

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH SESSION

S.F. No. 2226

(SENATE AUTHORS: SCHMIT)

DATE	D-PG	OFFICIAL STATUS
03/03/2014	5932	Introduction and first reading Referred to Taxes

1.1 A bill for an act
 1.2 relating to taxation; property; authorizing property tax credit programs;
 1.3 proposing coding for new law in Minnesota Statutes, chapter 276.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **[276.25] RETIRED HOMEOWNER PROPERTY TAX CREDIT**
 1.6 **PROGRAM.**

1.7 Subdivision 1. **Authority.** Any county, city, or school district may establish a
 1.8 program allowing certain persons who are the owners of homestead property within the
 1.9 jurisdiction to provide public service in return for a reduction in the jurisdiction's share of
 1.10 the property tax on the homestead.

1.11 Subd. 2. **Program requirements.** A jurisdiction which establishes a program
 1.12 under this section must:

1.13 (1) limit eligibility to persons who:

1.14 (i) own and occupy a property classified as homestead, or are the spouse of the owner
 1.15 of the homestead, and have occupied the property as a homestead for at least five years prior
 1.16 to the beginning of the taxes payable year for which property tax credits will be earned;

1.17 (ii) are at least 62 years old as of the start of the year the property taxes are payable;

1.18 and

1.19 (iii) are receiving pension or Social Security payments as of the start of the year
 1.20 the property taxes are payable;

1.21 (2) require that there be no delinquent taxes on a participant's homestead; and

1.22 (3) provide that no preference for acceptance into the program be given to a person
 1.23 who has participated in a prior year.

2.1 Subd. 3. **Property tax credits.** (a) Property tax credits must be awarded to program
2.2 participants at a rate equal to the applicable minimum wage.

2.3 (b) Each participant is limited each year to the credit necessary to offset the
2.4 jurisdiction's share of the net property tax on the portion of the homestead defined under
2.5 section 290B.03, subdivision 2.

2.6 (c) Prior to May 15 of each year, each participating jurisdiction must notify its county
2.7 treasurer of the amount of credit earned by each participant for the period from January 1
2.8 to April 30 of the year, and that credit must be applied to the participant's first-half property
2.9 tax payment. Prior to October 15 of each year, each participating jurisdiction must notify
2.10 its county treasurer of the amount of credit earned by each participant for the period from
2.11 May 1 to September 30 of the year, and that credit must be applied to the participant's
2.12 second-half property tax payment. Any credit for the period from October 1 through
2.13 December 31 must be applied to the first-half payment for taxes due in the following year.

2.14 Subd. 4. **Nature of program participation.** Nothing in this section shall be
2.15 construed as establishing an employer-employee relationship between the taxing
2.16 jurisdiction and program participants.

2.17 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2015.