

HOUSE RESEARCH

Bill Summary

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Subject: Property taxation of homestead resort property

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Overview

H.F. 1698 makes a number of changes in the exemption status of land leased from governmental units by private entities for seasonal recreational purposes. It also extends class 1c (homestead resort) eligibility to resorts abutting state trails.

Section

- 1 **Leased seasonal-recreational land.** Makes changes to the law affecting the taxation of land leased from governmental units by a private entity and used for seasonal-recreational purposes:
 - ▶ Automatically exempts land leased from the state, a county, a city, or a town from taxation, whereas under current law exemption requires county approval (for land leased from the federal government, the exemption is already automatic).
 - ▶ Eliminates the requirement that in order to qualify for exemption, the property had to be exempt in 2008 and rented for the same purpose.
 - ▶ Allows the exemption for homesteaded resort property, whereas under current law it applies only to noncommercial seasonal-recreational property.
- 2 **Class 1c (homestead resort) classification.** Extends eligibility for class 1c homestead resort classification to resort properties abutting state trails (currently this classification is limited to resorts abutting public waters). Makes minor change relating to how title to class 1c property is held.