

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 11

DATE: April 8, 2003

Version: As introduced

Authors: Mullery

Subject: Repeals limited market value phase-out schedule

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Overview

Repeals the current limited market value (LMV) phase-out schedule; reverts back to a maximum increase of 8.5% (or 15% of the difference between the current year's EMV and the previous year's LMV), which was the limitation through taxes payable in 2002. This new 8.5% limitation is effective for 6 years (through taxes payable in 2009). LMV is then repealed beginning with the 2009 assessment, taxes payable in 2010.

Section

- 1 Limited market value.** Repeals the current LMV phase-out schedule and reverts back to the limitation that was in place for taxes payable in 2002, which was a maximum increase of 8.5% (or 15% of the difference between the current year's EMV and the previous year's LMV.) This new 8.5% limitation is effective for 6 years (through taxes payable in 2009). LMV is then repealed beginning with taxes payable in 2010, with no phase-out.

See tables below for a comparison of current law and the schedule proposed in H.F. 11.

| Current Law | | |
|----------------------------------|---|---|
| Assessment Year/ Payable Year | (1) Percentage of previous year's LMV | (2) Percentage of difference between previous year's LMV and current year's EMV |
| 2002/2003 | 10% | 15% |
| 2003/2004 | 12 | 20 |
| 2004/2005 | 15 | 25 |

Section

| | | |
|-----------|----|----|
| 2005/2006 | 15 | 33 |
| 2006/2007 | 15 | 50 |

| H.F. 11 | | |
|--|--|--|
| Assessment Year/ Payable Year | (1) Percentage of previous year's LMV | (2) Percentage of difference between previous year's LMV and current year's EMV |
| 2002/2003 | 10.0% | 15% |
| 2003/2004 | 8.5 | 15 |
| 2004/2005 | 8.5 | 15 |
| 2005/2006 | 8.5 | 15 |
| 2006/2007 | 8.5 | 15 |
| 2007/2008 | 8.5 | 15 |
| 2008/2009 | 8.5 | 15 |

Beginning in assessment year 2009 for taxes payable in 2010, all property will be valued at full market value for property tax purposes.

Effective the day following final enactment.