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State of Minnesota

HOUSE OF REPRESENTATIVES

SPECIAL SESSION

H. F. No. 101

06/15/2020 Authored by Davnie
The bill was read for the first time and referred to the Property and Local Tax Division

1.1 A bill for an act
1.2 relating to taxation; property taxes; prohibiting property value increases for business
1.3 property damaged or destroyed due to unrest in Minneapolis and St. Paul; amending
1.4 Minnesota Statutes 2018, sections 273.11, subdivision 5, by adding a subdivision;
1.5 276.04, subdivision 2; Minnesota Statutes 2019 Supplement, section 273.121,
1.6 subdivision 1.

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

1.8 Section 1. Minnesota Statutes 2018, section 273.11, subdivision 5, is amended to read:

1.9 Subd. 5. **Boards of review and equalization.** Notwithstanding any other provision of
1.10 law to the contrary, ~~the limitation contained~~ any limitations on valuation in subdivisions 1
1.11 ~~and 1a~~ this section shall also apply to the authority of the local board of review as provided
1.12 in section 274.01, the county board of equalization as provided in section 274.13, the State
1.13 Board of Equalization and the commissioner of revenue as provided in sections 270.11,
1.14 subdivision 1, 270.12, 270C.92, and 270C.94.

1.15 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2020
1.16 for taxes payable in 2021.

1.17 Sec. 2. Minnesota Statutes 2018, section 273.11, is amended by adding a subdivision to
1.18 read:

1.19 Subd. 24. **Business property valuation increase prohibited.** (a) For the purposes of
1.20 this subdivision, "qualifying property" means a property that:

1.21 (1) is classified as 3a under section 273.13, subdivision 24;

2.1 (2) was damaged or destroyed due to the unrest in the cities of Minneapolis and St. Paul  
 2.2 between May 25, 2020, and June 10, 2020;

2.3 (3) receives an abatement or credit under sections 273.1231 to 273.1235;

2.4 (4) retains the same ownership as it had prior to sustaining the damage or destruction  
 2.5 caused by the unrest; and

2.6 (5) undergoes repair or reconstruction to remedy damage or destruction caused by the  
 2.7 unrest.

2.8 (b) The estimated market value for a qualifying property must not exceed the property's  
 2.9 estimated market value as of its reassessment performed to determine its eligibility to receive  
 2.10 abatements or credits under sections 273.1231 to 273.1235 until assessment year 2025.

2.11 (c) The owner or owners of a qualifying property must apply to the county or local  
 2.12 assessor by September 1, 2020, in a manner prescribed by the assessor. In subsequent years,  
 2.13 applicants must continue to meet the requirements of paragraph (a) and must submit any  
 2.14 information the county or local assessor deems necessary to determine continued eligibility  
 2.15 under this subdivision by December 15.

2.16 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2020  
 2.17 for taxes payable in 2021.

2.18 Sec. 3. Minnesota Statutes 2019 Supplement, section 273.121, subdivision 1, is amended  
 2.19 to read:

2.20 Subdivision 1. **Notice.** Any county assessor or city assessor having the powers of a  
 2.21 county assessor, valuing or classifying taxable real property shall in each year notify those  
 2.22 persons whose property is to be included on the assessment roll that year if the person's  
 2.23 address is known to the assessor, otherwise the occupant of the property. The notice shall  
 2.24 be in writing and shall be sent by ordinary mail at least ten days before the meeting of the  
 2.25 local board of appeal and equalization under section 274.01 or the review process established  
 2.26 under section 274.13, subdivision 1c. Upon written request by the owner of the property,  
 2.27 the assessor may send the notice in electronic form or by electronic mail instead of on paper  
 2.28 or by ordinary mail. It shall contain: (1) the estimated market value for the current and prior  
 2.29 assessment, (2) any value reduction resulting from the limitation under section 273.11,  
 2.30 subdivision 24, (3) the qualifying amount of any improvements under section 273.11,  
 2.31 subdivision 16, for the current assessment, ~~(3)~~ (4) the market value subject to taxation after  
 2.32 subtracting the amount of any qualifying improvements for the current assessment, ~~(4)~~ (5)  
 2.33 the classification of the property for the current and prior assessment, ~~(5)~~ (6) the assessor's

3.1 office address, and ~~(6)~~ (7) the dates, places, and times set for the meetings of the local board  
3.2 of appeal and equalization, the review process established under section 274.13, subdivision  
3.3 1c, and the county board of appeal and equalization. If the classification of the property has  
3.4 changed between the current and prior assessments, a specific note to that effect shall be  
3.5 prominently listed on the statement. The commissioner of revenue shall specify the form  
3.6 of the notice. The assessor shall attach to the assessment roll a statement that the notices  
3.7 required by this section have been mailed. Any assessor who is not provided sufficient funds  
3.8 from the assessor's governing body to provide such notices, may make application to the  
3.9 commissioner of revenue to finance such notices. The commissioner of revenue shall conduct  
3.10 an investigation and, if satisfied that the assessor does not have the necessary funds, issue  
3.11 a certification to the commissioner of management and budget of the amount necessary to  
3.12 provide such notices. The commissioner of management and budget shall issue a payment  
3.13 for such amount and shall deduct such amount from any state payment to such county or  
3.14 municipality. The necessary funds to make such payments are hereby appropriated. Failure  
3.15 to receive the notice shall in no way affect the validity of the assessment, the resulting tax,  
3.16 the procedures of any board of review or equalization, or the enforcement of delinquent  
3.17 taxes by statutory means.

3.18 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2020  
3.19 for taxes payable in 2021.

3.20 Sec. 4. Minnesota Statutes 2018, section 276.04, subdivision 2, is amended to read:

3.21 Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the printing of  
3.22 the tax statements. The commissioner of revenue shall prescribe the form of the property  
3.23 tax statement and its contents. The tax statement must not state or imply that property tax  
3.24 credits are paid by the state of Minnesota. The statement must contain a tabulated statement  
3.25 of the dollar amount due to each taxing authority and the amount of the state tax from the  
3.26 parcel of real property for which a particular tax statement is prepared. The dollar amounts  
3.27 attributable to the county, the state tax, the voter approved school tax, the other local school  
3.28 tax, the township or municipality, and the total of the metropolitan special taxing districts  
3.29 as defined in section 275.065, subdivision 3, paragraph (i), must be separately stated. The  
3.30 amounts due all other special taxing districts, if any, may be aggregated except that any  
3.31 levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin,  
3.32 Ramsey, Scott, or Washington under chapter 398A shall be listed on a separate line directly  
3.33 under the appropriate county's levy. If the county levy under this paragraph includes an  
3.34 amount for a lake improvement district as defined under sections 103B.501 to 103B.581,  
3.35 the amount attributable for that purpose must be separately stated from the remaining county

4.1 levy amount. In the case of Ramsey County, if the county levy under this paragraph includes  
4.2 an amount for public library service under section 134.07, the amount attributable for that  
4.3 purpose may be separated from the remaining county levy amount. The amount of the tax  
4.4 on homesteads qualifying under the senior citizens' property tax deferral program under  
4.5 chapter 290B is the total amount of property tax before subtraction of the deferred property  
4.6 tax amount. The amount of the tax on contamination value imposed under sections 270.91  
4.7 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar  
4.8 amount of any special assessments, may be rounded to the nearest even whole dollar. For  
4.9 purposes of this section whole odd-numbered dollars may be adjusted to the next higher  
4.10 even-numbered dollar. The amount of market value excluded under section 273.11,  
4.11 subdivision 16, if any, must also be listed on the tax statement.

4.12 (b) The property tax statements for manufactured homes and sectional structures taxed  
4.13 as personal property shall contain the same information that is required on the tax statements  
4.14 for real property.

4.15 (c) Real and personal property tax statements must contain the following information  
4.16 in the order given in this paragraph. The information must contain the current year tax  
4.17 information in the right column with the corresponding information for the previous year  
4.18 in a column on the left:

4.19 (1) the property's estimated market value under section 273.11, subdivision 1;

4.20 (2) the property's homestead market value exclusion under section 273.13, subdivision  
4.21 35, and any reduction due to section 273.11, subdivision 24;

4.22 (3) the property's taxable market value under section 272.03, subdivision 15;

4.23 (4) the property's gross tax, before credits;

4.24 (5) for agricultural properties, the credits under sections 273.1384 and 273.1387;

4.25 (6) any credits received under sections 273.119; 273.1234 or 273.1235; 273.135;  
4.26 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit  
4.27 received under section 273.135 must be separately stated and identified as "taconite tax  
4.28 relief"; and

4.29 (7) the net tax payable in the manner required in paragraph (a).

4.30 (d) If the county uses envelopes for mailing property tax statements and if the county  
4.31 agrees, a taxing district may include a notice with the property tax statement notifying  
4.32 taxpayers when the taxing district will begin its budget deliberations for the current year,  
4.33 and encouraging taxpayers to attend the hearings. If the county allows notices to be included

5.1 in the envelope containing the property tax statement, and if more than one taxing district  
5.2 relative to a given property decides to include a notice with the tax statement, the county  
5.3 treasurer or auditor must coordinate the process and may combine the information on a  
5.4 single announcement.

5.5 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2020  
5.6 for taxes payable in 2021.