— HOUSE RESEARCH — Bill Summary —

H. F. 125 DATE: February 5, 1999 As introduced
Erhardt and others
Reducing class rate on second tier of seasonal recreational property
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Overview

Decreases the class rate on the market value over \$75,000 of seasonal residential recreational property. State aid (HACA) is paid to the taxing districts to offset the loss in tax base. Effective for taxes payable in 2000 and thereafter.

1 Seasonal recreational residential property. Moves seasonal residential recreational property not used for commercial purposes (i.e. cabins) into class 4bb. Class 4bb has a class rate of 1.25 percent on the first \$75,000 market value and 1.7 percent on the market value over \$75,000.

Under current law, this type of property is in class 4c and has a class rate of 1.25 on the first \$75,000 market value and 2.2 percent on the excess market value over \$75,000.

- 2 **Homestead and agricultural credit aid (HACA).** Provides HACA beginning with aids payable in 2000 to the taxing districts to offset the loss of tax base due to the class rate decrease on the market value over \$75,000.
- **3 Effective date.** Provides that section 1 is effective for taxes levied in 1999, payable 2000 and thereafter. Section 2 is effective for aids payable in 2000.

Note: H.F. 211 (Abrams and others) is identical to H.F. 125.