

# HOUSE RESEARCH

## Bill Summary

**File Number:** H.F. 3430  
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**Subject:** Providing a reduced class rate for craft or retreat houses

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H.F. 3430 expands the definition of “bed & breakfast” in the property tax statutes to include retreat houses or craft houses. These would be properties that could be converted to duplexes or triplexes with minimal modification, rent rooms for periods of 14 days or fewer, provide guests with areas to prepare meals, and do not provide meals to the general public more than seven days a year. The classification would be limited to five residential units on the property. These facilities are currently classified as commercial-industrial, so they would be going from a class rate of 1.5 percent on the first \$150,000 and 2 percent on the value over \$150,000 to 1.25 percent on the entire value, and they are currently paying the state general levy but would now be exempt from the state general levy.