41.20 (2) the property is at least ten contiguous acres, when the application is filed under  
 41.21 subdivision 3;

41.22 (3) the owner has filed a completed application for deferment as specified in subdivision  
 41.23 3 with the county assessor in the county in which the property is located;

41.24 (4) there are no delinquent taxes on the property; and

41.25 (5) a covenant on the land restricts its use as provided in subdivision 3, clause (4).

41.26 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

41.27 Sec. 11. Minnesota Statutes 2016, section 273.112, subdivision 6, is amended to read:

41.28 Subd. 6. **Application.** Application for deferment of taxes and assessment under this  
 41.29 section shall be made ~~at least 60 days prior to January 2~~ by November 1 of the year prior  
 41.30 to each year for which deferment of taxes and assessment is sought. Such application shall  
 41.31 be filed with the assessor of the taxing district in which the real property is located on such

42.1 form as may be prescribed by the commissioner of revenue. The assessor may require proof  
 42.2 by affidavit or other written verification that the property qualifies under subdivision 3. In  
 42.3 the case of property operated by private clubs pursuant to subdivision 3, clause (c)(3), in  
 42.4 order to qualify for valuation and tax deferment under this section, the taxpayer must submit  
 42.5 to the assessor proof by affidavit or other written verification that the bylaws or rules and  
 42.6 regulations of the club meet the eligibility requirements provided under this section. The  
 42.7 signed affidavit or other written verification shall be sufficient demonstration of eligibility  
 42.8 for the assessor unless the county attorney determines otherwise.

42.9 The county assessor shall refer any question regarding the eligibility for valuation and  
 42.10 deferment under this section to the county attorney for advice and opinion under section  
 42.11 388.051, subdivision 1. Upon request of the county attorney, the taxpayer shall furnish  
 42.12 information that the county attorney considers necessary in order to determine eligibility  
 42.13 under this section.

42.14 Real estate is not entitled to valuation and deferment under this section unless the county  
 42.15 assessor has filed with the assessor's tax records prior to October ~~16~~ 1 a statement that the  
 42.16 application has been accepted.

42.17 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2020.

42.18 Sec. 12. Minnesota Statutes 2016, section 273.1231, subdivision 4, is amended to read:

42.19 Subd. 4. **Homestead property.** "Homestead property" means a homestead dwelling that  
 42.20 is classified as class ~~1a, 1b, or 2a~~ 1 property or a manufactured home or sectional home  
 42.21 used as a homestead and taxed pursuant to section 273.125, subdivision 8, paragraph (b),  
 42.22 (c), or (d).

42.23 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

42.24 Sec. 13. Minnesota Statutes 2016, section 273.124, subdivision 1, is amended to read:

42.25 Subdivision 1. **General rule.** (a) Class 1 residential real estate under section 273.13,  
 42.26 subdivision 22, that is occupied and used for the purposes of a homestead by its owner, who  
 42.27 must be a Minnesota resident, is a residential homestead. In the case of a duplex or triplex  
 42.28 in which one of the units is used for homestead purposes, the entire property is deemed to  
 42.29 be used for homestead purposes.

42.30 Agricultural land, as defined in section 273.13, subdivision 23, that is occupied and used  
 42.31 as a homestead by its owner, who must be a Minnesota resident, is an agricultural homestead.

43.1 Dates for establishment of a homestead and homestead treatment provided to particular  
43.2 types of property are as provided in this section.

43.3 Property held by a trustee under a trust is eligible for homestead classification if the  
43.4 requirements under this chapter are satisfied.

43.5 The assessor shall require proof, as provided in subdivision 13, of the facts upon which  
43.6 classification as a homestead may be determined. Notwithstanding any other law, the assessor  
43.7 may at any time require a homestead application to be filed in order to verify that any  
43.8 property classified as a homestead continues to be eligible for homestead status.

43.9 Notwithstanding any other law to the contrary, the Department of Revenue may, upon  
43.10 request from an assessor, verify whether an individual who is requesting or receiving  
43.11 homestead classification has filed a Minnesota income tax return as a resident for the most  
43.12 recent taxable year for which the information is available.

43.13 When there is a name change or a transfer of homestead property, the assessor may  
43.14 reclassify the property in the next assessment unless a homestead application is filed to  
43.15 verify that the property continues to qualify for homestead classification.

43.16 (b) For purposes of this section, homestead property shall include property which is used  
43.17 for purposes of the homestead but is separated from the homestead by a road, street, lot,  
43.18 waterway, or other similar intervening property. The term "used for purposes of the  
43.19 homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings  
43.20 commonly associated with a homestead, but shall not include vacant land held primarily  
43.21 for future development. In order to receive homestead treatment for the noncontiguous  
43.22 property, the owner must use the property for the purposes of the homestead, and must apply  
43.23 to the assessor, both by the deadlines given in subdivision 9. After initial qualification for  
43.24 the homestead treatment, additional applications for subsequent years are not required.

43.25 (c) Residential real estate that is occupied and used for purposes of a homestead by a  
43.26 relative of the owner is a homestead but only to the extent of the homestead treatment that  
43.27 would be provided if the related owner occupied the property. For purposes of this paragraph  
43.28 and paragraph (g), "relative" means a parent, stepparent, child, stepchild, grandparent,  
43.29 grandchild, brother, sister, uncle, aunt, nephew, or niece. This relationship may be by blood  
43.30 or marriage. Property that has been classified as seasonal residential recreational property  
43.31 at any time during which it has been owned by the current owner or spouse of the current  
43.32 owner will not be reclassified as a homestead unless it is occupied as a homestead by the  
43.33 owner; this prohibition also applies to property that, in the absence of this paragraph, would  
43.34 have been classified as seasonal residential recreational property at the time when the

44.1 residence was constructed. Neither the related occupant nor the owner of the property may  
44.2 claim a property tax refund under chapter 290A for a homestead occupied by a relative. In  
44.3 the case of a residence located on agricultural land, only the house, garage, and immediately  
44.4 surrounding one acre of land shall be classified as a homestead under this paragraph, except  
44.5 as provided in paragraph (d).

44.6 (d) Agricultural property that is occupied and used for purposes of a homestead by a  
44.7 relative of the owner, is a homestead, only to the extent of the homestead treatment that  
44.8 would be provided if the related owner occupied the property, and only if all of the following  
44.9 criteria are met:

44.10 (1) the relative who is occupying the agricultural property is a grandchild, child, sibling,  
44.11 or parent of the owner of the agricultural property or of the spouse of the owner;

44.12 (2) the owner of the agricultural property must be a Minnesota resident;

44.13 (3) the owner of the agricultural property must not receive homestead treatment on any  
44.14 other agricultural property in Minnesota; and

44.15 (4) the owner of the agricultural property is limited to only one agricultural homestead  
44.16 per family under this paragraph.

44.17 Neither the related occupant nor the owner of the property may claim a property tax  
44.18 refund under chapter 290A for a homestead occupied by a relative qualifying under this  
44.19 paragraph. For purposes of this paragraph, "agricultural property" means the house, garage,  
44.20 other farm buildings and structures, and agricultural land.

44.21 Application must be made to the assessor by the owner of the agricultural property to  
44.22 receive homestead benefits under this paragraph. The assessor may require the necessary  
44.23 proof that the requirements under this paragraph have been met.

44.24 (e) In the case of property owned by a property owner who is married, the assessor must  
44.25 not deny homestead treatment in whole or in part if only one of the spouses occupies the  
44.26 property and the other spouse is absent due to: (1) marriage dissolution proceedings, (2)  
44.27 legal separation, (3) employment or self-employment in another location, or (4) other  
44.28 personal circumstances causing the spouses to live separately, not including an intent to  
44.29 obtain two homestead classifications for property tax purposes. To qualify under clause (3),  
44.30 the spouse's place of employment or self-employment must be at least 50 miles distant from  
44.31 the other spouse's place of employment, and the homesteads must be at least 50 miles distant  
44.32 from each other.

44.33 (f) The assessor must not deny homestead treatment in whole or in part if:

45.1 (1) in the case of a property owner who is not married, the owner is absent due to  
 45.2 residence in a nursing home, boarding care facility, or an elderly assisted living facility  
 45.3 property as defined in section 273.13, subdivision 25a, and the property is not otherwise  
 45.4 occupied; or

45.5 (2) in the case of a property owner who is married, the owner or the owner's spouse or  
 45.6 both are absent due to residence in a nursing home, boarding care facility, or an elderly  
 45.7 assisted living facility property as defined in section 273.13, subdivision 25a, and the property  
 45.8 is not occupied or is occupied only by the owner's spouse.

45.9 (g) If an individual is purchasing property with the intent of claiming it as a homestead  
 45.10 and is required by the terms of the financing agreement to have a relative shown on the deed  
 45.11 as a co-owner, the assessor shall allow a full homestead classification. This provision only  
 45.12 applies to first-time purchasers, whether married or single, or to a person who had previously  
 45.13 been married and is purchasing as a single individual for the first time. The application for  
 45.14 homestead benefits must be on a form prescribed by the commissioner and must contain  
 45.15 the data necessary for the assessor to determine if full homestead benefits are warranted.

45.16 (h) If residential or agricultural real estate is occupied and used for purposes of a  
 45.17 homestead by a child of a deceased owner and the property is subject to jurisdiction of  
 45.18 probate court, the child shall receive relative homestead classification under paragraph (c)  
 45.19 or (d) to the same extent they would be entitled to it if the owner was still living, until the  
 45.20 probate is completed. For purposes of this paragraph, "child" includes a relationship by  
 45.21 blood or by marriage.

45.22 (i) If a single-family home, duplex, or triplex classified as either residential homestead  
 45.23 or agricultural homestead is also used to provide licensed child care, the portion of the  
 45.24 property used for licensed child care must be classified as a part of the homestead property.

45.25 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

45.26 Sec. 14. Minnesota Statutes 2016, section 273.124, subdivision 3a, is amended to read:

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

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

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

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

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

46.13 (d) "Homestead treatment" under this subdivision means the classification rate provided  
46.14 for class ~~4e 1~~ 1 property ~~classified under section 273.13, subdivision 25, paragraph (d), clause~~  
46.15 ~~(5), item (ii): 273.13, subdivision 22, and the homestead market value exclusion under~~  
46.16 ~~section 273.13, subdivision 35, does not apply and the property taxes assessed against the~~  
46.17 ~~park shall not be included in the determination of taxes payable for rent paid under section~~  
46.18 ~~290A.03.~~

46.19 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

46.20 Sec. 15. Minnesota Statutes 2016, section 273.124, subdivision 8, is amended to read:

46.21 Subd. 8. **Homestead owned by or leased to family farm corporation, joint farm**  
46.22 **venture, limited liability company, or partnership.** (a) Each family farm corporation;  
46.23 each joint family farm venture; and each limited liability company or partnership which  
46.24 operates a family farm; is entitled to class 1b under section 273.13, subdivision 22, paragraph  
46.25 (b), or class 2a assessment for one homestead occupied by a shareholder, member, or partner  
46.26 thereof who is residing on the land, and actively engaged in farming of the land owned by  
46.27 the family farm corporation, joint family farm venture, limited liability company, or  
46.28 partnership. Homestead treatment applies even if:

46.29 (1) legal title to the property is in the name of the family farm corporation, joint family  
46.30 farm venture, limited liability company, or partnership, and not in the name of the person  
46.31 residing on it; or

47.1 (2) the family farm is operated by a family farm corporation, joint family farm venture,  
 47.2 partnership, or limited liability company other than the family farm corporation, joint family  
 47.3 farm venture, partnership, or limited liability company that owns the land, provided that:

47.4 (i) the shareholder, member, or partner of the family farm corporation, joint family farm  
 47.5 venture, partnership, or limited liability company that owns the land and that is residing on  
 47.6 and actively engaged in farming the land is a shareholder, member, or partner of the family  
 47.7 farm corporation, joint family farm venture, partnership, or limited liability company that  
 47.8 is operating the farm;

47.9 (ii) each shareholder, member, or partner of the family farm corporation, joint family  
 47.10 farm venture, partnership, or limited liability company that is operating the farm is also a  
 47.11 shareholder, member, or partner of the family farm corporation, joint family farm venture,  
 47.12 partnership, or limited liability company that owns the land; and

47.13 (iii) a majority of the shareholders, members, or partners of each family farm corporation,  
 47.14 joint family farm venture, partnership, or limited liability company are persons or spouses  
 47.15 of persons who are related to each other within the second degree of kindred according to  
 47.16 the rules of civil law.

47.17 "Family farm corporation," "family farm," and "partnership operating a family farm"  
 47.18 have the meanings given in section 500.24, except that the number of allowable shareholders,  
 47.19 members, or partners under this subdivision shall not exceed 12. "Limited liability company"  
 47.20 has the meaning contained in sections 322B.03, subdivision 28, or 322C.0102, subdivision  
 47.21 12, and 500.24, subdivision 2, paragraphs (l) and (m). "Joint family farm venture" means  
 47.22 a cooperative agreement among two or more farm enterprises authorized to operate a family  
 47.23 farm under section 500.24.

47.24 (b) In addition to property specified in paragraph (a), any other residences owned by  
 47.25 family farm corporations, joint family farm ventures, limited liability companies, or  
 47.26 partnerships described in paragraph (a) which are located on agricultural land and occupied  
 47.27 as homesteads by its shareholders, members, or partners who are actively engaged in farming  
 47.28 on behalf of that corporation, joint farm venture, limited liability company, or partnership  
 47.29 must also be assessed as class 2a property or as class 1b property under section 273.13.

47.30 (c) Agricultural property that is owned by a member, partner, or shareholder of a family  
 47.31 farm corporation or joint family farm venture, limited liability company operating a family  
 47.32 farm, or by a partnership operating a family farm and leased to the family farm corporation,  
 47.33 limited liability company, partnership, or joint farm venture, as defined in paragraph (a), is  
 47.34 eligible for classification as class 1b or class 2a under section 273.13, if the owner is actually

48.1 residing on the property, and is actually engaged in farming the land on behalf of that  
 48.2 corporation, joint farm venture, limited liability company, or partnership. This paragraph  
 48.3 applies without regard to any legal possession rights of the family farm corporation, joint  
 48.4 family farm venture, limited liability company, or partnership under the lease.

48.5 (d) Nonhomestead agricultural property that is owned by a family farm corporation,  
 48.6 joint farm venture, limited liability company, or partnership; and located not farther than  
 48.7 four townships or cities, or combination thereof, from agricultural land that is owned, and  
 48.8 used for the purposes of a homestead by an individual who is a shareholder, member, or  
 48.9 partner of the corporation, venture, company, or partnership; is entitled to receive the first  
 48.10 tier homestead classification rate on any remaining market value in the first homestead class  
 48.11 tier that is in excess of the market value of the shareholder's, member's, or partner's class 2  
 48.12 agricultural homestead property, if the owner, or someone acting on the owner's behalf  
 48.13 notifies the county assessor by ~~July~~ May 1 that the property may be eligible under this  
 48.14 paragraph for the current assessment year, for taxes payable in the following year. As used  
 48.15 in this paragraph, "agricultural property" means property classified as 2a under section  
 48.16 273.13, along with any contiguous property classified as 2b under section 273.13, if the  
 48.17 contiguous 2a and 2b properties are under the same ownership.

48.18 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2020.

48.19 Sec. 16. Minnesota Statutes 2016, section 273.124, subdivision 9, is amended to read:

48.20 Subd. 9. **Homestead established after assessment date.** Any property that was not  
 48.21 used for the purpose of a homestead on the assessment date, but which was used for the  
 48.22 purpose of a homestead on December 1 of a year, constitutes class 1 or class 2a.

48.23 Any taxpayer meeting the requirements of this subdivision must notify the county  
 48.24 assessor, or the assessor who has the powers of the county assessor under section 273.063,  
 48.25 in writing, by December ~~15~~ 31 of the year of occupancy in order to qualify under this  
 48.26 subdivision. The assessor must not deny full homestead treatment to a property that is  
 48.27 partially homesteaded on January 2 but occupied for the purpose of a full homestead on  
 48.28 December 1 of a year.

48.29 The county assessor and the county auditor may make the necessary changes on their  
 48.30 assessment and tax records to provide for proper homestead classification as provided in  
 48.31 this subdivision.

48.32 If homestead classification has not been requested as of December ~~15~~ 31, the assessor  
 48.33 will classify the property as nonhomestead for the current assessment year for taxes payable



49.1 in the following year, provided that the owner of any property qualifying under this  
 49.2 subdivision, which has not been accorded the benefits of this subdivision, may be entitled  
 49.3 to receive homestead classification by proper application as provided in section 375.192.

49.4 ~~The county assessor may publish in a newspaper of general circulation within the county~~  
 49.5 ~~a notice requesting the public to file an application for homestead as soon as practicable~~  
 49.6 ~~after acquisition of a homestead, but no later than December 15.~~

49.7 The county assessor shall publish in a newspaper of general circulation within the county  
 49.8 no later than December 1 of each year a notice informing the public of the requirement to  
 49.9 file an application for homestead by December ~~15~~ 31.

49.10 In the case of manufactured homes assessed as personal property, the homestead must  
 49.11 be established, and a homestead classification requested, by May ~~29~~ 1 of the assessment  
 49.12 year. The assessor may include information on these deadlines for manufactured homes  
 49.13 assessed as personal property in the published notice or notices.

49.14 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2020.

49.15 Sec. 17. Minnesota Statutes 2016, section 273.124, subdivision 17, is amended to read:

49.16 Subd. 17. **Owner-occupied motel property.** For purposes of class ~~1a~~ 1 determinations,  
 49.17 a homestead includes that portion of property defined as a motel under chapter 157, provided  
 49.18 that the person residing in the motel property is using that property as a homestead, is part  
 49.19 owner, and is actively engaged in the operation of the motel business. Homestead treatment  
 49.20 applies even if legal title to the property is in the name of a corporation or partnership and  
 49.21 not in the name of the person residing in the motel. The homestead is limited to that portion  
 49.22 of the motel actually occupied by the person.

49.23 A taxpayer meeting the requirements of this subdivision must notify the county assessor,  
 49.24 or the assessor who has the powers of the county assessor under section 273.063, in writing,  
 49.25 in order to qualify under this subdivision for ~~1a~~ homestead class 1 classification.

49.26 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

49.27 Sec. 18. Minnesota Statutes 2016, section 273.125, subdivision 3, is amended to read:

49.28 Subd. 3. **Tax statements; penalties; collections.** Not later than July ~~15~~ 1 in the year of  
 49.29 assessment the county treasurer shall mail to the taxpayer a statement of tax due on a  
 49.30 manufactured home. The taxes are due on the last day of August, or 20 days after the  
 49.31 postmark date on the envelope containing the property tax statement, whichever is later,  
 49.32 except that if the tax exceeds \$50, one-half of the amount due may be paid on August 31,

50.1 or 20 days after the postmark date on the envelope containing the property tax statement,  
 50.2 whichever is later, and the remainder on November 15. Taxes remaining unpaid after the  
 50.3 due date are delinquent, and a penalty of eight percent must be assessed and collected as  
 50.4 part of the unpaid taxes. The tax statement must contain a sentence notifying the taxpayer  
 50.5 that the title to the manufactured home cannot be transferred unless the property taxes are  
 50.6 paid.

50.7 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2020.

50.8 Sec. 19. Minnesota Statutes 2016, section 273.128, subdivision 1, is amended to read:

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

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

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

50.16 (3) the units are financed by the Rural Housing Service of the United States Department  
 50.17 of Agriculture and receive payments under the rental assistance program pursuant to section  
 50.18 521(a) of the Housing Act of 1949, as amended; or

50.19 (4) the units are subject to rent and income restrictions under the terms of financial  
 50.20 assistance provided to the rental housing property by the federal government or the state of  
 50.21 Minnesota, or a local unit of government, as evidenced by a document recorded against the  
 50.22 property.

50.23 The restrictions must require assisted units to be occupied by residents whose household  
 50.24 income at the time of initial occupancy does not exceed 60 percent of the greater of area or  
 50.25 state median income, adjusted for family size, as determined by the United States Department  
 50.26 of Housing and Urban Development. The restriction must also require the rents for assisted  
 50.27 units to not exceed 30 percent of 60 percent of the greater of area or state median income,  
 50.28 adjusted for family size, as determined by the United States Department of Housing and  
 50.29 Urban Development.

50.30 **EFFECTIVE DATE.** This section is effective beginning for property taxes payable in  
 50.31 2020.

51.1 Sec. 20. Minnesota Statutes 2017 Supplement, section 273.13, subdivision 22, is amended  
51.2 to read:

51.3 Subd. 22. **Class 1.** ~~(a) Except as provided in subdivision 23 and in paragraphs (b) and~~  
51.4 ~~(c), real estate which is residential and used for homestead purposes is class 1a. In the case~~  
51.5 ~~of a duplex or triplex in which one of the units is used for homestead purposes, the entire~~  
51.6 ~~property is deemed to be used for homestead purposes. The market value of class 1a property~~  
51.7 ~~must be determined based upon the value of the house, garage, and land.~~

51.8 Class 1 property is residential real estate containing fewer than four dwelling units. The  
51.9 first \$500,000 of taxable market value of class 1a property has a net classification rate of  
51.10 one percent of its market value, and the taxable market value of class 1a property that  
51.11 exceeds \$500,000 has a classification rate of 1.25 percent of its market value.

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

51.14 ~~(1) any person who is blind as defined in section 256D.35, or the blind person and the~~  
51.15 ~~blind person's spouse;~~

51.16 ~~(2) any person who is permanently and totally disabled or by the disabled person and~~  
51.17 ~~the disabled person's spouse; or~~

51.18 ~~(3) the surviving spouse of a permanently and totally disabled veteran homesteading a~~  
51.19 ~~property classified under this paragraph for taxes payable in 2008.~~

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

51.24 ~~Property is classified and assessed under paragraph (b) only if the commissioner of~~  
51.25 ~~revenue or the county assessor certifies that the homestead occupant satisfies the requirements~~  
51.26 ~~of this paragraph.~~

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

52.1 (e) ~~Class 1e property is commercial use real and personal property that abuts public~~  
52.2 ~~water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by~~  
52.3 ~~the Department of Natural Resources, and is devoted to temporary and seasonal residential~~  
52.4 ~~occupancy for recreational purposes but not devoted to commercial purposes for more than~~  
52.5 ~~250 days in the year preceding the year of assessment, and that includes a portion used as~~  
52.6 ~~a homestead by the owner, which includes a dwelling occupied as a homestead by a~~  
52.7 ~~shareholder of a corporation that owns the resort, a partner in a partnership that owns the~~  
52.8 ~~resort, or a member of a limited liability company that owns the resort even if the title to~~  
52.9 ~~the homestead is held by the corporation, partnership, or limited liability company. For~~  
52.10 ~~purposes of this paragraph, property is devoted to a commercial purpose on a specific day~~  
52.11 ~~if any portion of the property, excluding the portion used exclusively as a homestead, is~~  
52.12 ~~used for residential occupancy and a fee is charged for residential occupancy. Class 1e~~  
52.13 ~~property must contain three or more rental units. A "rental unit" is defined as a cabin,~~  
52.14 ~~condominium, townhouse, sleeping room, or individual camping site equipped with water~~  
52.15 ~~and electrical hookups for recreational vehicles. Class 1e property must provide recreational~~  
52.16 ~~activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill~~  
52.17 ~~or cross-country ski equipment; provide marina services, launch services, or guide services;~~  
52.18 ~~or sell bait and fishing tackle. Any unit in which the right to use the property is transferred~~  
52.19 ~~to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies~~  
52.20 ~~for class 1e even though it may remain available for rent. A camping pad offered for rent~~  
52.21 ~~by a property that otherwise qualifies for class 1e is also class 1e, regardless of the term of~~  
52.22 ~~the rental agreement, as long as the use of the camping pad does not exceed 250 days. If~~  
52.23 ~~the same owner owns two separate parcels that are located in the same township, and one~~  
52.24 ~~of those properties is classified as a class 1e property and the other would be eligible to be~~  
52.25 ~~classified as a class 1e property if it was used as the homestead of the owner, both properties~~  
52.26 ~~will be assessed as a single class 1e property; for purposes of this sentence, properties are~~  
52.27 ~~deemed to be owned by the same owner if each of them is owned by a limited liability~~  
52.28 ~~company, and both limited liability companies have the same membership. The portion of~~  
52.29 ~~the property used as a homestead is class 1a property under paragraph (a). The remainder~~  
52.30 ~~of the property is classified as follows: the first \$600,000 of market value is tier I, the next~~  
52.31 ~~\$1,700,000 of market value is tier II, and any remaining market value is tier III. The~~  
52.32 ~~classification rates for class 1e are: tier I, 0.50 percent; tier II, 1.0 percent; and tier III, 1.25~~  
52.33 ~~percent. Owners of real and personal property devoted to temporary and seasonal residential~~  
52.34 ~~occupancy for recreation purposes in which all or a portion of the property was devoted to~~  
52.35 ~~commercial purposes for not more than 250 days in the year preceding the year of assessment~~  
52.36 ~~desiring classification as class 1e, must submit a declaration to the assessor designating the~~

53.1 ~~cabins or units occupied for 250 days or less in the year preceding the year of assessment~~  
 53.2 ~~by January 15 of the assessment year. Those cabins or units and a proportionate share of~~  
 53.3 ~~the land on which they are located must be designated as class 1e as otherwise provided.~~  
 53.4 ~~The remainder of the cabins or units and a proportionate share of the land on which they~~  
 53.5 ~~are located must be designated as class 3a commercial. The owner of property desiring~~  
 53.6 ~~designation as class 1e property must provide guest registers or other records demonstrating~~  
 53.7 ~~that the units for which class 1e designation is sought were not occupied for more than 250~~  
 53.8 ~~days in the year preceding the assessment if so requested. The portion of a property operated~~  
 53.9 ~~as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5)~~  
 53.10 ~~other nonresidential facility operated on a commercial basis not directly related to temporary~~  
 53.11 ~~and seasonal residential occupancy for recreation purposes does not qualify for class 1e.~~

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

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

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

53.19 ~~(3) the structure meets all applicable health and safety requirements for the appropriate~~  
 53.20 ~~season; and~~

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

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

53.25 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

53.26 Sec. 21. Minnesota Statutes 2017 Supplement, section 273.13, subdivision 23, is amended  
 53.27 to read:

53.28 Subd. 23. **Class 2.** (a) An agricultural homestead consists of class 2a agricultural land  
 53.29 and buildings that is are homesteaded, along with any class 2b rural vacant land that is  
 53.30 contiguous to the class 2a land under the same ownership. ~~The market value of the house~~  
 53.31 ~~and garage and immediately surrounding one acre of land has the same classification rates~~  
 53.32 ~~as class 1a or 1b property under subdivision 22.~~ The value of the remaining land including  
 53.33 improvements up to the first tier valuation limit of agricultural homestead property has a

54.1 classification rate of 0.5 percent of market value. The remaining property over the first tier  
54.2 has a classification rate of one percent of market value. For purposes of this subdivision,  
54.3 the "first tier valuation limit of agricultural homestead property" and "first tier" means the  
54.4 limit certified under section 273.11, subdivision 23.

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

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

54.15 (c) Class 2b rural vacant land consists of parcels of property, or portions thereof, that  
54.16 are unplatted real estate, rural in character and not used for agricultural purposes, including  
54.17 land used for growing trees for timber, lumber, and wood and wood products, that is not  
54.18 improved with a structure. The presence of a minor, ancillary nonresidential structure as  
54.19 defined by the commissioner of revenue does not disqualify the property from classification  
54.20 under this paragraph. Any parcel of 20 acres or more improved with a structure that is not  
54.21 a minor, ancillary nonresidential structure must be split-classified, and ten acres must be  
54.22 assigned to the split parcel containing the structure. Class 2b property has a classification  
54.23 rate of one percent of market value unless it is part of an agricultural homestead under  
54.24 paragraph (a), or qualifies as class 2c under paragraph (d).

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

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

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

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

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

55.10 "Agricultural purposes" as used in this section means the raising, cultivation, drying, or  
 55.11 storage of agricultural products for sale, or the storage of machinery or equipment used in  
 55.12 support of agricultural production by the same farm entity. For a property to be classified  
 55.13 as agricultural based only on the drying or storage of agricultural products, the products  
 55.14 being dried or stored must have been produced by the same farm entity as the entity operating  
 55.15 the drying or storage facility. "Agricultural purposes" also includes (i) enrollment in a local  
 55.16 conservation program or the Reinvest in Minnesota program under sections 103F.501 to  
 55.17 103F.535 or the federal Conservation Reserve Program as contained in Public Law 99-198  
 55.18 or a similar state or federal conservation program if the property was classified as agricultural  
 55.19 ~~(A)~~ (A) under this subdivision for taxes payable in 2003 because of its enrollment in a  
 55.20 qualifying program and the land remains enrolled or ~~(B)~~ (B) in the year prior to its enrollment,  
 55.21 or (ii) use of land, not to exceed the greater of three acres or ten percent of the total land  
 55.22 area, to provide environmental benefits such as buffer strips, old growth forest restoration  
 55.23 or retention, or retention ponds to prevent soil erosion. For purposes of this section, a "local  
 55.24 conservation program" means a program administered by a town, statutory or home rule  
 55.25 charter city, or county, including a watershed district, water management organization, or  
 55.26 soil and water conservation district, in which landowners voluntarily enroll land and receive  
 55.27 incentive payments equal to at least \$50 per acre in exchange for use or other restrictions  
 55.28 placed on the land. In order for property to qualify under the local conservation program  
 55.29 provision, a taxpayer must apply to the assessor by February 1 of the assessment year and  
 55.30 must submit the information required by the assessor, including but not limited to a copy  
 55.31 of the program requirements, the specific agreement between the land owner and the local  
 55.32 agency, if applicable, and a map of the conservation area. Agricultural classification shall  
 55.33 not be based upon the market value of any residential structures on the parcel or contiguous  
 55.34 parcels under the same ownership.

56.1 "Agricultural purposes" also includes land consisting of a holding pond designed to  
 56.2 prevent runoff onto a divided four-lane expressway that is located at least 150 feet above  
 56.3 the expressway, as certified by the local soil and water conservation district in accordance  
 56.4 with USDA Field Office Technical Guide conservation practice standards, provided that  
 56.5 the land is located outside the metropolitan area as defined in section 473.121, and was  
 56.6 classified as agricultural in assessment year 2017.

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

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

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

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

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

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

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

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

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

56.30 Classification under this subdivision is not determinative for qualifying under section  
 56.31 273.111.



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

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

57.6 (1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing  
57.7 animals, horticultural and nursery stock, fruit of all kinds, vegetables, forage, grains, bees,  
57.8 and apiary products by the owner;

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

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

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

57.16 (5) game birds and waterfowl bred and raised (i) on a game farm licensed under section  
57.17 97A.105, provided that the annual licensing report to the Department of Natural Resources,  
57.18 which must be submitted annually by March 30 to the assessor, indicates that at least 500  
57.19 birds were raised or used for breeding stock on the property during the preceding year and  
57.20 that the owner provides a copy of the owner's most recent schedule F; or (ii) for use on a  
57.21 shooting preserve licensed under section 97A.115;

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

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

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

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

57.29 (1) wholesale and retail sales;

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

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

58.1 (4) office facilities for the support of the activities enumerated in clauses (1), (2), and  
58.2 (3),

58.3 the assessor shall classify the part of the parcel used for agricultural purposes as class ~~1b~~,  
58.4 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use.

58.5 The grading, sorting, and packaging of raw agricultural products for first sale is considered  
58.6 an agricultural purpose. A greenhouse or other building where horticultural or nursery  
58.7 products are grown that is also used for the conduct of retail sales must be classified as  
58.8 agricultural if it is primarily used for the growing of horticultural or nursery products from  
58.9 seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products.  
58.10 Use of a greenhouse or building only for the display of already grown horticultural or nursery  
58.11 products does not qualify as an agricultural purpose.

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

58.16 ~~(k)~~ (k) Class 2d airport landing area consists of a landing area or public access area of a  
58.17 privately owned public use airport. It has a classification rate of one percent of market value.  
58.18 To qualify for classification under this paragraph, a privately owned public use airport must  
58.19 be licensed as a public airport under section 360.018. For purposes of this paragraph, "landing  
58.20 area" means that part of a privately owned public use airport properly cleared, regularly  
58.21 maintained, and made available to the public for use by aircraft and includes runways,  
58.22 taxiways, aprons, and sites upon which are situated landing or navigational aids. A landing  
58.23 area also includes land underlying both the primary surface and the approach surfaces that  
58.24 comply with all of the following:

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

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

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

58.30 The land contained in a landing area under this paragraph must be described and certified  
58.31 by the commissioner of transportation. The certification is effective until it is modified, or  
58.32 until the airport or landing area no longer meets the requirements of this paragraph. For  
58.33 purposes of this paragraph, "public access area" means property used as an aircraft parking

59.1 ramp, apron, or storage hangar, or an arrival and departure building in connection with the  
59.2 airport.

59.3 ~~(m)~~ (l) Class 2e consists of land with a commercial aggregate deposit that is not actively  
59.4 being mined and is not otherwise classified as class 2a or 2b, provided that the land is not  
59.5 located in a county that has elected to opt-out of the aggregate preservation program as  
59.6 provided in section 273.1115, subdivision 6. It has a classification rate of one percent of  
59.7 market value. To qualify for classification under this paragraph, the property must be at  
59.8 least ten contiguous acres in size and the owner of the property must record with the county  
59.9 recorder of the county in which the property is located an affidavit containing:

59.10 (1) a legal description of the property;

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

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

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

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

59.23 ~~(n)~~ (m) When any portion of the property under this subdivision or subdivision 22 begins  
59.24 to be actively mined, the owner must file a supplemental affidavit within 60 days from the  
59.25 day any aggregate is removed stating the number of acres of the property that is actively  
59.26 being mined. The acres actively being mined must be (1) valued and classified under  
59.27 subdivision 24 in the next subsequent assessment year, and (2) removed from the aggregate  
59.28 resource preservation property tax program under section 273.1115, if the land was enrolled  
59.29 in that program. Copies of the original affidavit and all supplemental affidavits must be  
59.30 filed with the county assessor, the local zoning administrator, and the Department of Natural  
59.31 Resources, Division of Land and Minerals. A supplemental affidavit must be filed each  
59.32 time a subsequent portion of the property is actively mined, provided that the minimum  
59.33 acreage change is five acres, even if the actual mining activity constitutes less than five  
59.34 acres.

60.1 ~~(n)~~ The definitions prescribed by the commissioner under paragraphs (c) and (d) are  
 60.2 not rules and are exempt from the rulemaking provisions of chapter 14, and the provisions  
 60.3 in section 14.386 concerning exempt rules do not apply.

60.4 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

60.5 Sec. 22. Minnesota Statutes 2017 Supplement, section 273.13, subdivision 25, is amended  
 60.6 to read:

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

60.14 (b) Class 4b includes:

60.15 ~~(1) residential real estate containing less than four units that does not qualify as class~~  
 60.16 ~~4bb, other than seasonal residential recreational property;~~

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

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

60.20 ~~(4) unimproved property that is classified residential as determined under subdivision~~  
 60.21 ~~33.~~

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

60.23 (c) Class 4bb includes:

60.24 ~~(1) nonhomestead residential real estate containing one unit, other than seasonal~~  
 60.25 ~~residential recreational property;~~

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

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

60.30 ~~Class 4bb property has the same classification rates as class 1a property under subdivision~~  
 60.31 ~~22.~~

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

61.4 ~~(d) Class 4e property includes: (1) except as provided in subdivision 22, paragraph (c),~~  
61.5 real and personal property devoted to commercial temporary and seasonal residential  
61.6 occupancy for recreation purposes, for not more than 250 days in the year preceding the  
61.7 year of assessment. For purposes of this ~~clause paragraph~~, property is devoted to a  
61.8 commercial purpose on a specific day if any portion of the property is used for residential  
61.9 occupancy, and a fee is charged for residential occupancy. Class 4e 4b property under this  
61.10 ~~clause paragraph~~ must contain three or more rental units. A "rental unit" is defined as a  
61.11 cabin, condominium, townhouse, sleeping room, or individual camping site equipped with  
61.12 water and electrical hookups for recreational vehicles. A camping pad offered for rent ~~by~~  
61.13 ~~a property that otherwise~~ qualifies for class 4e 4b under this ~~clause is also class 4e under~~  
61.14 ~~this clause paragraph~~ regardless of the term of the rental agreement, as long as the use of  
61.15 the camping pad does not exceed 250 days. ~~In order for a property to be classified under~~  
61.16 ~~this clause, either (i) the business located on the property must provide recreational activities,~~  
61.17 ~~at least 40 percent of the annual gross lodging receipts related to the property must be from~~  
61.18 ~~business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid~~  
61.19 ~~bookings by lodging guests during the year must be for periods of at least two consecutive~~  
61.20 ~~nights; or (B) at least 20 percent of the annual gross receipts must be from charges for~~  
61.21 ~~providing recreational activities, or (ii) the business must contain 20 or fewer rental units,~~  
61.22 ~~and must be located in a township or a city with a population of 2,500 or less located outside~~  
61.23 ~~the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion~~  
61.24 ~~of a state trail administered by the Department of Natural Resources. For purposes of item~~  
61.25 ~~(i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4e 4b~~  
61.26 property also includes commercial use real property used exclusively for recreational  
61.27 purposes in conjunction with other class 4e 4b property classified under this ~~clause paragraph~~  
61.28 and devoted to temporary and seasonal residential occupancy for recreational purposes, up  
61.29 to a total of two acres, provided the property is not devoted to commercial recreational use  
61.30 for more than 250 days in the year preceding the year of assessment and is located within  
61.31 two miles of the class 4e 4b property with which it is used. In order for a property to qualify  
61.32 for classification under this ~~clause paragraph~~, the owner must submit a declaration to the  
61.33 assessor designating the cabins or units occupied for 250 days or less in the year preceding  
61.34 the year of assessment by January 15 of the assessment year. Those cabins or units and a  
61.35 proportionate share of the land on which they are located must be designated class 4e 4b  
61.36 under this ~~clause paragraph~~ as otherwise provided. The remainder of the cabins or units and

62.1 a proportionate share of the land on which they are located will be designated as class 3a.  
 62.2 The owner of property desiring designation as class ~~4e~~ 4b property under this ~~clause~~  
 62.3 paragraph must provide guest registers or other records demonstrating that the units for  
 62.4 which class ~~4e~~ 4b designation is sought were not occupied for more than 250 days in the  
 62.5 year preceding the assessment if so requested. The portion of a property operated as a (1)  
 62.6 restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5) other  
 62.7 nonresidential facility operated on a commercial basis not directly related to temporary and  
 62.8 seasonal residential occupancy for recreation purposes does not qualify for class ~~4e~~ 4b. For  
 62.9 the purposes of ~~this paragraph~~ paragraphs (b) to (d), "recreational activities" means renting  
 62.10 ice fishing houses, boats and motors, snowmobiles, downhill or cross-country ski equipment;  
 62.11 providing marina services, launch services, or guide services; or selling bait and fishing  
 62.12 tackle;

62.13 (c) Class 4b(1) property is property that (1) meets the requirements of class 4b in  
 62.14 paragraph (b); (2) abuts public water as defined in section 103G.005, subdivision 15, or  
 62.15 abuts a state trail administered by the Department of Natural Resources; and (3) includes a  
 62.16 portion used as a homestead by the owner, or occupied as a homestead by a shareholder of  
 62.17 a corporation that owns the resort, a partner in a partnership that owns the resort, or a member  
 62.18 of a limited liability company that owns the resort whether the title to the homestead is held  
 62.19 by the corporation, partnership, or limited liability company, or by a shareholder of a  
 62.20 corporation that owns the resort, a partner in a partnership that owns the resort, or a member  
 62.21 of a limited liability company that owns the resort. Any unit in which the right to use the  
 62.22 property is transferred to an individual or entity by deeded interest, or the sale of shares or  
 62.23 stock, no longer qualifies for class 4b(1) even though it may remain available for rent. If  
 62.24 the same owner owns two separate parcels that are located in the same township, and one  
 62.25 of those properties is classified as a class 4b(1) property and the other would be eligible to  
 62.26 be classified as a class 4b(1) property if it was used as the homestead of the owner, both  
 62.27 properties will be assessed as a single class 4b(1) property; for purposes of this sentence,  
 62.28 properties are deemed to be owned by the same owner if each of them is owned by a limited  
 62.29 liability company, and both limited liability companies have the same membership. The  
 62.30 first \$600,000 of market value is tier I, with a class rate of 0.5 percent; the next \$1,700,000  
 62.31 of market value is tier II, with a class rate of one percent; and any remaining value is tier  
 62.32 III, with a class rate of 1.25 percent. The portion of the property used as a homestead is  
 62.33 class 1 under subdivision 22.

62.34 (d) Class 4b(2) is property that does not qualify as class 4b(1) but meets the requirements  
 62.35 of class 4b in paragraph (b), and either: (1) the business located on the property provides

63.1 recreational activities, at least 40 percent of the annual gross lodging receipts are from  
 63.2 business conducted during 90 consecutive days, and either (i) at least 60 percent of all paid  
 63.3 bookings by lodging guests during the year are for periods of at least two consecutive nights;  
 63.4 or (ii) at least 20 percent of the annual gross receipts are from charges for providing  
 63.5 recreational activities; (2) the business contains 20 or fewer rental units, and is located in  
 63.6 a township or a city with a population of 2,500 or less located outside the metropolitan area,  
 63.7 as defined under section 473.121, subdivision 2, that contains a portion of a state trail  
 63.8 administered by the Department of Natural Resources; or (3) the facility must consist of no  
 63.9 more than five sleeping rooms and must provide an area or areas to prepare meals and to  
 63.10 conduct indoor craft or hobby activities. For purposes of item (1)(i), a paid booking of five  
 63.11 or more nights shall be counted as two bookings. Class 4b(2) property has a class rate of  
 63.12 one percent on the first \$500,000 of market value and 1.25 percent on the portion over  
 63.13 \$500,000.

63.14 ~~(2)~~ (e) Class 4c property is (1) real property that is actively and exclusively devoted to  
 63.15 indoor fitness, health, social, recreational, and related uses, is owned and operated by a  
 63.16 not-for-profit corporation, and is located within the metropolitan area as defined in section  
 63.17 473.121, subdivision 2; or (2) qualified property used as a golf course if:

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

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

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

63.25 Class 4c property has a class rate of 1.25 percent.

63.26 ~~(3)~~ (f) Class 4d property is real property up to a maximum of three acres of land owned  
 63.27 and used by a nonprofit community service oriented organization and not used for residential  
 63.28 purposes on either a temporary or permanent basis, provided that:

63.29 ~~(i)~~ (1) the property is not used for a revenue-producing activity for more than six days  
 63.30 in the calendar year preceding the year of assessment; or

63.31 ~~(ii)~~ (2) the organization makes annual charitable contributions and donations at least  
 63.32 equal to the property's previous year's property taxes and the property is allowed to be used

64.1 for public and community meetings or events for no charge, as appropriate to the size of  
64.2 the facility.

64.3 For purposes of this ~~clause~~ paragraph:

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

64.7 ~~(B)~~ (ii) "property taxes" excludes the state general tax;

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

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

64.19 Any portion of the property not qualifying under either ~~item (i)~~ clause (1) or ~~(ii)~~ (2) is  
64.20 class 3a. The use of the property for social events open exclusively to members and their  
64.21 guests for periods of less than 24 hours, when an admission is not charged nor any revenues  
64.22 are received by the organization shall not be considered a revenue-producing activity.

64.23 The organization shall maintain records of its charitable contributions and donations  
64.24 and of public meetings and events held on the property and make them available upon  
64.25 request any time to the assessor to ensure eligibility. An organization meeting the requirement  
64.26 under ~~item (ii)~~ clause (2) must file an application by May 1 with the assessor for eligibility  
64.27 for the current year's assessment. The commissioner shall prescribe a uniform application  
64.28 form and instructions;

64.29 Class 4d property has a class rate of 1.5 percent, except that class 4d property owned or  
64.30 operated by a congressionally chartered veterans organization has a classification rate of  
64.31 one percent. The commissioner of veterans affairs must provide a list of congressionally  
64.32 chartered veterans organizations to the commissioner of revenue by January 1, 2018, and  
64.33 each year thereafter.



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

65.5 ~~(5)(i) manufactured home parks as defined in section 327.14, subdivision 3, excluding~~  
 65.6 ~~manufactured home parks described in items (ii) and (iii), (ii) manufactured home parks as~~  
 65.7 ~~defined in section 327.14, subdivision 3, that are described in section 273.124, subdivision~~  
 65.8 ~~3a, and (iii) class I manufactured home parks as defined in section 327C.01, subdivision~~  
 65.9 ~~13;~~

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

65.13 ~~(7)~~ (g) Class 4e property is (1) leased or privately owned noncommercial aircraft  
 65.14 storage hangar not exempt under section 272.01, subdivision 2, and the land on which it is  
 65.15 located, provided that:

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

65.18 (ii) the land lease, or any ordinance or signed agreement restricting the use of the leased  
 65.19 premise, prohibits commercial activity performed at the hangar; or

65.20 ~~If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be~~  
 65.21 ~~filed by the new owner with the assessor of the county where the property is located within~~  
 65.22 ~~60 days of the sale;~~

65.23 ~~(8)~~ (2) a privately owned noncommercial aircraft storage hangar not exempt under section  
 65.24 272.01, subdivision 2, and the land on which it is located, provided that:

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

65.26 (ii) the owner of the aircraft storage hangar provides the assessor with a signed agreement  
 65.27 restricting the use of the premises, prohibiting commercial use or activity performed at the  
 65.28 hangar; and.

65.29 Class 4e property has a class rate of 1.5 percent.

65.30 If a hangar classified under clause (1), item (i), is sold after June 30, 2000, a bill of sale  
 65.31 must be filed by the new owner with the assessor of the county where the property is located  
 65.32 within 60 days of the sale.

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

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

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

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

66.9 ~~(iv) the owner is the operator of the property.~~

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

66.14 ~~(10) (h) Class 4f property is real property up to a maximum of three acres and operated~~  
 66.15 ~~as a restaurant as defined under section 157.15, subdivision 12, provided it: (i) (1) is located~~  
 66.16 ~~on a lake as defined under section 103G.005, subdivision 15, paragraph (a), clause (3); and~~  
 66.17 ~~(ii) (2) is either devoted to commercial purposes for not more than 250 consecutive days,~~  
 66.18 ~~or receives at least 60 percent of its annual gross receipts from business conducted during~~  
 66.19 ~~four consecutive months. Gross receipts from the sale of alcoholic beverages must be~~  
 66.20 ~~included in determining the property's qualification under item (ii) clause (2). The property's~~  
 66.21 ~~primary business must be as a restaurant and not as a bar. Gross receipts from gift shop~~  
 66.22 ~~sales located on the premises must be excluded. Owners of real property desiring 4e~~  
 66.23 ~~classification under this clause paragraph must submit an annual declaration to the assessor~~  
 66.24 ~~by February 1 of the current assessment year, based on the property's relevant information~~  
 66.25 ~~for the preceding assessment year; Class 4f has a class rate of 1.25 percent.~~

66.26 ~~(11) (i) Class 4g property is lakeshore and riparian property and adjacent land, not to~~  
 66.27 ~~exceed six acres, used as a marina, as defined in section 86A.20, subdivision 5, which is~~  
 66.28 ~~made accessible to the public and devoted to recreational use for marina services. The marina~~  
 66.29 ~~owner must annually provide evidence to the assessor that it provides services, including~~  
 66.30 ~~lake or river access to the public by means of an access ramp or other facility that is either~~  
 66.31 ~~located on the property of the marina or at a publicly owned site that abuts the property of~~  
 66.32 ~~the marina. No more than 800 feet of lakeshore may be included in this classification.~~  
 66.33 ~~Buildings used in conjunction with a marina for marina services, including but not limited~~  
 66.34 ~~to buildings used to provide food and beverage services, fuel, boat repairs, or the sale of~~

67.1 bait or fishing tackle, are classified as class 3a property; ~~and.~~ Class 4g property has a class  
 67.2 rate of one percent on the first \$500,000 of market value and 1.25 percent on the portion  
 67.3 over \$500,000.

67.4 ~~(12)~~ (j) Class 4h property is real and personal property devoted to noncommercial  
 67.5 temporary and seasonal residential occupancy for recreation purposes. Class 4h property  
 67.6 has a class rate of one percent on the first \$500,000 of market value and 1.25 percent on  
 67.7 the portion over \$500,000.

67.8 ~~Class 4e property has a classification rate of 1.5 percent of market value, except that (i)~~  
 67.9 ~~each parcel of noncommercial seasonal residential recreational property under clause (12)~~  
 67.10 ~~has the same classification rates as class 4bb property, (ii) manufactured home parks assessed~~  
 67.11 ~~under clause (5), item (i), have the same classification rate as class 4b property, the market~~  
 67.12 ~~value of manufactured home parks assessed under clause (5), item (ii), have a classification~~  
 67.13 ~~rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by~~  
 67.14 ~~shareholders in the cooperative corporation or association and a classification rate of one~~  
 67.15 ~~percent if 50 percent or less of the lots are so occupied, and class I manufactured home~~  
 67.16 ~~parks as defined in section 327C.01, subdivision 13, have a classification rate of 1.0 percent,~~  
 67.17 ~~(iii) commercial-use seasonal residential recreational property and marina recreational land~~  
 67.18 ~~as described in clause (11), has a classification rate of one percent for the first \$500,000 of~~  
 67.19 ~~market value, and 1.25 percent for the remaining market value, (iv) the market value of~~  
 67.20 ~~property described in clause (4) has a classification rate of one percent, (v) the market value~~  
 67.21 ~~of property described in clauses (2), (6), and (10) has a classification rate of 1.25 percent,~~  
 67.22 ~~(vi) that portion of the market value of property in clause (9) qualifying for class 4e property~~  
 67.23 ~~has a classification rate of 1.25 percent, and (vii) property qualifying for classification under~~  
 67.24 ~~clause (3) that is owned or operated by a congressionally chartered veterans organization~~  
 67.25 ~~has a classification rate of one percent. The commissioner of veterans affairs must provide~~  
 67.26 ~~a list of congressionally chartered veterans organizations to the commissioner of revenue~~  
 67.27 ~~by June 30, 2017, and by January 1, 2018, and each year thereafter.~~

67.28 ~~(e)~~ (k) Class 4d 4i property is qualifying low-income rental housing certified to the  
 67.29 assessor by the Housing Finance Agency under section 273.128, subdivision 3. If only a  
 67.30 portion of the units in the building qualify as low-income rental housing units as certified  
 67.31 under section 273.128, subdivision 3, only the proportion of qualifying units to the total  
 67.32 number of units in the building qualify for class 4d 4i. The remaining portion of the building  
 67.33 shall be classified by the assessor based upon its use. Class 4d 4i also includes the same  
 67.34 proportion of land as the qualifying low-income rental housing units are to the total units

68.1 in the building. For all properties qualifying as class ~~4d~~ 4i, the market value determined by  
 68.2 the assessor must be based on the normal approach to value using normal unrestricted rents.

68.3 ~~(F)~~ (I) The first tier of market value of class ~~4d~~ 4i property has a classification rate of  
 68.4 0.75 percent. The remaining value of class ~~4d~~ 4i property has a classification rate of 0.25  
 68.5 percent. For the purposes of this paragraph, the "first tier of market value of class ~~4d~~ 4i  
 68.6 property" means the market value of each housing unit up to the first tier limit. For the  
 68.7 purposes of this paragraph, all class ~~4d~~ 4i property value must be assigned to individual  
 68.8 housing units. The first tier limit is \$100,000 for assessment year 2014. For subsequent  
 68.9 years, the limit is adjusted each year by the average statewide change in estimated market  
 68.10 value of property classified as class 4a and ~~4d~~ 4i under this section for the previous  
 68.11 assessment year, excluding valuation change due to new construction, rounded to the nearest  
 68.12 \$1,000, provided, however, that the limit may never be less than \$100,000. Beginning with  
 68.13 assessment year 2015, the commissioner of revenue must certify the limit for each assessment  
 68.14 year by November 1 of the previous year.

68.15 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

68.16 Sec. 23. Minnesota Statutes 2016, section 273.13, subdivision 35, is amended to read:

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

68.22 (b) For a homestead valued at \$76,000 or less, the exclusion is 40 percent of market  
 68.23 value. For a homestead valued between \$76,000 and \$413,800, the exclusion is \$30,400  
 68.24 minus nine percent of the valuation over \$76,000. For a homestead valued at \$413,800 or  
 68.25 more, there is no valuation exclusion. The valuation exclusion shall be rounded to the nearest  
 68.26 whole dollar, and may not be less than zero.

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

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

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

69.5 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

69.6 Sec. 24. Minnesota Statutes 2016, section 273.13, is amended by adding a subdivision to  
 69.7 read:

69.8 Subd. 36. Clarification of residential classification. Class 1 property under subdivision  
 69.9 22 includes the following types of property, which are not required to be recorded separately  
 69.10 by the assessor:

69.11 (1) residential structures containing fewer than four dwelling units plus one acre of land  
 69.12 for each structure located on agricultural land, but excluding any farm buildings or structures  
 69.13 located on the acre of land;

69.14 (2) unimproved property that is classified residential as determined under subdivision  
 69.15 33;

69.16 (3) manufactured home park land along with any ancillary structures;

69.17 (4) manufactured homes not classified under any other provision;

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

69.22 (6) an owner-occupied dwelling unit within a property classified as class 4a under  
 69.23 subdivision 25;

69.24 (7) a condominium-type storage unit having an individual property identification number  
 69.25 that is not used for a commercial purpose;

69.26 (8) structures on property classified as agricultural under section 273.13, subdivision  
 69.27 23, that are occupied exclusively by seasonal farm workers during the time when they work  
 69.28 on the farm, provided that use of the structures for storage of farm equipment or produce  
 69.29 does not disqualify the structures from classification under this clause, and further provided  
 69.30 that:

69.31 (i) the occupants are not charged rent for the privilege of occupying the property;

70.1 (ii) the structures meet all applicable health and safety requirements for the appropriate  
 70.2 season; and

70.3 (iii) the structures are not salable as residential property because they do not comply  
 70.4 with local ordinances relating to location in relation to streets or roads; and

70.5 (9) residential real estate, a portion of which is occupied by the owner, plus up to five  
 70.6 additional lodging units, if all of the following criteria are met:

70.7 (i) the lodging units are provided for rent to transient guests that generally stay for periods  
 70.8 of 14 days or less;

70.9 (ii) meals are provided to persons who rent lodging units, the cost of which is incorporated  
 70.10 in the basic room rate;

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

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

70.14 Any additional lodging units in a property described in clause (9) are class 3a.

70.15 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

70.16 Sec. 25. Minnesota Statutes 2017 Supplement, section 274.01, subdivision 1, is amended  
 70.17 to read:

70.18 Subdivision 1. **Ordinary board; meetings, deadlines, grievances.** (a) The town board  
 70.19 of a town, or the council or other governing body of a city, is the local board of appeal and  
 70.20 equalization except (1) in cities whose charters provide for a board of equalization or (2)  
 70.21 in any city or town that has transferred its local board of review power and duties to the  
 70.22 county board as provided in subdivision 3. The county assessor shall fix a day and time  
 70.23 when the local board of equalization shall meet in the assessment districts of the county.  
 70.24 Notwithstanding any law or city charter to the contrary, a city board of equalization shall  
 70.25 be referred to as a local board of appeal and equalization. On or before ~~February 15~~ March  
 70.26 1 of each year the assessor shall give written notice of the time to the city or town clerk.  
 70.27 Notwithstanding the provisions of any charter to the contrary, the meetings must be held  
 70.28 between April 1 and ~~May 31~~ June 1 each year. The clerk shall give published and posted  
 70.29 notice of the meeting at least ten days before the date of the meeting.

70.30 The board shall meet either at a central location within the county or at the office of the  
 70.31 clerk to review the assessment and classification of property in the town or city. No changes  
 70.32 in valuation or classification which are intended to correct errors in judgment by the county

71.1 assessor may be made by the county assessor after the board has adjourned in those cities  
71.2 or towns that hold a local board of review; however, corrections of errors that are merely  
71.3 clerical in nature or changes that extend homestead treatment to property are permitted after  
71.4 adjournment until the tax extension date for that assessment year. The changes must be fully  
71.5 documented and maintained in the assessor's office and must be available for review by any  
71.6 person. A copy of the changes made during this period in those cities or towns that hold a  
71.7 local board of review must be sent to the county board no later than December 31 of the  
71.8 assessment year.

71.9 (b) The board shall determine whether the taxable property in the town or city has been  
71.10 properly placed on the list and properly valued by the assessor. If real or personal property  
71.11 has been omitted, the board shall place it on the list with its market value, and correct the  
71.12 assessment so that each tract or lot of real property, and each article, parcel, or class of  
71.13 personal property, is entered on the assessment list at its market value. No assessment of  
71.14 the property of any person may be raised unless the person has been duly notified of the  
71.15 intent of the board to do so. On application of any person feeling aggrieved, the board shall  
71.16 review the assessment or classification, or both, and correct it as appears just. The board  
71.17 may not make an individual market value adjustment or classification change that would  
71.18 benefit the property if the owner or other person having control over the property has refused  
71.19 the assessor access to inspect the property and the interior of any buildings or structures as  
71.20 provided in section 273.20. A board member shall not participate in any actions of the board  
71.21 which result in market value adjustments or classification changes to property owned by  
71.22 the board member, the spouse, parent, stepparent, child, stepchild, grandparent, grandchild,  
71.23 brother, sister, uncle, aunt, nephew, or niece of a board member, or property in which a  
71.24 board member has a financial interest. The relationship may be by blood or marriage.

71.25 (c) A local board may reduce assessments upon petition of the taxpayer but the total  
71.26 reductions must not reduce the aggregate assessment made by the county assessor by more  
71.27 than one percent. If the total reductions would lower the aggregate assessments made by  
71.28 the county assessor by more than one percent, none of the adjustments may be made. The  
71.29 assessor shall correct any clerical errors or double assessments discovered by the board  
71.30 without regard to the one percent limitation.

71.31 (d) A local board does not have authority to grant an exemption or to order property  
71.32 removed from the tax rolls.

71.33 (e) A majority of the members may act at the meeting, and adjourn from day to day until  
71.34 they finish hearing the cases presented. The assessor shall attend and take part in the  
71.35 proceedings, but must not vote. The county assessor, or an assistant delegated by the county

72.1 assessor shall attend the meetings. The board shall list separately all omitted property added  
 72.2 to the list by the board and all items of property increased or decreased, with the market  
 72.3 value of each item of property, added or changed by the board. The county assessor shall  
 72.4 enter all changes made by the board.

72.5 (f) Except as provided in subdivision 3, if a person fails to appear in person, by counsel,  
 72.6 or by written communication before the board after being duly notified of the board's intent  
 72.7 to raise the assessment of the property, or if a person feeling aggrieved by an assessment  
 72.8 or classification fails to apply for a review of the assessment or classification, the person  
 72.9 may not appear before the county board of appeal and equalization for a review. This  
 72.10 paragraph does not apply if an assessment was made after the local board meeting, as  
 72.11 provided in section 273.01, or if the person can establish not having received notice of  
 72.12 market value at least five days before the local board meeting.

72.13 (g) The local board must complete its work and adjourn within 20 days from the time  
 72.14 of convening stated in the notice of the clerk, unless a longer period is approved by the  
 72.15 commissioner of revenue. No action taken after that date is valid. All complaints about an  
 72.16 assessment or classification made after the meeting of the board must be heard and  
 72.17 determined by the county board of equalization. A nonresident may, at any time, before the  
 72.18 meeting of the board file written objections to an assessment or classification with the county  
 72.19 assessor. The objections must be presented to the board at its meeting by the county assessor  
 72.20 for its consideration.

72.21 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2020.

72.22 Sec. 26. Minnesota Statutes 2016, section 275.025, subdivision 3, is amended to read:

72.23 Subd. 3. **Seasonal residential recreational tax capacity.** For the purposes of this section,  
 72.24 "seasonal residential recreational tax capacity" means the tax capacity of tier III of class ~~4e~~  
 72.25 ~~under section 273.13, subdivision 22~~ 4b(1), and all class ~~4e(1), 4e(3)(ii), and 4e(12)~~ 4b(2),  
 72.26 4d(2), and 4h property under section ~~273.13, subdivision 25~~ 273.13, except that the first  
 72.27 \$76,000 of market value of each noncommercial class ~~4e(12)~~ 4h property has a tax capacity  
 72.28 for this purpose equal to 40 percent of its tax capacity under section 273.13.

72.29 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.



73.1 Sec. 27. Minnesota Statutes 2017 Supplement, section 276.04, subdivision 3, is amended  
73.2 to read:

73.3 Subd. 3. **Mailing of tax statements.** The county treasurer shall mail to taxpayers  
73.4 statements of their personal property taxes due not later than ~~March 31~~ April 1, except in  
73.5 the case of manufactured homes and sectional structures taxed as personal property.  
73.6 Statements of the real property taxes due shall be mailed not later than ~~March 31~~ April 1.  
73.7 The validity of the tax shall not be affected by failure of the treasurer to mail the statement.  
73.8 The taxpayer is defined as the owner who is responsible for the payment of the tax.

73.9 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2020.

73.10 Sec. 28. Minnesota Statutes 2016, section 276A.01, subdivision 4, is amended to read:

73.11 Subd. 4. **Residential property.** "Residential property" means the following categories  
73.12 of property, as defined in section 273.13, excluding that portion of the property that is  
73.13 exempt from taxation pursuant to section 272.02:

73.14 (1) class ~~1a, 1b, and 2a~~ 1 property, ~~limited to the homestead dwelling, a garage, and the~~  
73.15 ~~one acre of land on which the dwelling is located;~~

73.16 (2) that portion of class 3 property used exclusively for residential occupancy; and

73.17 (3) property valued and assessed as class 4a or 4i under section 273.13, subdivision 25,  
73.18 ~~except for hospitals and property valued and assessed under section 273.13, subdivision 25,~~  
73.19 ~~paragraph (d), clauses (1) and (3).~~

73.20 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

73.21 Sec. 29. Minnesota Statutes 2017 Supplement, section 278.01, subdivision 1, is amended  
73.22 to read:

73.23 Subdivision 1. **Determination of validity.** (a) Any person having personal property, or  
73.24 any estate, right, title, or interest in or lien upon any parcel of land, who claims that such  
73.25 property has been partially, unfairly, or unequally assessed in comparison with other property  
73.26 in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class,  
73.27 the portion of the county excluding the first class city, or that the parcel has been assessed  
73.28 at a valuation greater than its real or actual value, or that the tax levied against the same is  
73.29 illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so  
73.30 levied, may have the validity of the claim, defense, or objection determined by the district  
73.31 court of the county in which the tax is levied or by the Tax Court by serving one copy of a  
73.32 petition for such determination upon the county auditor, one copy on the county attorney,

74.1 one copy on the county treasurer, and three copies on the county assessor. The county  
 74.2 assessor shall immediately forward one copy of the petition to the appropriate governmental  
 74.3 authority in a home rule charter or statutory city or town in which the property is located if  
 74.4 that city or town employs its own certified assessor. A copy of the petition shall also be  
 74.5 forwarded by the assessor to the school board of the school district in which the property  
 74.6 is located.

74.7 (b) In counties where the office of county treasurer has been combined with the office  
 74.8 of county auditor, the county may elect to require the petitioner to serve the number of  
 74.9 copies as determined by the county. The county assessor shall immediately forward one  
 74.10 copy of the petition to the appropriate governmental authority in a home rule charter or  
 74.11 statutory city or town in which the property is located if that city or town employs its own  
 74.12 certified assessor. A list of petitioned properties, including the name of the petitioner, the  
 74.13 identification number of the property, and the estimated market value, shall be sent on or  
 74.14 before the first day of July by the county auditor/treasurer to the school board of the school  
 74.15 district in which the property is located.

74.16 (c) For all counties, the petitioner must file the copies with proof of service, in the office  
 74.17 of the court administrator of the district court on or before ~~April 30~~ May 1 of the year in  
 74.18 which the tax becomes payable. A petition for determination under this section may be  
 74.19 transferred by the district court to the Tax Court. An appeal may also be taken to the Tax  
 74.20 Court under chapter 271 at any time following receipt of the valuation notice that county  
 74.21 assessors or city assessors having the powers of a county assessor are required by section  
 74.22 273.121 to send to persons whose property is to be included on the assessment roll that year,  
 74.23 but prior to May 1 of the year in which the taxes are payable.

74.24 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2020.

74.25 Sec. 30. Minnesota Statutes 2017 Supplement, section 290A.03, subdivision 13, is amended  
 74.26 to read:

74.27 Subd. 13. **Property taxes payable.** "Property taxes payable" means the property tax  
 74.28 exclusive of special assessments, penalties, and interest payable on a claimant's homestead  
 74.29 after deductions made under sections 273.135, 273.1384, 273.1391, 273.42, subdivision 2,  
 74.30 and any other state paid property tax credits in any calendar year, and after any refund  
 74.31 claimed and allowable under section 290A.04, subdivision 2h or 2k, that is first payable in  
 74.32 the year that the property tax is payable. In the case of a claimant who makes ground lease  
 74.33 payments, "property taxes payable" includes the amount of the payments directly attributable  
 74.34 to the property taxes assessed against the parcel on which the house is located. Regardless

75.1 of the limitations in section 280A(c)(5) of the Internal Revenue Code, "property taxes  
 75.2 payable" must be apportioned or reduced for the use of a portion of the claimant's homestead  
 75.3 for a business purpose if the claimant deducts any business depreciation expenses for the  
 75.4 use of a portion of the homestead or deducts expenses under section 280A of the Internal  
 75.5 Revenue Code for a business operated in the claimant's homestead. For homesteads which  
 75.6 are manufactured homes as defined in section 273.125, subdivision 8, ~~and for homesteads~~  
 75.7 ~~which are~~ including manufactured homes located in a manufactured home community owned  
 75.8 by a cooperative organized under chapter 308A or 308B, and park trailers taxed as  
 75.9 manufactured homes under section 168.012, subdivision 9, "property taxes payable" shall  
 75.10 also include 17 percent of the gross rent paid in the preceding year for the site on which the  
 75.11 homestead is located. When a homestead is owned by two or more persons as joint tenants  
 75.12 or tenants in common, such tenants shall determine between them which tenant may claim  
 75.13 the property taxes payable on the homestead. If they are unable to agree, the matter shall  
 75.14 be referred to the commissioner of revenue whose decision shall be final. Property taxes  
 75.15 are considered payable in the year prescribed by law for payment of the taxes.

75.16 In the case of a claim relating to "property taxes payable," the claimant must have owned  
 75.17 and occupied the homestead on January 2 of the year in which the tax is payable and (i) the  
 75.18 property must have been classified as homestead property pursuant to section 273.124, on  
 75.19 or before December 15 of the assessment year to which the "property taxes payable" relate;  
 75.20 or (ii) the claimant must provide documentation from the local assessor that application for  
 75.21 homestead classification has been made on or before December 15 of the year in which the  
 75.22 "property taxes payable" were payable and that the assessor has approved the application.

75.23 **EFFECTIVE DATE.** This section is effective beginning with claims based on taxes  
 75.24 payable in 2020.

75.25 Sec. 31. Minnesota Statutes 2016, section 290A.04, subdivision 2h, is amended to read:

75.26 Subd. 2h. **Additional refund.** (a) If the gross property taxes payable on a homestead<sub>2</sub>  
 75.27 net of any refund under subdivision 2k, increase more than 12 percent over the property  
 75.28 taxes payable in the prior year on the same property that is owned and occupied by the same  
 75.29 owner on January 2 of both years, and the amount of that increase is \$100 or more, a claimant  
 75.30 who is a homeowner shall be allowed an additional refund equal to 60 percent of the amount  
 75.31 of the increase over the greater of 12 percent of the prior year's property taxes payable or  
 75.32 \$100. This subdivision shall not apply to any increase in the gross property taxes payable  
 75.33 attributable to improvements made to the homestead after the assessment date for the prior  
 75.34 year's taxes. This subdivision shall not apply to any increase in the gross property taxes

76.1 payable attributable to the termination of valuation exclusions under section 273.11,  
76.2 subdivision 16.

76.3 The maximum refund allowed under this subdivision is \$1,000.

76.4 (b) For purposes of this subdivision "gross property taxes payable" means property taxes  
76.5 payable determined without regard to the refund allowed under this subdivision.

76.6 (c) In addition to the other proofs required by this chapter, each claimant under this  
76.7 subdivision shall file with the property tax refund return a copy of the property tax statement  
76.8 for taxes payable in the preceding year or other documents required by the commissioner.

76.9 (d) Upon request, the appropriate county official shall make available the names and  
76.10 addresses of the property taxpayers who may be eligible for the additional property tax  
76.11 refund under this section. The information shall be provided on a magnetic computer disk.  
76.12 The county may recover its costs by charging the person requesting the information the  
76.13 reasonable cost for preparing the data. The information may not be used for any purpose  
76.14 other than for notifying the homeowner of potential eligibility and assisting the homeowner,  
76.15 without charge, in preparing a refund claim.

76.16 **EFFECTIVE DATE.** This section is effective beginning with claims based on taxes  
76.17 payable in 2020.

76.18 Sec. 32. Minnesota Statutes 2016, section 290A.04, is amended by adding a subdivision  
76.19 to read:

76.20 **Subd. 2k. Additional refund for homeowners who are blind or disabled.** (a) A  
76.21 homeowner who is blind or disabled or whose spouse is blind or disabled is eligible for an  
76.22 additional refund equal to 0.9 percent of the property's taxable market value, but not to  
76.23 exceed \$425. For the purposes of this subdivision, "blind or disabled" means a person who  
76.24 is:

76.25 (1) blind as defined in section 256D.35;

76.26 (2) permanently and totally disabled; or

76.27 (3) the surviving spouse of a veteran who was permanently and totally disabled and who  
76.28 homesteaded a property classified 1b under Minnesota Statutes 2016, section 273.13,  
76.29 subdivision 22, for taxes payable in 2008, provided that the surviving spouse continues to  
76.30 homestead the same property as in 2008.

77.1 (b) A person qualifies under paragraph (a), clause (2), only if the government agency  
 77.2 or income-providing source certifies that the person satisfies the disability requirements of  
 77.3 paragraph (d).

77.4 (c) The commissioner of revenue may require an applicant who has not previously  
 77.5 received a refund under this subdivision to submit whatever documentation is required to  
 77.6 determine eligibility under this subdivision. The application and any supplementary  
 77.7 information received from the property owner pursuant to this subdivision shall be subject  
 77.8 to chapter 270B. An applicant who has previously received refunds under this subdivision  
 77.9 is not required to submit proof of eligibility, except that the applicant may be required to  
 77.10 affirmatively state that no change in eligibility status has occurred.

77.11 (d) "Permanently and totally disabled" for the purpose of this subdivision means a  
 77.12 condition that is permanent in nature and totally incapacitates the person from working at  
 77.13 an occupation that brings the person an income.

77.14 (e) An applicant whose homestead qualified for class 1b under Minnesota Statutes 2016,  
 77.15 section 273.13, subdivision 22, for assessment year 2017 due to the applicant's disability is  
 77.16 automatically eligible for a refund under this section.

77.17 **EFFECTIVE DATE.** This section is effective beginning with claims based on taxes  
 77.18 payable in 2020.

77.19 Sec. 33. Minnesota Statutes 2016, section 473F.02, subdivision 4, is amended to read:

77.20 Subd. 4. **Residential property.** "Residential property" means the following categories  
 77.21 of property, as defined in section 273.13, excluding that portion of such property exempt  
 77.22 from taxation pursuant to section 272.02:

77.23 ~~(a) (1) class 1, 1b, 2a, 4a, 4b, 4c, and 4d 4i property except resorts and property classified~~  
 77.24 ~~under section 273.13, subdivision 25, paragraph (d), clause (3); and~~

77.25 ~~(b) (2) that portion of class 3a, 3b, and 5 property used exclusively for residential~~  
 77.26 ~~occupancy.~~

77.27 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

77.28 Sec. 34. Minnesota Statutes 2016, section 473F.05, is amended to read:

77.29 **473F.05 NET TAX CAPACITY.**

77.30 On or before August ~~5~~ 1 of each year, the assessors within each county in the area shall  
 77.31 determine and certify to the county auditor the net tax capacity in that year of

78.1 commercial-industrial property subject to taxation within each municipality in the county,  
78.2 determined without regard to section 469.177, subdivision 3.

78.3 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2020.

78.4 Sec. 35. Minnesota Statutes 2016, section 473H.05, subdivision 1, is amended to read:

78.5 Subdivision 1. **Before ~~June~~ May 1 for next year's taxes.** An owner or owners of certified  
78.6 long-term agricultural land may apply to the authority with jurisdiction over the land on  
78.7 forms provided by the commissioner of agriculture for the creation of an agricultural preserve  
78.8 at any time. Land for which application is received prior to ~~June~~ May 1 of any year shall  
78.9 be assessed pursuant to section 473H.10 for taxes payable in the following year. Land for  
78.10 which application is received on or after ~~June~~ May 1 of any year shall be assessed pursuant  
78.11 to section 473H.10 in the following year. The application shall be executed and acknowledged  
78.12 in the manner required by law to execute and acknowledge a deed and shall contain at least  
78.13 the following information and such other information as the commissioner deems necessary:

78.14 (a) Legal description of the area proposed to be designated and parcel identification  
78.15 numbers if so designated by the county auditor and the certificate of title number if the land  
78.16 is registered;

78.17 (b) Name and address of owner;

78.18 (c) An affidavit by the authority evidencing that the land is certified long-term agricultural  
78.19 land at the date of application;

78.20 (d) A statement by the owner covenanting that the land shall be kept in agricultural use,  
78.21 and shall be used in accordance with the provisions of sections 473H.02 to 473H.17 which  
78.22 exist on the date of application and providing that the restrictive covenant shall be binding  
78.23 on the owner or the owner's successor or assignee, and shall run with the land.

78.24 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2020.

78.25 Sec. 36. **GRACE PERIOD; TAXPAYER NOTICE.**

78.26 Subdivision 1. **Benefit loss; due dates.** For the first year in which sections 3, 4, 5, 6, 8,  
78.27 11, 15, 16, 18, 24, 25, 27, 29, 33, 34, and 35 are effective, no property tax benefit,  
78.28 classification, or deferment may lapse, be denied, or terminate solely because an application,  
78.29 notification, request, or filing is not provided or made by the required due date, provided  
78.30 that the application, notification, request, or filing would have been provided or made by  
78.31 the required due date in effect for the immediately preceding calendar year.

79.1 Subd. 2. Commissioner to provide notice. By July 1, 2019, the commissioner of revenue  
 79.2 must develop and implement a plan to notify all taxing jurisdictions, property owners, and  
 79.3 taxpayers affected by the due date changes in sections 3, 4, 5, 6, 8, 11, 15, 16, 18, 24, 25,  
 79.4 27, 29, 33, 35, and 36 of the new due dates that are effective beginning the following year.  
 79.5 The commissioner may consult with each county in the state in developing the plan, and  
 79.6 may request from a county data and other assistance that the commissioner deems necessary  
 79.7 to administer this subdivision but may not delegate taxpayer notification responsibilities to  
 79.8 a county.

79.9 Sec. 37. REVISOR'S INSTRUCTION.

79.10 In Minnesota Statutes and Minnesota Rules, the revisor of statutes shall make  
 79.11 cross-reference changes that are needed as a result of the repealers in this article. The revisor  
 79.12 shall make any necessary technical and grammatical changes to preserve the meaning of  
 79.13 the text.

79.14 Sec. 38. REPEALER.

79.15 (a) Minnesota Statutes 2016, section 273.1315, is repealed.

79.16 (b) Minnesota Statutes 2017 Supplement, sections 327C.01, subdivision 13; and 327C.16,  
 79.17 are repealed.

79.18 EFFECTIVE DATE. This section is effective beginning with taxes payable in 2020.

## 79.19 **ARTICLE 6**

### 79.20 **AIDS AND CREDITS**

79.21 Section 1. Minnesota Statutes 2016, section 290B.04, subdivision 1, is amended to read:

79.22 Subdivision 1. **Initial application.** (a) A taxpayer meeting the program qualifications  
 79.23 under section 290B.03 may apply to the commissioner of revenue for the deferral of taxes.  
 79.24 Applications are due on or before ~~July~~ November 1 for deferral of any of the following  
 79.25 year's property taxes. A taxpayer may preapply for an early notification of approval or denial  
 79.26 at any time. The commissioner must notify a taxpayer in writing of the reasons for an  
 79.27 application denial and that the application may be amended and resubmitted by the due date  
 79.28 specified in this subdivision. A taxpayer may apply in the year in which the taxpayer becomes  
 79.29 65 years old, provided that no deferral of property taxes will be made until the calendar  
 79.30 year after the taxpayer becomes 65 years old. The application, which shall be prescribed

80.1 by the commissioner of revenue, shall include the following items and any other information  
80.2 which the commissioner deems necessary:

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

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

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

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

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

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

80.19 The application must state that program participants may claim the property tax refund  
80.20 based on the full amount of property taxes eligible for the refund, including any deferred  
80.21 amounts. The application must also state that property tax refunds will be used to offset any  
80.22 deferral and interest under this program, and that any other amounts subject to revenue  
80.23 recapture under section 270A.03, subdivision 7, will also be used to offset any deferral and  
80.24 interest under this program.

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

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

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



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

81.5 The commissioner may also require the county recorder or county registrar of the county  
 81.6 where the property is located to provide copies of recorded documents related to the applicant  
 81.7 or the property, for which the recorder or registrar shall not charge a fee. The commissioner  
 81.8 may use any information available to determine or verify eligibility under this section. The  
 81.9 household income from the application is private data on individuals as defined in section  
 81.10 13.02, subdivision 12.

81.11 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2020.

81.12 Sec. 2. Minnesota Statutes 2016, section 477A.013, subdivision 13, is amended to read:

81.13 Subd. 13. **Certified aid adjustments.** ~~(a) A city that received an aid base increase under~~  
 81.14 ~~Minnesota Statutes 2012, section 477A.011, subdivision 36, paragraph (e), shall have its~~  
 81.15 ~~total aid under subdivision 9 increased by an amount equal to \$150,000 for aids payable in~~  
 81.16 ~~2014 through 2018.~~

81.17 ~~(b)~~ (a) A city that received an aid base increase under Minnesota Statutes 2012, section  
 81.18 477A.011, subdivision 36, paragraph (r), shall have its total aid under subdivision 9 increased  
 81.19 by an amount equal to \$160,000 for aids payable in 2014 and thereafter.

81.20 ~~(c) A city that received a temporary aid increase under Minnesota Statutes 2012, section~~  
 81.21 ~~477A.011, subdivision 36, paragraph (e), shall have its total aid under subdivision 9 increased~~  
 81.22 ~~by an amount equal to \$1,000,000 for aids payable in 2014 only.~~

81.23 (b) For aids payable in 2019 only, a city shall have its total aid under subdivision 9  
 81.24 increased by an amount equal to its aid decrease between aids payable in 2016 and 2017 if:

81.25 (1) the city's aid decreased by more than \$50,000 between aids payable in 2016 and  
 81.26 2017 under this section; and

81.27 (2) the city's unmet need amount calculated for aids payable in 2017 exceeded its aids  
 81.28 payable in 2016.

81.29 (c) The city of Lilydale shall have its total aid under subdivision 9 increased by \$150,000  
 81.30 for aids payable in 2019 only.

81.31 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2019.

82.1 Sec. 3. Minnesota Statutes 2016, section 477A.016, is amended to read:

82.2 **477A.016 NEW TAXES PROHIBITED.**

82.3 (a) No county, city, town or other taxing authority shall increase a present tax or impose  
82.4 a new tax on sales or income.

82.5 (b) No county, city, town, or other taxing authority shall increase a present excise tax  
82.6 or fee or impose a new excise tax or fee on either:

82.7 (1) the manufacture, distribution, wholesale, or retail sale of food, based on volume of  
82.8 product sold, product sales value, or the type of product manufactured, distributed, or sold;  
82.9 or

82.10 (2) any container used for transporting, protecting, or consuming food.

82.11 (c) For purposes of this section:

82.12 (1) "food" has the meaning given in section 34A.01, subdivision 4; and

82.13 (2) "container" means a bottle, cup, can, bag, or other packaging that is made from  
82.14 plastic, aluminum, glass, cardboard, or other material.

82.15 (d) This section does not apply to reasonable license fees lawfully imposed by a county,  
82.16 city, town, or other licensing authority in the exercise of its regulatory authority to license  
82.17 a trade, profession, or business.

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

82.19 Sec. 4. Minnesota Statutes 2017 Supplement, section 477A.03, subdivision 2a, is amended  
82.20 to read:

82.21 Subd. 2a. **Cities.** For aids payable in 2016 and 2017, the total aid paid under section  
82.22 477A.013, subdivision 9, is \$519,398,012. For aids payable in 2018, 2020, and thereafter,  
82.23 the total aid paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable  
82.24 in 2019 only, the total aid paid under section 477A.013, subdivision 9, is \$534,645,272.

82.25 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2019  
82.26 and thereafter.

82.27 Sec. 5. **LAKE MILLE LACS AREA PROPERTY TAX ABATEMENT.**

82.28 Subdivision 1. **Abatements authorized.** (a) Notwithstanding Minnesota Statutes, section  
82.29 375.192, the county boards of Aitkin, Crow Wing, and Mille Lacs Counties may grant an  
82.30 abatement of local property taxes for taxes payable in 2018, provided that:

83.1 (1) the property is classified as 1c, 3a (excluding utility real and personal property),  
 83.2 4c(1), 4c(10), or 4c(11);

83.3 (2) on or before December 31, 2018, the taxpayer submits a written application to the  
 83.4 county auditor in the county in which abatement is sought; and

83.5 (3) the taxpayer meets qualification requirements established in subdivision 3.

83.6 Subd. 2. **Appeals.** An appeal may not be taken to the Tax Court from any order of the  
 83.7 county board made pursuant to the exercise of the discretionary authority granted in this  
 83.8 section.

83.9 Subd. 3. **Qualification requirements.** To qualify for abatements under this section, a  
 83.10 taxpayer must:

83.11 (1) be located within one of the following municipalities surrounding Lake Mille Lacs:

83.12 (i) in Crow Wing County, the city of Garrison, township of Garrison, or township of  
 83.13 Roosevelt;

83.14 (ii) in Aitkin County, the township of Hazelton, township of Wealthwood, township of  
 83.15 Malmo, or township of Lakeside; or

83.16 (iii) in Mille Lacs County, the city of Isle, city of Wahkon, city of Onamia, township of  
 83.17 East Side, township of Isle Harbor, township of South Harbor, or township of Kathio;

83.18 (2) document a reduction in gross receipts of five percent or greater between any two  
 83.19 calendar years beginning in 2010 or later; and

83.20 (3) be a business in one of the following industries, as defined within the North American  
 83.21 Industry Classification System: accommodation, restaurants, bars, amusement and recreation,  
 83.22 food and beverages retail, sporting goods, miscellaneous retail, general retail, museums,  
 83.23 historical sites, health and personal care, gas station, general merchandise, business and  
 83.24 professional membership, movies, or nonstore retailer, as determined by the county in  
 83.25 consultation with the commissioner of employment and economic development.

83.26 Subd. 4. **State general levy in relief area.** The counties of Aitkin, Crow Wing, and  
 83.27 Mille Lacs must refund the state general levy levied upon a property classified as 1c, 3a  
 83.28 (excluding utility real and personal property), or 4c(1) that is located in the area described  
 83.29 by subdivision 3, clause (1), for taxes payable in 2018.

83.30 Subd. 5. **Certification and transfer of funds.** (a) By February 1, 2019, a county granting  
 83.31 a refund as required under subdivision 4 must certify the total amount of state general tax  
 83.32 refunded to Mille Lacs County and the commissioner of revenue. By March 1, 2019, Mille

84.1 Lacs County must transfer an amount equal to the amount certified under this paragraph to  
 84.2 the county making the certification.

84.3 (b) By February 1, 2019, a county that has received an application for an abatement  
 84.4 authorized under subdivision 1 must certify to Mille Lacs County the total amount of  
 84.5 abatements for which applications have been received and approved. By March 1, 2019,  
 84.6 Mille Lacs County must transfer an amount equal to the amount certified under this paragraph  
 84.7 to the county making the certification. By April 30, 2019, the county must issue refunds of  
 84.8 local property tax amounts to qualified taxpayers.

84.9 Subd. 6. **Commissioner of revenue; appropriation.** An amount sufficient to make the  
 84.10 transfers required under subdivision 5 in fiscal year 2019 is appropriated from the general  
 84.11 fund to the commissioner of revenue for transfer to Mille Lacs County. This is a onetime  
 84.12 appropriation.

84.13 Subd. 7. **Report to legislature.** The commissioner of revenue must make a written report  
 84.14 to the chairs and ranking minority members of the legislative committees with jurisdiction  
 84.15 over taxes stating the amount of abatements and refunds given under this section by taxing  
 84.16 jurisdictions by February 1, 2020. The counties must provide the commissioner with the  
 84.17 information necessary to make the report.

84.18 Subd. 8. **Refund eligibility.** Only a taxpayer making all payments of property taxes for  
 84.19 taxes payable in 2018 is eligible to receive a refund under subdivisions 4 and 5.

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

84.21 Sec. 6. **REPEALER.**

84.22 Minnesota Statutes 2016, section 477A.085, is repealed.

84.23 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2018.

## 84.24 **ARTICLE 7**

### 84.25 **REFERENDUM**

84.26 Section 1. Minnesota Statutes 2017 Supplement, section 126C.17, subdivision 9, is amended  
 84.27 to read:

84.28 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,  
 84.29 subdivision 1, may be increased in the amount approved by the voters of the district at a  
 84.30 referendum called for the purpose. The referendum may be called by the board. The  
 84.31 referendum must be conducted one or two calendar years before the increased levy authority,

85.1 if approved, first becomes payable. Only one election to approve an increase may be held  
 85.2 in a calendar year. Unless the referendum is conducted by mail under subdivision 11,  
 85.3 paragraph (a), the referendum must be held on the first Tuesday after the first Monday in  
 85.4 November. The ballot must state the maximum amount of the increased revenue per adjusted  
 85.5 pupil unit. The ballot may state a schedule, determined by the board, of increased revenue  
 85.6 per adjusted pupil unit that differs from year to year over the number of years for which the  
 85.7 increased revenue is authorized or may state that the amount shall increase annually by the  
 85.8 rate of inflation. The ballot must state the cumulative amount per pupil of any local optional  
 85.9 revenue, board-approved referendum authority, and previous voter-approved referendum  
 85.10 authority, if any, that the board expects to certify for the next school year. For this purpose,  
 85.11 the rate of inflation shall be the annual inflationary increase calculated under subdivision  
 85.12 2, paragraph (b). The ballot may state that existing referendum levy authority is expiring.  
 85.13 In this case, the ballot may also compare the proposed levy authority to the existing expiring  
 85.14 levy authority, and express the proposed increase as the amount, if any, over the expiring  
 85.15 referendum levy authority. The ballot must designate the specific number of years, not to  
 85.16 exceed ten, for which the referendum authorization applies. The ballot, including a ballot  
 85.17 on the question to revoke or reduce the increased revenue amount under paragraph (c), must  
 85.18 abbreviate the term "per adjusted pupil unit" as "per pupil." The notice required under section  
 85.19 275.60 may be modified to read, in cases of renewing existing levies at the same amount  
 85.20 per pupil as in the previous year:

85.21 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING TO  
 85.22 EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS SCHEDULED  
 85.23 TO EXPIRE."

85.24 The ballot may contain a textual portion with the information required in this subdivision  
 85.25 and a question stating substantially the following:

85.26 "Shall the increase in the revenue proposed by (petition to) the board of ....., School  
 85.27 District No. ..., be approved?"

85.28 If approved, an amount equal to the approved revenue per adjusted pupil unit times the  
 85.29 adjusted pupil units for the school year beginning in the year after the levy is certified shall  
 85.30 be authorized for certification for the number of years approved, if applicable, or until  
 85.31 revoked or reduced by the voters of the district at a subsequent referendum.

85.32 (b) The board must deliver by mail at least 15 days but no more than 30 days before the  
 85.33 day of the referendum to each taxpayer a notice of the referendum and the proposed revenue  
 85.34 increase. The board need not mail more than one notice to any taxpayer. For the purpose

86.1 of giving mailed notice under this subdivision, owners must be those shown to be owners  
 86.2 on the records of the county auditor or, in any county where tax statements are mailed by  
 86.3 the county treasurer, on the records of the county treasurer. Every property owner whose  
 86.4 name does not appear on the records of the county auditor or the county treasurer is deemed  
 86.5 to have waived this mailed notice unless the owner has requested in writing that the county  
 86.6 auditor or county treasurer, as the case may be, include the name on the records for this  
 86.7 purpose. The notice must project the anticipated amount of tax increase in annual dollars  
 86.8 for typical residential homesteads, agricultural homesteads, apartments, and  
 86.9 commercial-industrial property within the school district.

86.10 The notice must state the cumulative and individual amounts per pupil of any local  
 86.11 optional revenue, board-approved referendum authority, and voter-approved referendum  
 86.12 authority, if any, that the board expects to certify for the next school year.

86.13 The notice for a referendum may state that an existing referendum levy is expiring and  
 86.14 project the anticipated amount of increase over the existing referendum levy in the first  
 86.15 year, if any, in annual dollars for typical residential homesteads, agricultural homesteads,  
 86.16 apartments, and commercial-industrial property within the district.

86.17 The notice must include the following statement: "Passage of this referendum will result  
 86.18 in an increase in your property taxes." However, in cases of renewing existing levies, the  
 86.19 notice may include the following statement: "Passage of this referendum extends an existing  
 86.20 operating referendum at the same amount per pupil as in the previous year."

86.21 (c) A referendum on the question of revoking or reducing the increased revenue amount  
 86.22 authorized pursuant to paragraph (a) may be called by the board. A referendum to revoke  
 86.23 or reduce the revenue amount must state the amount per adjusted pupil unit by which the  
 86.24 authority is to be reduced. Revenue authority approved by the voters of the district pursuant  
 86.25 to paragraph (a) must be available to the school district at least once before it is subject to  
 86.26 a referendum on its revocation or reduction for subsequent years. Only one revocation or  
 86.27 reduction referendum may be held to revoke or reduce referendum revenue for any specific  
 86.28 year and for years thereafter.

86.29 (d) The approval of 50 percent plus one of those voting on the question is required to  
 86.30 pass a referendum authorized by this subdivision.

86.31 (e) At least 15 days before the day of the referendum, the district must submit a copy of  
 86.32 the notice required under paragraph (b) to the commissioner and to the county auditor of  
 86.33 each county in which the district is located. Within 15 days after the results of the referendum  
 86.34 have been certified by the board, or in the case of a recount, the certification of the results

87.1 of the recount by the canvassing board, the district must notify the commissioner of the  
87.2 results of the referendum.

87.3 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
87.4 referendum authorized on or after that date.

87.5 Sec. 2. Minnesota Statutes 2017 Supplement, section 205.10, subdivision 3a, is amended  
87.6 to read:

87.7 Subd. 3a. **Uniform election dates.** (a) Except as ~~allowed in paragraph~~ provided in  
87.8 paragraphs (b) and (c) and subdivision 4, a special election held in a city or town must be  
87.9 held on one of the following dates: the second Tuesday in February, the second Tuesday in  
87.10 April, the second Tuesday in May, the second Tuesday in August, or the first Tuesday after  
87.11 the first Monday in November. A home rule charter city must not designate additional dates  
87.12 in its charter.

87.13 (b) A special election may be held on a date other than those designated in paragraph  
87.14 (a) if the special election is held in response to an emergency or disaster. "Emergency"  
87.15 means an unforeseen combination of circumstances that calls for immediate action to prevent  
87.16 a disaster from developing or occurring. "Disaster" means a situation that creates an actual  
87.17 or imminent serious threat to the health and safety of persons or a situation that has resulted  
87.18 or is likely to result in catastrophic loss to property or the environment.

87.19 (c) Except as provided in paragraph (b), a referendum or reverse referendum held by a  
87.20 city or town related to (1) imposing or modifying a levy, (2) issuing bonds, certificates of  
87.21 indebtedness, or capital notes, or (3) purchasing real property, must only be held on the first  
87.22 Tuesday after the first Monday in November.

87.23 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
87.24 referendum authorized on or after that date.

87.25 Sec. 3. Minnesota Statutes 2017 Supplement, section 205A.05, subdivision 1a, is amended  
87.26 to read:

87.27 Subd. 1a. **Uniform election dates.** (a) Except as ~~allowed in paragraph~~ provided in  
87.28 paragraphs (b) and (c), a special election held in a school district must be held on one of  
87.29 the following dates: the second Tuesday in February, the second Tuesday in April, the  
87.30 second Tuesday in May, the second Tuesday in August, or the first Tuesday after the first  
87.31 Monday in November.

88.1 (b) A special election may be held on a date other than those designated in paragraph  
 88.2 (a) if the special election is held in response to an emergency or disaster. "Emergency"  
 88.3 means an unforeseen combination of circumstances that calls for immediate action to prevent  
 88.4 a disaster from developing or occurring. "Disaster" means a situation that creates an actual  
 88.5 or imminent serious threat to the health and safety of persons or a situation that has resulted  
 88.6 or is likely to result in catastrophic loss to property or the environment.

88.7 (c) Except as provided in paragraph (b), a referendum or reverse referendum held by a  
 88.8 school district related to (1) imposing or modifying a levy, (2) issuing bonds, certificates  
 88.9 of indebtedness, or capital notes, or (3) purchasing real property, must only be held on the  
 88.10 first Tuesday after the first Monday in November.

88.11 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
 88.12 referendum authorized on or after that date.

88.13 Sec. 4. Minnesota Statutes 2016, section 216B.36, is amended to read:

88.14 **216B.36 MUNICIPAL REGULATORY AND TAXING POWERS.**

88.15 Subdivision 1. **Municipal authority to regulate public utilities.** Any public utility  
 88.16 furnishing the utility services enumerated in section 216B.02 or occupying streets, highways,  
 88.17 or other public property within a municipality may be required to obtain a license, permit,  
 88.18 right, or franchise in accordance with the terms, conditions, and limitations of regulatory  
 88.19 acts of the municipality, including the placing of distribution lines and facilities underground.  
 88.20 Under the license, permit, right, or franchise, the utility may be obligated by any municipality  
 88.21 to pay to the municipality fees to raise revenue or defray increased municipal costs accruing  
 88.22 as a result of utility operations, or both. A fee that raises revenue under a license, permit,  
 88.23 right, or franchise agreement entered into or renewed on or after August 1, 2018, is subject  
 88.24 to the requirements of subdivision 2. The fee may include but is not limited to a sum of  
 88.25 money based upon gross operating revenues or gross earnings from its operations in the  
 88.26 municipality so long as the public utility shall continue to operate in the municipality, unless  
 88.27 upon request of the public utility it is expressly released from the obligation at any time by  
 88.28 such municipality. Notwithstanding the definition of "public utility" in section 216B.02,  
 88.29 subdivision 4, a municipality may require payment of a fee under this section by a cooperative  
 88.30 electric association organized under chapter 308A that furnishes utility services within the  
 88.31 municipality. All existing licenses, permits, franchises, and other rights acquired by any  
 88.32 public utility or municipality prior to April 11, 1974, including the payment of existing  
 88.33 franchise fees, shall not be impaired or affected in any respect by the passage of this chapter,  
 88.34 except with respect to matters of rate and service regulation, service area assignments,



89.1 securities, and indebtedness that are vested in the jurisdiction of the commission by this  
89.2 chapter. However, in the event that a court of competent jurisdiction determines, or the  
89.3 parties by mutual agreement determine, that an existing license, permit, franchise, or other  
89.4 right has been abrogated or impaired by this chapter, or its execution, the municipality  
89.5 affected shall impose and the public utility shall collect an excise tax on the utility charges  
89.6 which from year to year yields an amount which is reasonably equivalent to that amount of  
89.7 revenue which then would be due as a fee, charges or other thing or service of value to the  
89.8 municipality under the franchise, license, or permit. The authorization shall be over and  
89.9 above taxing limitations including, but not limited to, those of section 477A.016. Franchises  
89.10 granted pursuant to this section shall be exempt from the provisions of chapter 80C. For  
89.11 purposes of this section, a public utility shall include a cooperative electric association.

89.12 Subd. 2. Five-year renewal; reverse referendum. (a) A municipality may impose a  
89.13 fee under subdivision 1 to raise revenue beyond what is needed to defray increased municipal  
89.14 costs due to utility operations for up to a five-year period, following the procedures in this  
89.15 subdivision.

89.16 (b) The municipality must include in its ordinance or license, permit, or franchise  
89.17 agreement with the public utility what constitutes a cost to the city.

89.18 (c) The municipality must identify in its ordinance or license, permit, or franchise  
89.19 agreement the uses of the portion of the fee that is for purposes other than to defray city  
89.20 costs. The municipality must publish a notice that explains:

89.21 (1) the fee and its intended uses;

89.22 (2) that the public utility is likely to pass the fee on to customers and how much that  
89.23 may increase customers' utility bills;

89.24 (3) that alternatives to the revenue-raising portion of the fee are to raise the revenue  
89.25 from another source available to the municipality or forego planned uses of the revenue;  
89.26 and

89.27 (4) what revenue raised from another source will cost those paying it.

89.28 The notice must be published at least once each week for two consecutive weeks in the  
89.29 official publication of the municipality and must remain posted on the municipality's Web  
89.30 site throughout the notice period. The notice must also be sent to all affected ratepayers by  
89.31 either first class mail by the municipality or by including the notice in the affected ratepayers'  
89.32 billings.

90.1 (d) Following publication and before imposing the fee, the municipality must provide  
 90.2 an opportunity at its next regular meeting for public comment relating to the issue. No  
 90.3 sooner than 90 days after the public comment opportunity, the municipality may proceed  
 90.4 with imposing the fee, unless a petition is filed as provided in paragraph (e).

90.5 (e) Within 90 days after the meeting held by the municipality at which public comment  
 90.6 was accepted, a petition requesting a referendum may be filed with the chief clerical officer  
 90.7 of the municipality. The petition must be signed by at least five percent of the registered  
 90.8 voters in the municipality. The petition must meet the requirements of the secretary of state,  
 90.9 as provided in section 204B.071, and any rules adopted to implement that section. If the  
 90.10 petition is sufficient, the question of whether the municipality may impose a fee that raises  
 90.11 revenue as provided in subdivision 1 must be placed on the ballot at the next general election.  
 90.12 If a majority of the voters voting on the question votes in favor of using the fee to raise  
 90.13 revenue, the municipality may proceed with imposing the fee.

90.14 (f) If a license, permit, right, or franchise agreement is entered into or renewed before  
 90.15 August 1, 2018, and by its terms and the ordinance authorizing it, will be in effect after  
 90.16 August 1, 2023, the municipality must follow the procedures in this subdivision to provide  
 90.17 notice, a public hearing, and opportunity for a petition for a referendum by August 1, 2023.

90.18 (g) Except as provided in paragraph (f), this subdivision applies to a license, permit,  
 90.19 right, or franchise agreement entered into or renewed on or after August 1, 2018.

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

90.21 Sec. 5. Minnesota Statutes 2016, section 237.19, is amended to read:

90.22 **237.19 MUNICIPAL TELECOMMUNICATIONS SERVICES.**

90.23 Any municipality shall have the right to own and operate a telephone exchange within  
 90.24 its own borders, subject to the provisions of this chapter. It may construct such plant, or  
 90.25 purchase an existing plant by agreement with the owner, or where it cannot agree with the  
 90.26 owner on price, it may acquire an existing plant by condemnation, as hereinafter provided,  
 90.27 but in no case shall a municipality construct or purchase such a plant or proceed to acquire  
 90.28 an existing plant by condemnation until such action by it is authorized by a majority of the  
 90.29 electors voting upon the proposition at a ~~general~~ an election ~~or a special election called for~~  
 90.30 ~~that purpose~~ held on the first Tuesday after the first Monday in November in either an  
 90.31 even-numbered or odd-numbered year, and if the proposal is to construct a new exchange  
 90.32 where an exchange already exists, it shall not be authorized to do so unless 65 percent of  
 90.33 those voting thereon vote in favor of the undertaking. A municipality that owns and operates

91.1 a telephone exchange may enter into a joint venture as a partner or shareholder with a  
 91.2 telecommunications organization to provide telecommunications services within its service  
 91.3 area.

91.4 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
 91.5 referendum authorized on or after that date.

91.6 Sec. 6. Minnesota Statutes 2016, section 412.221, subdivision 2, is amended to read:

91.7 Subd. 2. **Contracts.** The council shall have power to make such contracts as may be  
 91.8 deemed necessary or desirable to make effective any power possessed by the council. The  
 91.9 city may purchase personal property through a conditional sales contract and real property  
 91.10 through a contract for deed under which contracts the seller is confined to the remedy of  
 91.11 recovery of the property in case of nonpayment of all or part of the purchase price, which  
 91.12 shall be payable over a period of not to exceed five years. When the contract price of property  
 91.13 to be purchased by contract for deed or conditional sales contract exceeds 0.24177 percent  
 91.14 of the estimated market value of the city, the city may not enter into such a contract for at  
 91.15 least ten days after publication in the official newspaper of a council resolution determining  
 91.16 to purchase property by such a contract; and, if before the end of that time a petition asking  
 91.17 for an election on the proposition signed by voters equal to ten percent of the number of  
 91.18 voters at the last regular city election is filed with the clerk, the city may not enter into such  
 91.19 a contract until the proposition has been approved by a majority of the votes cast on the  
 91.20 question at ~~a regular or special~~ an election held on the first Tuesday after the first Monday  
 91.21 in November of either an even-numbered or odd-numbered year.

91.22 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
 91.23 referendum authorized on or after that date.

91.24 Sec. 7. **[416.17] VOTER APPROVAL REQUIRED; LEASES OF PUBLIC**  
 91.25 **BUILDINGS.**

91.26 Subdivision 1. **Reverse referendum; certain leases.** (a) Before executing a qualified  
 91.27 lease, a municipality must publish notice of its intention to execute the lease and the date  
 91.28 and time of a hearing to obtain public comment on the matter. The notice must be published  
 91.29 in the official newspaper of the municipality or in a newspaper of general circulation in the  
 91.30 municipality and must include a statement of the amount of the obligations to be issued by  
 91.31 the authority and the maximum amount of annual rent to be paid by the municipality under  
 91.32 the qualified lease. The notice must be published at least 14, but not more than 28, days  
 91.33 before the date of the hearing.

92.1 (b) A municipality may enter a lease subject to paragraph (a) only upon obtaining the  
 92.2 approval of a majority of the voters voting on the question of issuing the obligations, if a  
 92.3 petition requesting a vote on the issuance is signed by voters equal to ten percent of the  
 92.4 votes cast in the municipality in the last state general election and is filed with the county  
 92.5 auditor within 30 days after the public hearing.

92.6 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the  
 92.7 meanings given them.

92.8 (b) "Authority" includes any of the following governmental units, the boundaries of  
 92.9 which include all or part of the geographic area of the municipality:

92.10 (1) a housing and redevelopment authority, as defined in section 469.002, subdivision  
 92.11 2;

92.12 (2) a port authority, as defined in section 469.048;

92.13 (3) an economic development authority, as established under section 469.091; or

92.14 (4) an entity established or exercising powers under a special law with powers similar  
 92.15 to those of an entity described in clauses (1) to (3).

92.16 (c) "Municipality" means a statutory or home rule charter city, a county, or a town  
 92.17 described in section 368.01, but does not include a city of the first class, however organized,  
 92.18 as defined in section 410.01.

92.19 (d) "Qualified lease" means a lease for use of public land, all or part of a public building,  
 92.20 or other public facilities consisting of real property for a term of three or more years as a  
 92.21 lessee if the property to be leased to the municipality was acquired or improved with the  
 92.22 proceeds of obligations, as defined in section 475.51, subdivision 3, issued by an authority.

92.23 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 92.24 applies to qualified leases entered into after July 1, 2018.

92.25 Sec. 8. Minnesota Statutes 2016, section 426.19, subdivision 2, is amended to read:

92.26 Subd. 2. **Referendum in certain cases.** Before the pledge of any such revenues to the  
 92.27 payment of any such bonds, warrants or certificates of indebtedness, except bonds, warrants  
 92.28 or certificates of indebtedness to construct, reconstruct, enlarge or equip a municipal liquor  
 92.29 store shall be made, the governing body shall submit to the voters of the city the question  
 92.30 of whether such revenues shall be so pledged and such pledge shall not be binding on the  
 92.31 city until it shall have been approved by a majority of the voters voting on the question at  
 92.32 ~~either a general~~ an election or special election called for that purpose held on the first Tuesday

93.1 after the first Monday in November of either an even-numbered or odd-numbered year. No  
 93.2 election shall be required for pledge of such revenues for payment of bonds, warrants or  
 93.3 certificates of indebtedness to construct, reconstruct, enlarge or equip a municipal liquor  
 93.4 store.

93.5 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
 93.6 referendum authorized on or after that date.

93.7 Sec. 9. Minnesota Statutes 2016, section 447.045, subdivision 2, is amended to read:

93.8 Subd. 2. **Statutory city; on-sale and off-sale store.** If the voters of a statutory city  
 93.9 operating an on-sale and off-sale municipal liquor store, at a ~~general or special~~ an election  
 93.10 held on the first Tuesday after the first Monday in November of either an even-numbered  
 93.11 or odd-numbered year, vote in favor of contributing from its liquor dispensary fund toward  
 93.12 the construction of a community hospital, the city council may appropriate not more than  
 93.13 \$60,000 from the fund to any incorporated nonprofit hospital association to build a  
 93.14 community hospital in the statutory city. The hospital must be governed by a board including  
 93.15 two or more members of the statutory city council and be open to all residents of the statutory  
 93.16 city on equal terms. This appropriation must not exceed one-half the total cost of construction  
 93.17 of the hospital. The council must not appropriate the money unless the average net earnings  
 93.18 of the on-sale and off-sale municipal liquor store have been at least \$10,000 for the last five  
 93.19 completed fiscal years before the date of the appropriation.

93.20 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
 93.21 referendum authorized on or after that date.

93.22 Sec. 10. Minnesota Statutes 2016, section 447.045, subdivision 3, is amended to read:

93.23 Subd. 3. **Statutory city; off-sale or on- and off-sale store.** (a) If a statutory city operates  
 93.24 an off-sale, or an on- and off-sale municipal liquor store it may provide for a vote at a ~~general~~  
 93.25 ~~or special~~ an election held on the first Tuesday after the first Monday in November of either  
 93.26 an even-numbered or odd-numbered year on the question of contributing from the city liquor  
 93.27 dispensary fund to build, maintain, and operate a community hospital. If the vote is in favor,  
 93.28 the city council may appropriate money from the fund to an incorporated hospital association  
 93.29 for a period of four years. The appropriation must be from the net profits or proceeds of the  
 93.30 municipal liquor store. It must not exceed \$4,000 a year for hospital construction and  
 93.31 maintenance or \$1,000 a year for operation. The hospital must be open to all residents of  
 93.32 the community on equal terms.

94.1 (b) The council must not appropriate the money unless the average net earnings of the  
 94.2 off-sale, or on- and off-sale municipal liquor store have been at least \$8,000 for the last two  
 94.3 completed years before the date of the appropriation.

94.4 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
 94.5 referendum authorized on or after that date.

94.6 Sec. 11. Minnesota Statutes 2016, section 447.045, subdivision 4, is amended to read:

94.7 Subd. 4. **Fourth class city operating store.** If a city of the fourth class operates a  
 94.8 municipal liquor store, it may provide for a vote at ~~a general or special~~ an election held on  
 94.9 the first Tuesday after the first Monday in November of either an even-numbered or  
 94.10 odd-numbered year on the question of contributing from the profit in the city liquor  
 94.11 dispensary fund to build, equip, and maintain a community hospital within the city limits.  
 94.12 If the vote is in favor, the city council may appropriate not more than \$200,000 from profits  
 94.13 in the fund for the purpose. The hospital must be open to all residents of the city on equal  
 94.14 terms.

94.15 The city may issue certificates of indebtedness in anticipation of and payable only from  
 94.16 profits from the operation of municipal liquor stores.

94.17 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
 94.18 referendum authorized on or after that date.

94.19 Sec. 12. Minnesota Statutes 2016, section 447.045, subdivision 6, is amended to read:

94.20 Subd. 6. **Statutory city; fourth class.** If a fourth class statutory city operates a municipal  
 94.21 liquor store, it may provide for a vote at ~~a general or special~~ an election held on the first  
 94.22 Tuesday after the first Monday in November of either an even-numbered or odd-numbered  
 94.23 year on the question of contributing from the city liquor dispensary fund not more than  
 94.24 \$15,000 a year for five years to build and maintain a community hospital. If the vote is in  
 94.25 favor the council may appropriate the money from the fund to an incorporated community  
 94.26 hospital association in the city.

94.27 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
 94.28 referendum authorized on or after that date.

94.29 Sec. 13. Minnesota Statutes 2016, section 447.045, subdivision 7, is amended to read:

94.30 Subd. 7. **Statutory city; any store.** If a statutory city operates a municipal liquor store,  
 94.31 it may provide for a vote at ~~a general or special~~ an election held on the first Tuesday after

95.1 the first Monday in November of either an even-numbered or odd-numbered year on the  
 95.2 question of contributing from the statutory city liquor dispensary fund toward the acquisition,  
 95.3 construction, improvement, maintenance, and operation of a community hospital. If the  
 95.4 vote is in favor, the council may appropriate money from time to time out of the net profits  
 95.5 or proceeds of the municipal liquor store to an incorporated nonprofit hospital association  
 95.6 in the statutory city. The hospital association must be governed by a board of directors  
 95.7 elected by donors of \$50 or more, who each have one vote. The hospital must be open to  
 95.8 all residents of the community on equal terms.

95.9 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
 95.10 referendum authorized on or after that date.

95.11 Sec. 14. Minnesota Statutes 2016, section 452.11, is amended to read:

95.12 **452.11 SUBMISSION TO VOTERS.**

95.13 No city of the first class shall acquire or construct any public utility under the terms of  
 95.14 sections 452.08 to 452.13 unless the proposition to acquire or construct same has first been  
 95.15 submitted to the qualified electors of the city at a ~~general~~ city election ~~or at a special election~~  
 95.16 ~~called for that purpose,~~ held on the first Tuesday after the first Monday in November of  
 95.17 either an even-numbered or odd-numbered year and has been approved by a majority vote  
 95.18 of all electors voting upon the proposition.

95.19 The question of issuing public utility certificates as provided in section 452.09 may, at  
 95.20 the option of the council, be submitted at the same election as the question of the acquisition  
 95.21 or construction of the public utility.

95.22 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
 95.23 referendum authorized on or after that date.

95.24 Sec. 15. Minnesota Statutes 2016, section 455.24, is amended to read:

95.25 **455.24 SUBMISSION TO VOTERS.**

95.26 Before incurring any expense under the powers conferred by section 455.23, the approval  
 95.27 of the voters of the city shall first be had at a ~~general or special~~ an election held ~~therein~~ on  
 95.28 the first Tuesday after the first Monday in November of either an even-numbered or  
 95.29 odd-numbered year. If a majority of the voters of the city participating at the election shall  
 95.30 vote in favor of the construction of the system of poles, wires and cables herein authorized  
 95.31 to be made, the council shall proceed with the construction.

96.1 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
96.2 referendum authorized on or after that date.

96.3 Sec. 16. Minnesota Statutes 2016, section 455.29, is amended to read:

96.4 **455.29 MUNICIPALITIES MAY EXTEND ELECTRIC SERVICE.**

96.5 Except as otherwise restricted by chapter 216B, the governing body, or the commission  
96.6 or board charged with the operation of the public utilities, if one exists therein, of any  
96.7 municipality in the state owning and operating an electric light and power plant for the  
96.8 purpose of the manufacture and sale of electrical power or for the purchase and redistribution  
96.9 of electrical power, may, upon a two-thirds vote of the governing body, or the commission  
96.10 or board, in addition to all other powers now possessed by such municipality, sell electricity  
96.11 to customers, singly or collectively, outside of such municipality, within the state but not  
96.12 to exceed a distance of 30 miles from the corporate limits of the municipality. Before any  
96.13 municipality shall have the power to extend its lines and sell electricity outside of the  
96.14 municipality as provided by sections 455.29 and 455.30, the governing body shall first  
96.15 submit to the voters of the municipality, at a ~~general or special~~ an election held on the first  
96.16 Tuesday after the first Monday in November of either an even-numbered or odd-numbered  
96.17 year, the general principle of going outside the municipality and fixing the maximum amount  
96.18 of contemplated expenditures reasonably expected to be made for any and all extensions  
96.19 then or thereafter contemplated. Three weeks' published notice shall be given of such election  
96.20 as required by law, and if a majority of those voting upon the proposition favors the same,  
96.21 then the municipality shall thereafter be considered as having chosen to enter the general  
96.22 business of extending its electric light and power facilities beyond the corporate limits of  
96.23 the municipality. It shall not be necessary to submit to a vote of the people the question of  
96.24 any specific enlargement, extension, or improvement of any outside lines; provided the  
96.25 voters of the municipality have generally elected to exercise the privileges afforded by  
96.26 sections 455.29 and 455.30, and, provided, that each and any specific extension, enlargement,  
96.27 or improvement project is within the limit of the maximum expenditure authorized at the  
96.28 election. In cities operating under a home rule charter, where a vote of the people is not  
96.29 now required in order to extend electric light and power lines, no election shall be required  
96.30 under the provisions of any act. At any election held to determine the attitude of the voters  
96.31 upon this principle, the question shall be simply stated upon the ballot provided therefor,  
96.32 and shall be substantially in the following form: "Shall the city of ..... undertake  
96.33 the general proposition of extending its electric light and power lines beyond the limits of  
96.34 the municipality, and limit the maximum expenditures for any and all future extensions to  
96.35 the sum of \$.....?" For this purpose every municipality is authorized and empowered



97.1 to extend the lines, wires, and fixtures of its plant to such customers and may issue certificates  
 97.2 of indebtedness therefor in an amount not to exceed the actual cost of the extensions and  
 97.3 for a term not to exceed the reasonable life of the extensions. These certificates of  
 97.4 indebtedness shall in no case be made a charge against the municipality, but shall be payable  
 97.5 and paid out of current revenues of the plant other than taxes.

97.6 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
 97.7 referendum authorized on or after that date.

97.8 Sec. 17. Minnesota Statutes 2016, section 469.190, subdivision 1, is amended to read:

97.9 Subdivision 1. **Authorization.** Notwithstanding section 477A.016 or any other law, a  
 97.10 statutory or home rule charter city may by ordinance, and a town may by the affirmative  
 97.11 vote of the electors at the annual town meeting, ~~or at a special town meeting,~~ impose a tax  
 97.12 of up to three percent on the gross receipts from the furnishing for consideration of lodging  
 97.13 at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing  
 97.14 of it for a continuous period of 30 days or more. A statutory or home rule charter city may  
 97.15 by ordinance impose the tax authorized under this subdivision on the camping site receipts  
 97.16 of a municipal campground.

97.17 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
 97.18 referendum authorized on or after that date.

97.19 Sec. 18. Minnesota Statutes 2016, section 469.190, subdivision 5, is amended to read:

97.20 Subd. 5. **Reverse referendum.** If the county board passes a resolution under subdivision  
 97.21 4 to impose the tax, the resolution must be published for two successive weeks in a newspaper  
 97.22 of general circulation within the unorganized territory, together with a notice fixing a date  
 97.23 for a public hearing on the proposed tax.

97.24 The hearing must be held not less than two weeks nor more than four weeks after the  
 97.25 first publication of the notice. After the public hearing, the county board may determine to  
 97.26 take no further action, or may adopt a resolution authorizing the tax as originally proposed  
 97.27 or approving a lesser rate of tax. The resolution must be published in a newspaper of general  
 97.28 circulation within the unorganized territory. The voters of the unorganized territory may  
 97.29 request a referendum on the proposed tax by filing a petition with the county auditor within  
 97.30 30 days after the resolution is published. The petition must be signed by voters who reside  
 97.31 in the unorganized territory. The number of signatures must equal at least five percent of  
 97.32 the number of persons voting in the unorganized territory in the last general election. If such  
 97.33 a petition is timely filed, the resolution is not effective until it has been submitted to the

98.1 voters residing in the unorganized territory at a ~~general or special~~ an election held on the  
 98.2 first Tuesday after the first Monday in November of either an even-numbered or  
 98.3 odd-numbered year and a majority of votes cast on the question of approving the resolution  
 98.4 are in the affirmative. The commissioner of revenue shall prepare a suggested form of  
 98.5 question to be presented at the referendum.

98.6 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
 98.7 referendum authorized on or after that date.

98.8 Sec. 19. Minnesota Statutes 2016, section 471.57, subdivision 3, is amended to read:

98.9 Subd. 3. **May use fund for other purposes upon vote.** The council of any municipality  
 98.10 which has established a public works reserve fund by an ordinance designating the specific  
 98.11 improvement or type of capital improvement for which the fund may be used may submit  
 98.12 to the voters of the municipality at ~~any regular or special~~ an election held on the first Tuesday  
 98.13 after the first Monday in November of either an even-numbered or odd-numbered year the  
 98.14 question of using the fund for some other purpose. If a majority of the votes cast on the  
 98.15 question are in favor of such diversion from the original purpose of the fund, it may be used  
 98.16 for any purpose so approved by the voters.

98.17 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
 98.18 referendum authorized on or after that date.

98.19 Sec. 20. Minnesota Statutes 2016, section 471.571, subdivision 3, is amended to read:

98.20 Subd. 3. **Expenditure from fund, limitation.** No expenditure for any one project in  
 98.21 excess of 60 percent of one year's levy or \$25,000, whichever is greater, may be made from  
 98.22 such permanent improvement or replacement fund in any year without first obtaining the  
 98.23 approval of a majority of the voters voting at a ~~general or special~~ municipal election held  
 98.24 on the first Tuesday after the first Monday in November of either an even-numbered or  
 98.25 odd-numbered year at which the question of making such expenditure has been submitted.  
 98.26 In submitting any proposal to the voters for approval, the amount proposed to be spent and  
 98.27 the purpose thereof shall be stated in the proposal submitted. The proceeds of such levies  
 98.28 may be pledged for the payment of any bonds issued pursuant to law for any purposes  
 98.29 authorized hereby and annual payments upon such bonds or interest may be made without  
 98.30 additional authorization.

98.31 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
 98.32 referendum authorized on or after that date.

99.1 Sec. 21. Minnesota Statutes 2016, section 471.572, subdivision 4, is amended to read:

99.2 Subd. 4. **Use of fund for a specific purpose.** If the city has established a reserve fund,  
 99.3 it may submit to the voters at ~~a regular or special~~ an election held on the first Tuesday after  
 99.4 the first Monday in November of either an even-numbered or odd-numbered year the question  
 99.5 of whether use of the fund should be restricted to a specific improvement or type of capital  
 99.6 improvement. If a majority of the votes cast on the question are in favor of the limitation  
 99.7 on the use of the reserve fund, it may be used only for the purpose approved by the voters.

99.8 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
 99.9 referendum authorized on or after that date.

99.10 Sec. 22. Minnesota Statutes 2017 Supplement, section 475.59, subdivision 2, is amended  
 99.11 to read:

99.12 Subd. 2. **Election date.** An election to approve issuance of bonds under this section held  
 99.13 by a municipality or school district must be held on a date authorized in section 205.10,  
 99.14 subdivision 3a, or 205A.05, subdivision 1a. An election under this section held by a town  
 99.15 may be held on the same day as the annual town meeting or on the first Tuesday after the  
 99.16 first Monday in November of either an even-numbered or odd-numbered year.

99.17 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to any  
 99.18 referendum authorized on or after that date.

## 99.19 ARTICLE 8

### 99.20 MISCELLANEOUS

99.21 Section 1. **[16A.1246] NO SPENDING FOR CERTAIN RAIL PROJECTS.**

99.22 (a) Except as provided in paragraph (b), no appropriation or other state money, whether  
 99.23 in the general or another fund, must be expended or used for any costs related to studying  
 99.24 the feasibility of, planning for, designing, engineering, acquiring property or constructing  
 99.25 facilities for or related to, or development or operation of intercity or interregional passenger  
 99.26 rail facilities or operations between the city of Rochester or locations in its metropolitan  
 99.27 area and any location in the metropolitan area, as defined in section 473.121, subdivision  
 99.28 2.

99.29 (b) The restrictions under this section do not apply to:

99.30 (1) funds obtained from contributions, grants, or other voluntary payments made by  
 99.31 nongovernmental entities from private sources; or

100.1 (2) amounts specifically appropriated for a project or costs subject to paragraph (a), but  
 100.2 only after enactment of a law that explicitly adds the project for which the expenditures are  
 100.3 made to the statewide freight and passenger rail plan under section 174.03, subdivision 1b.

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

100.5 **Sec. 2. [16B.2965] PROPERTY LEASED FOR RAIL PROJECTS.**

100.6 (a) If a state official leases, loans, or otherwise makes available state lands, air rights,  
 100.7 or any other state property for use in connection with passenger rail facilities, as described  
 100.8 in section 16A.1246, the lease or other agreement must include or be secured by a security  
 100.9 bond or equivalent guarantee that allows the state to recover any costs it incurs in connection  
 100.10 with the rail project from a responsible third party or secure source of capital, if the passenger  
 100.11 rail facilities are not constructed, do not go into operation, or are abandoned, whether or  
 100.12 not the facilities began operations. The security bond or equivalent guarantee must remain  
 100.13 in place for the term of lease, loan, or other agreement that makes state property available  
 100.14 for use by the project. These costs include restoring state property to its original condition.

100.15 (b) For purposes of this section, "state official" includes the commissioner, the  
 100.16 commissioner of transportation, or any other state official with authority to enter a lease or  
 100.17 other agreement providing for use by a nonstate entity of state property.

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

100.19 **Sec. 3. [117.028] CONDEMNATION FOR CERTAIN RAIL FACILITIES**  
 100.20 **PROHIBITED.**

100.21 Notwithstanding section 222.27 or any other law to the contrary, no condemning authority  
 100.22 may take property for the development or construction of or for facilities related to intercity  
 100.23 or interregional passenger rail facilities or operations between the city of Rochester or  
 100.24 locations in its metropolitan area and any location in the metropolitan area, as defined in  
 100.25 section 473.121, subdivision 2.

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

100.27 **Sec. 4. Minnesota Statutes 2016, section 174.03, subdivision 1b, is amended to read:**

100.28 **Subd. 1b. Statewide freight and passenger rail plan.** (a) The commissioner shall  
 100.29 develop a comprehensive statewide freight and passenger rail plan to be included and revised  
 100.30 as a part of the statewide multimodal transportation plan.

101.1 ~~(b) Before the initial version of the plan is adopted, the commissioner shall provide a~~  
 101.2 ~~copy for review and comment to the chairs and ranking minority members of the senate and~~  
 101.3 ~~house of representatives committees with jurisdiction over transportation policy and finance.~~  
 101.4 ~~Notwithstanding paragraph (a), the commissioner may adopt the next revision of the statewide~~  
 101.5 ~~transportation plan, scheduled to be completed in calendar year 2009, prior to completion~~  
 101.6 ~~of the initial version of the comprehensive statewide freight and passenger rail plan. The~~  
 101.7 ~~statewide freight and passenger rail plan must not include prioritization, planning, or~~  
 101.8 ~~references, other than references for historical purposes, to intercity passenger rail between~~  
 101.9 ~~the city of Rochester or locations in its metropolitan area and any location in the metropolitan~~  
 101.10 ~~area, as defined in section 473.121, subdivision 2. Before February 1, 2019, the commissioner~~  
 101.11 ~~shall revise the statewide freight and passenger rail plan to meet the requirements of this~~  
 101.12 ~~paragraph.~~

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

101.14 Sec. 5. **[222.271] PASSENGER RAIL PROJECTS; ENVIRONMENTAL**  
 101.15 **INSURANCE REQUIRED.**

101.16 Subdivision 1. **Scope.** (a) This section applies to any person that seeks a federal or state  
 101.17 permit or other formal legal authorization to construct or operate a passenger rail project  
 101.18 with an estimated capital cost exceeding \$1,000,000,000.

101.19 (b) This section does not apply to a person whose only action within the scope of  
 101.20 paragraph (a) is an application for a building permit.

101.21 Subd. 2. **Definitions.** (a) For purposes of this section, unless the context clearly indicates  
 101.22 otherwise, the following definitions apply.

101.23 (b) "Commissioner" means the commissioner of the Pollution Control Agency.

101.24 (c) "Insurance" means a commercial insurance policy, a security bond, or an equivalent  
 101.25 guarantee that provides assurance of the project's ability to pay claims for any liability under  
 101.26 chapter 115B or similar provisions of common law or federal law resulting from construction  
 101.27 or operation of the passenger rail project.

101.28 (d) "Passenger rail project" or "project" means a railroad or a line or lines of a railway  
 101.29 located within or partly within Minnesota intended to provide passenger service, regardless  
 101.30 of whether freight service is also provided, by a common carrier other than a federal or state  
 101.31 government unit, a political subdivision of the state, or the National Railroad Passenger  
 101.32 Corporation created under the Rail Passenger Service Act of 1970, Public Law 91-518.

102.1 (e) "Person" includes a corporation, limited liability company, partnership, other entity,  
 102.2 or an individual.

102.3 Subd. 3. **Environmental insurance required.** (a) Any person subject to this section  
 102.4 must obtain and maintain insurance that is adequate to cover potential claims and meets the  
 102.5 other requirements of this section, as approved by the commissioner under paragraph (b).  
 102.6 The insurance must not contain dollar limits on liability, or if it does contain a dollar limit  
 102.7 the limit must be not less than a reasonable estimate of the potential exposure of the project  
 102.8 for environmental remediation or impairment damages. Any dollar limit must be adjusted  
 102.9 if the scope, size, or cost of the project increases materially. The insurance must cover any  
 102.10 liability incurred during and after the construction and operation of the project and must  
 102.11 not contain exclusions, limitations, or other restrictions that are not standard in comprehensive  
 102.12 environmental remediation insurance or in environmental impairment insurance, as  
 102.13 applicable.

102.14 (b) In order to satisfy the requirements of this section, the commissioner must determine  
 102.15 that the insurance is adequate and that it meets the other requirements of this section. The  
 102.16 commissioner may require that the project provide any supporting documentation to  
 102.17 determine that insurance is adequate and meets the other requirements of this section and  
 102.18 that the project has the financial ability to maintain insurance during the project's operations.

102.19 **EFFECTIVE DATE.** This section is effective for passenger rail projects for which  
 102.20 application for a permit or other formal legal authorization to construct is made after the  
 102.21 day following final enactment.

102.22 Sec. 6. Minnesota Statutes 2016, section 270A.03, subdivision 7, is amended to read:

102.23 Subd. 7. **Refund.** "Refund" means an individual income tax refund ~~or political~~  
 102.24 ~~contribution refund,~~ pursuant to chapter 290, ~~or a property tax credit or refund,~~ pursuant to  
 102.25 chapter 290A, or a sustainable forest payment to a claimant under chapter 290C.

102.26 For purposes of this chapter, lottery prizes, as set forth in section 349A.08, subdivision  
 102.27 8, and amounts granted to persons by the legislature on the recommendation of the joint  
 102.28 senate-house of representatives Subcommittee on Claims shall be treated as refunds.

102.29 In the case of a joint property tax refund payable to spouses under chapter 290A, the  
 102.30 refund shall be considered as belonging to each spouse in the proportion of the total refund  
 102.31 that equals each spouse's proportion of the total income determined under section 290A.03,  
 102.32 subdivision 3. In the case of a joint income tax refund under chapter 289A, the refund shall  
 102.33 be considered as belonging to each spouse in the proportion of the total refund that equals

103.1 each spouse's proportion of the total taxable income determined under section 290.01,  
 103.2 subdivision 29. The commissioner shall remit the entire refund to the claimant agency,  
 103.3 which shall, upon the request of the spouse who does not owe the debt, determine the amount  
 103.4 of the refund belonging to that spouse and refund the amount to that spouse. For court fines,  
 103.5 fees, and surcharges and court-ordered restitution under section 611A.04, subdivision 2,  
 103.6 the notice provided by the commissioner of revenue under section 270A.07, subdivision 2,  
 103.7 paragraph (b), serves as the appropriate legal notice to the spouse who does not owe the  
 103.8 debt.

103.9 **EFFECTIVE DATE.** This section is effective for political contribution refund claims  
 103.10 based on contributions made on or after July 1, 2018.

103.11 Sec. 7. Minnesota Statutes 2016, section 289A.50, subdivision 1, is amended to read:

103.12 Subdivision 1. **General right to refund.** (a) Subject to the requirements of this section  
 103.13 and section 289A.40, a taxpayer who has paid a tax in excess of the taxes lawfully due and  
 103.14 who files a written claim for refund will be refunded or credited the overpayment of the tax  
 103.15 determined by the commissioner to be erroneously paid.

103.16 (b) The claim must specify the name of the taxpayer, the date when and the period for  
 103.17 which the tax was paid, the kind of tax paid, the amount of the tax that the taxpayer claims  
 103.18 was erroneously paid, the grounds on which a refund is claimed, and other information  
 103.19 relative to the payment and in the form required by the commissioner. An income tax, estate  
 103.20 tax, or corporate franchise tax return, or amended return claiming an overpayment constitutes  
 103.21 a claim for refund.

103.22 (c) When, in the course of an examination, and within the time for requesting a refund,  
 103.23 the commissioner determines that there has been an overpayment of tax, the commissioner  
 103.24 shall refund or credit the overpayment to the taxpayer and no demand is necessary. If the  
 103.25 overpayment exceeds \$1, the amount of the overpayment must be refunded to the taxpayer.  
 103.26 If the amount of the overpayment is less than \$1, the commissioner is not required to refund.  
 103.27 In these situations, the commissioner does not have to make written findings or serve notice  
 103.28 by mail to the taxpayer.

103.29 (d) If the amount allowable as a credit for withholding, estimated taxes, or dependent  
 103.30 care exceeds the tax against which the credit is allowable, the amount of the excess is  
 103.31 considered an overpayment. ~~The refund allowed by section 290.06, subdivision 23, is also~~  
 103.32 ~~considered an overpayment.~~ The requirements of section 270C.33 do not apply to the  
 103.33 refunding of such an overpayment shown on the original return filed by a taxpayer.

104.1 (e) If the entertainment tax withheld at the source exceeds by \$1 or more the taxes,  
 104.2 penalties, and interest reported in the return of the entertainment entity or imposed by section  
 104.3 290.9201, the excess must be refunded to the entertainment entity. If the excess is less than  
 104.4 \$1, the commissioner need not refund that amount.

104.5 (f) If the surety deposit required for a construction contract exceeds the liability of the  
 104.6 out-of-state contractor, the commissioner shall refund the difference to the contractor.

104.7 (g) An action of the commissioner in refunding the amount of the overpayment does not  
 104.8 constitute a determination of the correctness of the return of the taxpayer.

104.9 (h) There is appropriated from the general fund to the commissioner of revenue the  
 104.10 amount necessary to pay refunds allowed under this section.

104.11 **EFFECTIVE DATE.** This section is effective for political contribution refund claims  
 104.12 based on contributions made on or after July 1, 2018.

104.13 Sec. 8. Minnesota Statutes 2016, section 290.01, subdivision 6, is amended to read:

104.14 Subd. 6. **Taxpayer.** The term "taxpayer" means any person or corporation subject to a  
 104.15 tax imposed by this chapter. ~~For purposes of section 290.06, subdivision 23, the term~~  
 104.16 ~~"taxpayer" means an individual eligible to vote in Minnesota under section 201.014.~~

104.17 **EFFECTIVE DATE.** This section is effective for political contribution refund claims  
 104.18 based on contributions made on or after July 1, 2018.

104.19 Sec. 9. Minnesota Statutes 2016, section 297A.993, is amended by adding a subdivision  
 104.20 to read:

104.21 Subd. 2a. **Hennepin County.** (a) Upon submission of a resolution adopted by the city  
 104.22 board to the Hennepin County Board, Hennepin County must remit to the city 50 percent  
 104.23 of the tax revenue collected under subdivision 1 within the boundaries of the city. The  
 104.24 payment to the city must be made at least annually. Notwithstanding subdivision 2, the city  
 104.25 must use the tax proceeds to plan, engineer, and construct improvements to county highways  
 104.26 and bridges within the boundaries of the city. Two or more cities may enter into a joint  
 104.27 powers agreement to jointly use the funds received by the cities on a project within the  
 104.28 boundaries of the joint powers agreement's member cities. For a city located partially in  
 104.29 Hennepin County, the city must use the tax proceeds on projects located within the portion  
 104.30 of the city that is within Hennepin County boundaries.

104.31 (b) For purposes of this subdivision, "city" means a home rule charter or statutory city  
 104.32 that:



105.1 (1) is located wholly or partially within Hennepin County;

105.2 (2) has a population of 60,000 or greater; and

105.3 (3) does not have within the city boundaries a current light rail transit line or a light rail  
 105.4 transit line in planning or development.

105.5 (c) This section expires on July 1, 2038, or when the tax under subdivision 2 is terminated,  
 105.6 whichever is earlier.

105.7 Sec. 10. Minnesota Statutes 2016, section 360.013, is amended by adding a subdivision  
 105.8 to read:

105.9 Subd. 62. **Unmanned aircraft.** "Unmanned aircraft" means an aircraft, as defined in  
 105.10 subdivision 37, that is operated without the possibility of human intervention from within  
 105.11 or on the aircraft.

105.12 **EFFECTIVE DATE.** This section is effective July 1, 2018.

105.13 Sec. 11. Minnesota Statutes 2016, section 360.013, is amended by adding a subdivision  
 105.14 to read:

105.15 Subd. 63. **Unmanned aircraft system.** "Unmanned aircraft system" means an unmanned  
 105.16 aircraft and all of its associated elements, including components and communication links,  
 105.17 that are required to control and operate the aircraft.

105.18 **EFFECTIVE DATE.** This section is effective July 1, 2018.

105.19 Sec. 12. Minnesota Statutes 2016, section 360.55, is amended by adding a subdivision to  
 105.20 read:

105.21 Subd. 9. **Unmanned aircraft systems.** (a) Any unmanned aircraft system in which the  
 105.22 unmanned aircraft weighs less than 55 pounds at takeoff, including payload and anything  
 105.23 affixed to the aircraft, either:

105.24 (1) must be registered in the state for an annual fee of \$25; or

105.25 (2) is not subject to registration or an annual fee if the unmanned aircraft system is owned  
 105.26 and operated solely for recreational purposes.

105.27 (b) An unmanned aircraft system that meets the requirements under paragraph (a) is  
 105.28 exempt from aircraft registration tax under sections 360.511 to 360.67.

105.29 **EFFECTIVE DATE.** This section is effective July 1, 2018.

106.1 Sec. 13. Minnesota Statutes 2016, section 360.62, is amended to read:

106.2 **360.62 TAX REFUND.**

106.3 Except as provided herein the tax upon any aircraft which has been paid for any year,  
 106.4 shall be refunded only for errors made in computing the tax or fees or for the error on the  
 106.5 part of an owner who may in error have registered an aircraft that was not before, nor at the  
 106.6 time of such registration, nor at any time thereafter during the tax period, subject to such  
 106.7 tax in this state; provided that after more than 24 months after such tax was paid no refund  
 106.8 shall be made for any tax paid on any aircraft. Refunds as provided by sections 360.511 to  
 106.9 360.67 shall be made in the manner provided by Laws 1947, chapter 416. The former owner  
 106.10 of a transferred aircraft by an assignment in writing endorsed upon the former owner's  
 106.11 registration certificate and delivered to the commissioner within the time provided herein  
 106.12 may sell and assign to the new owner thereof the right to have the tax paid by the former  
 106.13 owner accredited to such new owner who duly registers such aircraft. Any owner whose  
 106.14 aircraft ~~shall be~~ is destroyed or permanently removed from the state ~~shall be~~ is entitled to  
 106.15 a refund for the unused portion of the tax paid upon the destroyed or removed aircraft ~~so~~  
 106.16 ~~destroyed or removed from the state, such.~~ The refund to must be computed pro rata by the  
 106.17 month, and to be equal to the monthly tax rate multiplied by the number of full calendar  
 106.18 months remaining in the fiscal year, or multiplied by the number of full calendar months  
 106.19 remaining in that period between January 1, 1966, to and including June 30, 1967, whichever  
 106.20 period is applicable. An unmanned aircraft system that is destroyed or permanently removed  
 106.21 from the state is not entitled to a tax refund under this section.

106.22 In order to secure such refund, the aircraft owner shall submit a signed statement that  
 106.23 such aircraft has either been sold out of state or destroyed, the date of such sale or destruction,  
 106.24 and such other information as the commissioner may require. Any false statement willfully  
 106.25 and knowingly made in regard thereto shall be deemed a perjury and punished accordingly.  
 106.26 No refund shall be made if application is not made within 12 months after the date the  
 106.27 aircraft was sold out of state or destroyed.

106.28 **EFFECTIVE DATE.** This section is effective July 1, 2018.

106.29 Sec. 14. **[459.36] NO SPENDING OF PUBLIC MONEY FOR CERTAIN RAIL**  
 106.30 **PROJECTS.**

106.31 (a) Except as provided in paragraph (b), a governmental unit must not spend or use any  
 106.32 money for any costs related to studying the feasibility of, planning for, designing,  
 106.33 engineering, acquiring property or constructing facilities for or related to, or development  
 106.34 or operation of intercity or interregional passenger rail facilities or operations between the

107.1 city of Rochester, or locations in its metropolitan area, and any location in the metropolitan  
 107.2 area, as defined in section 473.121, subdivision 2.

107.3 (b) The restrictions under this section do not apply to:

107.4 (1) funds the governmental unit obtains from contributions, grants, or other voluntary  
 107.5 payments made by nongovernmental entities from private sources;

107.6 (2) expenditures for costs of public infrastructure, including public utilities, parking  
 107.7 facilities, a multimode transit hub, or similar projects located within the area of the  
 107.8 development district, as defined under section 469.40, and reflected in the development  
 107.9 plan adopted before the enactment of this section, that are intended to serve, and that are  
 107.10 made following the completed construction and commencement of operation of privately  
 107.11 financed and operated intercity or interregional passenger rail facilities; or

107.12 (3) expenditures made after enactment of a law that explicitly adds the intercity or  
 107.13 interregional passenger rail project for which the expenditures are made to the statewide  
 107.14 freight and passenger rail plan under section 174.03, subdivision 1b.

107.15 (c) For purposes of this section, "governmental unit" means any of the following, located  
 107.16 in development regions 10 and 11, as designated under section 462.385, subdivision 1:

107.17 (1) statutory or home rule charter city;

107.18 (2) county;

107.19 (3) special taxing district, as defined in section 275.066;

107.20 (4) metropolitan planning organization; or

107.21 (5) destination medical center entity, which includes the Destination Medical Center  
 107.22 Corporation and agency, as those terms are defined in section 469.40, and any successor or  
 107.23 related entity.

107.24 **EFFECTIVE DATE.** This section is effective the day following final enactment without  
 107.25 local approval under Minnesota Statutes, section 645.023, subdivision 1, clause (c).

107.26 Sec. 15. Minnesota Statutes 2016, section 474A.02, subdivision 22b, is amended to read:

107.27 Subd. 22b. **Public facilities project.** "Public facilities project" means any publicly owned  
 107.28 facility, or a facility owned by a nonprofit organization that is used for district heating or  
 107.29 cooling, whether publicly or privately owned, that is eligible to be financed with the proceeds  
 107.30 of public facilities bonds as defined under section 474A.02, subdivision 23a.

108.1 Sec. 16. Laws 1986, chapter 379, section 1, subdivision 1, is amended to read:

108.2 Subdivision 1. **Liquor and food tax authorized.** (a) Notwithstanding Minnesota Statutes,  
108.3 section 477A.016, or any ordinance, city charter, or other provision of law, the city of St.  
108.4 Cloud may, by ordinance, impose a sales tax supplemental to the general sales tax imposed  
108.5 in Minnesota Statutes, chapter 297A, the proceeds of which shall be used in accordance  
108.6 with subdivision 2. The tax imposed by the city may be not more than one percent on the  
108.7 gross receipts from all retail on-sales of intoxicating liquor and fermented malt beverages  
108.8 sold at licensed on-sale liquor establishments located within its geographic boundaries, or  
108.9 not more than one percent on the gross receipts from the retail sale of food and beverages  
108.10 not subject to the liquor tax by a restaurant or place of refreshment located within its  
108.11 geographic boundaries, or both. For purposes of this act, the city shall define the terms  
108.12 "restaurant" and "place of refreshment" by resolution. The governing body of the city may  
108.13 adopt an ordinance establishing a convention center taxing district. The ordinance shall  
108.14 describe with particularity the area within the city to be included in the district. If the city  
108.15 establishes a convention center taxing district, the sales taxes authorized under this  
108.16 subdivision may be imposed only upon the sales occurring at on-sale liquor establishments,  
108.17 restaurants, or other places of refreshment located within the district.

108.18 (b) Notwithstanding Minnesota Statutes, section 477A.016, or any ordinance, city charter,  
108.19 or other provision of law, the city of St. Cloud may, if approved by the voters at a general  
108.20 election, increase by ordinance the tax allowed under paragraph (a) by up to one-half of  
108.21 one percent. The election must be held before the governing body of the city considers the  
108.22 ordinance. The proceeds of the increased tax must be used for remodeling, improvements,  
108.23 and expansion of the Municipal Athletic Center, including making payments on any  
108.24 associated bonds.

108.25 **EFFECTIVE DATE.** This section is effective the day after the city of St. Cloud and  
108.26 its chief clerical officer timely comply with Minnesota Statutes, section 645.021.

108.27 Sec. 17. Laws 1986, chapter 379, section 2, subdivision 1, is amended to read:

108.28 Subdivision 1. **Additional tax authorized.** (a) Notwithstanding Minnesota Statutes,  
108.29 section 477A.016, or any ordinance, city charter, or other provision of law, the city of St.  
108.30 Cloud may, by ordinance, impose a tax at a rate not to exceed two percent in addition to  
108.31 the tax authorized under Laws 1979, chapter 197, on the gross receipts from the furnishing  
108.32 for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort other  
108.33 than the renting or leasing of it for a continuous period of 30 days or more.

109.1 (b) Notwithstanding Minnesota Statutes, section 477A.016, the city of St. Cloud may,  
109.2 if approved by the voters at a general election, increase by ordinance the tax allowed under  
109.3 paragraph (a) by up to one percent. The election must be held before the governing body  
109.4 of the city considers the ordinance. The proceeds of the increased tax must be used for  
109.5 remodeling, improvements, and expansion of the Municipal Athletic Center, including  
109.6 making payments on any associated bonds.

109.7 **EFFECTIVE DATE.** This section is effective the day after the city of St. Cloud and  
109.8 its chief clerical officer timely comply with Minnesota Statutes, section 645.021.

109.9 Sec. 18. Laws 2011, First Special Session chapter 7, article 4, section 10, subdivision 3,  
109.10 is amended to read:

109.11 Subd. 3. **Use of revenues.** (a) Revenues received from taxes authorized by subdivisions  
109.12 1 and 2 must be used by the city to pay the cost of collecting the taxes and to pay for the  
109.13 following projects:

109.14 (1) \$4,500,000 for construction and completion of park improvement projects, including  
109.15 St. Louis River riverfront improvements; Veteran's Park construction and improvements;  
109.16 improvements to the Hilltop Park soccer complex and Braun Park baseball complex; capital  
109.17 equipment and building and grounds improvements at the Pine Valley Park/Pine Valley  
109.18 Hockey Arena/Cloquet Area Recreation Center; and development of pedestrian trails within  
109.19 the city;

109.20 (2) \$5,800,00 for extension of utilities and the construction of all improvements associated  
109.21 with the development of property adjacent to Highway 33 and Interstate Highway 35,  
109.22 including payment of all debt service on bonds issued for these; and

109.23 (3) \$6,200,000 for engineering and construction of infrastructure improvements,  
109.24 including, ~~but not limited to~~ roads, bridges, storm sewer, sanitary sewer, and water in areas  
109.25 identified as part of the city's comprehensive land use plan.

109.26 (b) Authorized expenses include, but are not limited to, acquiring property and paying  
109.27 construction expenses related to these improvements, and paying debt service on bonds or  
109.28 other obligations issued to finance acquisition and construction of these improvements.

109.29 (c) Notwithstanding the revenue allocations in paragraph (a), clause (3), if the amount  
109.30 spent for the improvements under paragraph (a), clause (2), are less than the \$5,800,000  
109.31 allowed under that clause, the total amount spent for the purpose listed in paragraph (a),  
109.32 clause (3), may be increased by the difference between \$5,800,000 and the amount actually  
109.33 spent under paragraph (a), clause (2). However, the total expenditures for projects under

110.1 this subdivision may not exceed \$16,500,000, excluding any costs related to issuance of  
 110.2 bonds under subdivision 4.

110.3 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 110.4 city of Cloquet and its chief clerical officer comply with the provisions of Minnesota Statutes,  
 110.5 section 645.021, subdivisions 2 and 3.

110.6 Sec. 19. **CITY OF MINNEAPOLIS; UPPER HARBOR TERMINAL**  
 110.7 **REDEVELOPMENT PROJECT.**

110.8 Subdivision 1. **Qualifying rules.** Notwithstanding the criteria in Minnesota Statutes,  
 110.9 section 469.174, subdivision 10, the governing body of the city of Minneapolis may establish  
 110.10 by resolution one or more redevelopment tax increment financing districts within that portion  
 110.11 of the North Washington Industrial Park Redevelopment Project Area as its boundaries  
 110.12 existed on January 1, 2018, located north of Lowry Avenue. In each resolution, the city  
 110.13 must find that each parcel in the district was part of property that was formerly used as a  
 110.14 municipally owned intermodal barge shipping facility that can no longer be used for such  
 110.15 purpose due to the closure of the Upper St. Anthony Falls Lock under the federal Water  
 110.16 Resources Reform and Development Act of 2014. Except as provided in this section, the  
 110.17 provisions of Minnesota Statutes, sections 469.174 to 469.1794, apply to each district created  
 110.18 under this section.

110.19 Subd. 2. **Use of increments.** Minnesota Statutes, section 469.176, subdivision 4j, does  
 110.20 not apply to any district established under this section.

110.21 Subd. 3. **Five-year rule.** The five-year period under Minnesota Statutes, section 469.1763,  
 110.22 subdivision 3, is extended to ten years for any district established under this section.

110.23 Subd. 4. **Pooling authority.** Notwithstanding Minnesota Statutes, section 469.1763,  
 110.24 subdivision 2, tax increments from any district established under this section may be  
 110.25 expended anywhere within the portion of the project area as described in subdivision 1, on  
 110.26 eligible costs permitted under Minnesota Statutes, sections 469.174 to 469.1794, as amended.

110.27 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 110.28 city of Minneapolis and its chief clerical officer comply with Minnesota Statutes, section  
 110.29 645.021, subdivisions 2 and 3.

111.1 **Sec. 20. CITY OF CHAMPLIN; TAX INCREMENT FINANCING DISTRICT;**  
 111.2 **PROJECT REQUIREMENTS.**

111.3 Subdivision 1. Addition of parcels to district. The governing body of the city of  
 111.4 Champlin may elect to apply the provisions of this section to its Mississippi Crossings tax  
 111.5 increment financing district.

111.6 Subd. 2. Five-year rule. The five-year rule under Minnesota Statutes, section 469.1763,  
 111.7 subdivision 3, is extended to a ten-year period for the Mississippi Crossings tax increment  
 111.8 financing district.

111.9 Subd. 3. Revenues for decertification. Minnesota Statutes, section 469.1763, subdivision  
 111.10 4, does not apply to the Mississippi Crossings tax increment financing district.

111.11 **EFFECTIVE DATE.** This section is effective upon compliance with Minnesota Statutes,  
 111.12 section 645.021, subdivisions 2 and 3.

111.13 **Sec. 21. REVENUE DEPARTMENT SERVICE AND RECOVERY SPECIAL**  
 111.14 **REVENUE FUND.**

111.15 \$3,411,000 of the balance in the Revenue Department account in the special revenue  
 111.16 fund under Minnesota Statutes, section 270C.15, is transferred in fiscal year 2018 to the  
 111.17 general fund.

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

111.19 **Sec. 22. APPROPRIATION.**

111.20 \$5,000 in fiscal year 2019 only is appropriated from the general fund to the commissioner  
 111.21 of revenue for a grant of \$2,600 to the city of Mazeppa and a grant of \$2,400 to Wabasha  
 111.22 County. The grants, which shall be paid by July 20, 2018, may be used for property tax  
 111.23 abatements and other costs incurred by public and private entities as a result of a fire in the  
 111.24 city of Mazeppa on March 11, 2018. This is a onetime appropriation.

111.25 **EFFECTIVE DATE.** This section is effective July 1, 2018.

111.26 **Sec. 23. UNMANNED AIRCRAFT REGISTRATION TAX REFUND;**  
 111.27 **APPROPRIATION.**

111.28 (a) The commissioner of transportation shall refund the tax paid for the most recent  
 111.29 registration period on an unmanned aircraft system under Minnesota Statutes, sections  
 111.30 360.531 to 360.67, to a person who:

112.1 (1) registers and pays the specified fee for the unmanned aircraft system under Minnesota  
112.2 Statutes, section 360.55, subdivision 9, for the same registration period or an overlapping  
112.3 registration period; or

112.4 (2) is exempt from payment of the tax under Minnesota Statutes, sections 360.531 to  
112.5 360.67, and the fee under Minnesota Statutes, section 360.55, subdivision 9, as provided  
112.6 under this act.

112.7 (b) An amount necessary for any refunds under paragraph (a) is appropriated in fiscal  
112.8 year 2018 from the state airports fund to the commissioner of transportation for the purposes  
112.9 of providing refunds.

112.10 **EFFECTIVE DATE.** This section is effective July 1, 2018.

112.11 Sec. 24. **REPEALER.**

112.12 Minnesota Statutes 2016, sections 10A.322, subdivision 4; 13.4967, subdivision 2; and  
112.13 290.06, subdivision 23, and Minnesota Rules, part 4503.1400, subpart 4, are repealed.

112.14 **EFFECTIVE DATE.** This section is effective for contributions made on or after July  
112.15 1, 2018, and refund claims filed on or after July 1, 2018. "

112.16 Renumber the sections in sequence

112.17 Amend the title accordingly