

Subject Elderly living facility deferral of property taxes

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Overview

As amended, H.F. 552 establishes a deferral of property taxes for an elderly living facility. As long as the property continues to meet the requirements of the bill, the facility is treated as if it were exempt from property taxes. If the property is sold, transferred, or no longer meets the requirements, the property owner must pay taxes that would have been due over the last five years.

The deferral is effective beginning with property taxes payable in 2020.

Summary

Section	Description
1	<p>Elderly living facility deferral.</p> <p>Subd. 1. Requirements. Provides that an elderly living facility is exempt from property taxation if:</p> <ul style="list-style-type: none">• it is located in a city of the first class with a population under 110,000 (limiting the exemption to facilities in the city of Duluth);• it is owned and operated by a 501c(3) nonprofit corporation;• it was constructed with a completion date in 1963;• it is licensed to provide housing with services and comprehensive home care;• the residents are at least 62 years of age and/or disabled; and• at least 30 percent of the units in the facility are occupied by persons whose annual income does not exceed 50 percent of the median family income for the area. <p>Subd. 2. Deferral of taxes. Permits property that meets the requirements in subdivision 1 to be treated as exempt from property tax, except that the assessor</p>

Section	Description
	<p>makes a separate determination of what the property would have paid in property tax, had it not been treated as exempt.</p> <p>Subd. 3. Application. Requires an initial application for deferral of taxes under this section.</p> <p>Subd. 4. Payment of taxes. Requires any property receiving this property tax deferral to pay property tax due in the current year and any tax that has been deferred over the last four years, if the property is sold, transferred, or no longer meets the requirements under subdivision 1.</p> <p>Subd. 5. Lien. Establishes that taxes imposed under this section are a lien upon the property.</p>



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