

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 2119

(SENATE AUTHORS: CHAMBERLAIN)

DATE
03/15/2021

D-PG

917 Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
 1.2 relating to taxation; property; modifying classification rate for community land
 1.3 trust properties; amending Minnesota Statutes 2020, section 273.11, subdivision
 1.4 12.

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

1.6 Section 1. Minnesota Statutes 2020, section 273.11, subdivision 12, is amended to read:

1.7 Subd. 12. **Community land trusts.** (a) A community land trust, as defined under chapter
 1.8 462A, is (i) a community-based nonprofit corporation organized under chapter 317A, which
 1.9 qualifies for tax exempt status under 501(c)(3), or (ii) a "city" as defined in section 462C.02,
 1.10 subdivision 6, which has received funding from the Minnesota housing finance agency for
 1.11 purposes of the community land trust program. The Minnesota Housing Finance Agency
 1.12 shall set the criteria for community land trusts.

1.13 (b) All occupants of a community land trust building must have a family income of less
 1.14 than 80 percent of the greater of (1) the state median income, or (2) the area or county
 1.15 median income, as most recently determined by the Department of Housing and Urban
 1.16 Development. Before the community land trust can rent or sell a unit to an applicant, the
 1.17 community land trust shall verify to the satisfaction of the administering agency or the city
 1.18 that the family income of each person or family applying for a unit in the community land
 1.19 trust building is within the income criteria provided in this paragraph. The administering
 1.20 agency or the city shall verify to the satisfaction of the county assessor that the occupant
 1.21 meets the income criteria under this paragraph. The property tax benefits under paragraph
 1.22 (c) shall be granted only to property owned or rented by persons or families within the

qualifying income limits. The family income criteria and verification is only necessary at the time of initial occupancy in the property.

(c) A unit which is owned by the occupant and used as a homestead by the occupant qualifies for homestead treatment as class 1a under section 273.13, subdivision 22, but shall receive the same classification rate as the first tier of class 4d property under section 273.13, subdivision 25. A unit which is rented by the occupant and used as a homestead by the occupant shall be class 4a or 4b property, under section 273.13, subdivision 25, whichever is applicable but shall receive the same classification rate as the first tier of class 4d property under section 273.13, subdivision 25. Any remaining portion of the property not used for residential purposes shall be classified by the assessor in the appropriate class based upon the use of that portion of the property owned by the community land trust. The land upon which the building is located shall be assessed at the same classification rate as the units within the building, provided that if the building contains some units assessed as class 1a and some units assessed as class 4a or 4b, the market value of the land will be assessed in the same proportions as the value of the building.

EFFECTIVE DATE. This section is effective beginning with assessment year 2022.