

2023 Session - Property Tax Division
HF 1377 DE, Property Tax Division Report
Summary of Bill Changes with Property Tax Shifts

House File	Description	Proposed change	Property Tax Shift?	Shift detail	
PROPERTY TAX CHANGES					
1	1506	Homestead Credit State Refund PTR	Reduce co-pay by 5%	No	
2	1653	Renter PTR - Convert to Income Tax Credit	Conversion effective Rent pd 2024	No	
3	1504	Homestead Market Value Exclusion chgs	Increase in MVE from \$413,800 to \$437,100	Yes	Adds \$2.4 billion market value to existing \$16.6 billion in homestead market value exclusion. Bill would shift about \$11.4 million in homestead taxes statewide; PTR cost savings of \$1.3 million in FY 2026.
4	236 858 1060	Homestead Market Value Exclusion for disabled veterans - application for qualified spouses	Extend MVE to certain spouses	Yes	Adds \$280,000 in property taxes onto other properties, including other homesteads. For Pay 2022 \$4.3 billion in market value is excluded for veteran homesteads
5	307	Community land trust, class 4d	Creates class 4d(2) rate @ 0.75%. Current class 1a rates are 1.0% for first \$500,000 of market value, 1.25% for additional value	Yes	About \$350 million of market value would change from class 1a to class 4d(2).
6	1727	Senior Citizens Property Tax Deferral	Expand eligibility by lowering occupancy from 15 y to 5 y and increase elig HH income to \$96,000	No	The state pays the amount of deferred tax to the county until the property is sold, after which deferred taxes are repaid to the state.
7	259	Elderly living facility exemption	Exempt elderly living facility	Yes	For Pay 2024, property taxes of St. Ann's senior Residence would shift onto other taxpayers - no value provided in the revenue estimate, but PTR impact \$10,000 in Pay 2024/FY 2025 .
8	1099	Solar generating system property	Clarifies when solar energy systems cannot be combined for purposes of the production tax.	Yes	About 150 solar energy generating systems would be subject to reclassification. The shift of property taxes onto homesteads would be negligible.

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9 875	Extend property tax exemption for tribal-owned property	Extends current sunset of a tribal property from 2024 to 2034.	Yes	Property is limited to no more than 2 contiguous parcels and structures lower than 20,000 sq ft. Negligible impact on PTR.
10 1471	Airport property - property tax exemption for mfg'd aircraft hangar (12 yrs)	Reduces property tax by 50% for airport hangars used in manufacturing	Yes	For Pay 2024, \$470,000 in local taxes would be shifted onto other properties. Over 12-yrs, total amount shifted onto other properties is \$6.7 million
11 2012	Mining Tax changes	Changes gross proceeds tax to net proceeds tax, modifies production tax distributions	No	Property taxes are not included
12 HF 1377	Increase LGA and CPA appropriations	Increases LGA by \$100 million; increases CPA by \$100 million	Yes	The permanent increase in aid to cities and counties would reduce property tax levies by a portion of the increase. This would reduce property taxes on all property, including homesteads. The secondary PTR impacts would trigger a \$2.7 million savings from LGA increase and \$2.7 million savings from CPA in Pay 2024/FY 2025
13 2239 1802	LGA forgiveness	City of Echo, City of Morton	No	These are one-time payments
14 825	PILT changes	Increases PILT payments for DNR and county-administered lands, and creates a PILT payment	Yes	The permanent increase in aid to counties would reduce property tax levies by a portion of the increase. Secondary PTR impacts would be a \$250,000 cost savings in Pay 2024/FY2025

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15	TAX INCREMENT FINANCING			
16	880	Tax Increment Financing - Various pooling provisions clarified, administrative expense limitations clarified, and application of violations and remedies expanded.	No	
17	1871	Duluth TIF - Port Lot D, redvlpmt TIF	Yes	Details determined at local level
18	2412	Duluth TIF Medical Regional Exchg, redvlpmt TIF, extnd term to 2051	Yes	Details determined at local level
19	335	Savage TIF district special rules (5-6yr) extended	Yes	Details determined at local level
20	978	TIF Economic Development - Chatfield	Yes	Details determined at local level
21	263	Shakopee TIF - soil deficiency	Yes	Details determined at local level
22	1049	TIF expansion for 3 small cities (Spicer, Lafayette, Nicolet)	Yes	Details determined at local level
23	1768	Bloomington TIF - Central Station undevelpd parcels	Yes	Details determined at local level
24	134	Plymouth TIF - Establish a redvlpmt dstct, spc rules 10yr extnd	Yes	Details determined at local level
25	1285	Housing TIF - Nonmetro cities pop < 50,000	Yes	Details determined at local level
26	428	West St. Paul Redevelopment TIF - spec rules, uses	Yes	Details determined at local level
27	1458	Fridley TIF District 20 - trnsfr incrmt to HsgRedvlpmt Authority, limit uses, reports in 2024 & 2026. Expires Dec 2026	Yes	Details determined at local level
28	1463	Woodbury TIF Distct 13- spec rules amd	Yes	Details determined at local level
29	2118	Northwest MN Multi-County Hsg Redvlpmt Auth levy end date	No	