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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 3657

02/23/2026 Authored by Norris; Nadeau; Johnson, W., and Rehrauer
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxes; establishing a property tax task force; requiring a report.

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

1.4 Section 1. PROPERTY TAX TASK FORCE.

1.5 Subdivision 1. Establishment. (a) A property tax task force is established as provided
1.6 under this section. The goals of the task force are to:

1.7 (1) investigate ways to reduce property tax on homestead properties; and

1.8 (2) present options for legislation that would provide property tax relief to homestead
1.9 properties, including at least one option with minimal general fund impact.

1.10 (b) For the purpose of this section, "homestead property" means a residential homestead
1.11 classified as 1a under Minnesota Statutes, section 273.13, subdivision 22, and the portion
1.12 of class 2 property under Minnesota Statutes, section 273.13, subdivision 23, consisting of
1.13 the house and garage and immediately surrounding one acre of land.

1.14 Subd. 2. Considerations. As part of its work, the task force must consider:

1.15 (1) the effectiveness of the homestead market value exclusion in lowering homestead
1.16 property taxes relative to nonhomestead residential property;

1.17 (2) the effectiveness of the homestead market value exclusion in lowering homestead
1.18 property taxes in 2025 compared to the effectiveness of the homestead market value exclusion
1.19 in lowering homestead property taxes in 2011;

2.1 (3) whether changing property tax classification rates would be a preferred tool for
 2.2 reducing property tax on homestead properties, compared to the homestead market value
 2.3 exclusion;

2.4 (4) how property tax classification rates compare across all types of property by
 2.5 comparing classification rates of classifications containing similar types of property and
 2.6 exploring whether consolidating some classifications could be achieved in a way that reduces
 2.7 property tax on homestead properties;

2.8 (5) changes and trends in the share of property taxes paid by homestead properties from
 2.9 2015 through 2025;

2.10 (6) changes and trends in the relative share of state and local property taxes paid by
 2.11 property classified as commercial, industrial, or public utility property under Minnesota
 2.12 Statutes, section 273.13, subdivision 24, clauses (1) to (3), from 2015 through 2025; and

2.13 (7) how noncommercial seasonal residential recreational, nonhomestead residential, and
 2.14 homestead property tax burdens compare in different areas of the state and how these
 2.15 properties were taxed in 2015 compared to 2025.

2.16 Subd. 3. **Membership.** The task force must consist of the following members:

2.17 (1) two state representatives, one appointed by each of the cochairs of the house of
 2.18 representatives Taxes Committee;

2.19 (2) two state senators, one appointed by the chair of the senate Taxes Committee and
 2.20 one appointed by the ranking minority member of the committee;

2.21 (3) the commissioner of revenue, or a designee;

2.22 (4) two people appointed by the Association of Minnesota Counties;

2.23 (5) two people appointed by the League of Minnesota Cities;

2.24 (6) one person appointed by the Minnesota Association of Townships; and

2.25 (7) one person appointed by the Minnesota Association of Assessing Officers.

2.26 Subd. 4. **Duties.** (a) The task force must make advisory recommendations to the
 2.27 legislature on the goals outlined in subdivision 1.

2.28 (b) The commissioner of revenue or their designee must chair the initial meeting and
 2.29 the task force must elect a chair at that initial meeting. The task force will meet at the call
 2.30 of the chair. Members of the task force must serve without compensation. The commissioner
 2.31 of revenue must provide administrative support to the task force. Minnesota Statutes, chapter

3.1 13D, does not apply to meetings of this task force. Meetings of the task force must be open
3.2 to the public and the task force must provide notice of a meeting at least seven days before
3.3 the meeting. A meeting of the task force occurs when a quorum is present.

3.4 Subd. 5. **Report.** The task force must submit a report to the chairs and ranking minority
3.5 members of the legislative committees with jurisdiction over property taxes no later than
3.6 February 1, 2027. The report must contain the task force's advisory recommendations and
3.7 any additional information the task force deems relevant.

3.8 Subd. 6. **Expiration.** The task force established by this section expires upon submission
3.9 of the report under subdivision 5.

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