

2.1 hold residential participation warrants entitling them to occupy a lot in the manufactured
2.2 home park.

2.3 (d) "Homestead treatment" under this subdivision means the classification rate provided
2.4 for class 4c property classified under section 273.13, subdivision 25, paragraph (d), clause
2.5 (5), item (ii); and the homestead market value exclusion under section 273.13, subdivision
2.6 35, does not apply ~~and the property taxes assessed against the park shall not be included in~~
2.7 ~~the determination of taxes payable for rent paid under section 290A.03.~~

2.8 **EFFECTIVE DATE.** This section is effective beginning with claims for taxes payable
2.9 in 2020.

2.10 Sec. 2. Minnesota Statutes 2018, section 290A.03, subdivision 13, is amended to read:

2.11 Subd. 13. **Property taxes payable.** "Property taxes payable" means the property tax
2.12 exclusive of special assessments, penalties, and interest payable on a claimant's homestead
2.13 after deductions made under sections 273.135, 273.1384, 273.1391, 273.42, subdivision 2,
2.14 and any other state paid property tax credits in any calendar year, and after any refund
2.15 claimed and allowable under section 290A.04, subdivision 2h, that is first payable in the
2.16 year that the property tax is payable. In the case of a claimant who makes ground lease
2.17 payments, "property taxes payable" includes the amount of the payments directly attributable
2.18 to the property taxes assessed against the parcel on which the house is located. Regardless
2.19 of the limitations in section 280A(c)(5) of the Internal Revenue Code, "property taxes
2.20 payable" must be apportioned or reduced for the use of a portion of the claimant's homestead
2.21 for a business purpose if the claimant deducts any business depreciation expenses for the
2.22 use of a portion of the homestead or deducts expenses under section 280A of the Internal
2.23 Revenue Code for a business operated in the claimant's homestead. For homesteads which
2.24 are manufactured homes as defined in section 273.125, subdivision 8, ~~and for homesteads~~
2.25 ~~which are~~ including manufactured homes located in a manufactured home community owned
2.26 by a cooperative organized under chapter 308A or 308B, and park trailers taxed as
2.27 manufactured homes under section 168.012, subdivision 9, "property taxes payable" shall
2.28 also include 17 percent of the gross rent paid in the preceding year for the site on which the
2.29 homestead is located. When a homestead is owned by two or more persons as joint tenants
2.30 or tenants in common, such tenants shall determine between them which tenant may claim
2.31 the property taxes payable on the homestead. If they are unable to agree, the matter shall
2.32 be referred to the commissioner of revenue whose decision shall be final. Property taxes
2.33 are considered payable in the year prescribed by law for payment of the taxes.

3.1 In the case of a claim relating to "property taxes payable," the claimant must have owned
3.2 and occupied the homestead on January 2 of the year in which the tax is payable and (i) the
3.3 property must have been classified as homestead property pursuant to section 273.124, on
3.4 or before December 15 of the assessment year to which the "property taxes payable" relate;
3.5 or (ii) the claimant must provide documentation from the local assessor that application for
3.6 homestead classification has been made on or before December 15 of the year in which the
3.7 "property taxes payable" were payable and that the assessor has approved the application.

3.8 **EFFECTIVE DATE.** This section is effective beginning with claims for tax payable
3.9 in 2020.