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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1343

02/06/2023 Authored by Youakim, Gomez, Hassan, Coulter, Kraft and others
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; property; modifying identification requirements for homestead
1.3 determination; amending Minnesota Statutes 2022, sections 270B.12, subdivisions
1.4 8, 9; 273.124, subdivisions 13, 13c, 13d, 14; 273.1245, subdivision 1; 273.1315,
1.5 subdivision 2; 290A.25.

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

1.7 Section 1. Minnesota Statutes 2022, section 270B.12, subdivision 8, is amended to read:

1.8 Subd. 8. County assessors; homestead classification and renter credit. The
1.9 commissioner may disclose names and Social Security numbers or names and individual
1.10 taxpayer identification numbers of individuals who have applied for both homestead
1.11 classification under section 273.13 and a property tax refund as a renter under chapter 290A
1.12 for the purpose of and to the extent necessary to administer section 290A.25.

1.13 EFFECTIVE DATE. This section is effective for allowed disclosures made in 2023
1.14 and thereafter.

1.15 Sec. 2. Minnesota Statutes 2022, section 270B.12, subdivision 9, is amended to read:

1.16 Subd. 9. County assessors; homestead application, determination, and income tax
1.17 status. (a) If, as a result of an audit, the commissioner determines that a person is a Minnesota
1.18 nonresident or part-year resident for income tax purposes, the commissioner may disclose
1.19 the person's name, address, and Social Security number or the person's name, address, and
1.20 individual taxpayer identification number to the assessor of any political subdivision in the
1.21 state, when there is reason to believe that the person may have claimed or received homestead
1.22 property tax benefits for a corresponding assessment year in regard to property apparently
1.23 located in the assessor's jurisdiction.

2.1 (b) To the extent permitted by section 273.124, subdivision 1, paragraph (a), the
2.2 Department of Revenue may verify to a county assessor whether an individual who is
2.3 requesting or receiving a homestead classification has filed a Minnesota income tax return
2.4 as a resident for the most recent taxable year for which the information is available.

2.5 **EFFECTIVE DATE.** This section is effective for allowed disclosures made in 2023
2.6 and thereafter.

2.7 Sec. 3. Minnesota Statutes 2022, section 273.124, subdivision 13, is amended to read:

2.8 Subd. 13. **Homestead application.** (a) A person who meets the homestead requirements
2.9 under subdivision 1 must file a homestead application with the county assessor to initially
2.10 obtain homestead classification.

2.11 (b) The commissioner shall prescribe the content, format, and manner of the homestead
2.12 application required to be filed under this chapter pursuant to section 270C.30. The
2.13 application must clearly inform the taxpayer that this application must be signed by all
2.14 owners who occupy the property or by the qualifying relative and returned to the county
2.15 assessor in order for the property to receive homestead treatment.

2.16 (c) Every property owner applying for homestead classification must furnish to the
2.17 county assessor the Social Security number or individual taxpayer identification number of
2.18 each occupant who is listed as an owner of the property on the deed of record, the name
2.19 and address of each owner who does not occupy the property, and the name and Social
2.20 Security number or individual taxpayer identification number of the spouse of each occupying
2.21 owner. The application must be signed by each owner who occupies the property and by
2.22 each owner's spouse who occupies the property, or, in the case of property that qualifies as
2.23 a homestead under subdivision 1, paragraph (c), by the qualifying relative.

2.24 If a property owner occupies a homestead, the property owner's spouse may not claim
2.25 another property as a homestead unless the property owner and the property owner's spouse
2.26 file with the assessor an affidavit or other proof required by the assessor stating that the
2.27 property qualifies as a homestead under subdivision 1, paragraph (e).

2.28 Owners or spouses occupying residences owned by their spouses and previously occupied
2.29 with the other spouse, either of whom fail to include the other spouse's name and Social
2.30 Security number or individual taxpayer identification number on the homestead application
2.31 or provide the affidavits or other proof requested, will be deemed to have elected to receive
2.32 only partial homestead treatment of their residence. The remainder of the residence will be
2.33 classified as nonhomestead residential. When an owner or spouse's name and Social Security

3.1 number or individual taxpayer identification number appear on homestead applications for
3.2 two separate residences and only one application is signed, the owner or spouse will be
3.3 deemed to have elected to homestead the residence for which the application was signed.

3.4 (d) If residential real estate is occupied and used for purposes of a homestead by a relative
3.5 of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for
3.6 the property to receive homestead status, a homestead application must be filed with the
3.7 assessor. The Social Security number or individual taxpayer identification number of each
3.8 relative occupying the property and the name and Social Security number or individual
3.9 taxpayer identification number of the spouse of a relative occupying the property shall be
3.10 required on the homestead application filed under this subdivision. If a different relative of
3.11 the owner subsequently occupies the property, the owner of the property must notify the
3.12 assessor within 30 days of the change in occupancy. The Social Security number or individual
3.13 taxpayer identification number of a relative occupying the property or the spouse of a relative
3.14 occupying the property is private data on individuals as defined by section 13.02, subdivision
3.15 12, but may be disclosed to the commissioner of revenue, or, for the purposes of proceeding
3.16 under the Revenue Recapture Act to recover personal property taxes owing, to the county
3.17 treasurer.

3.18 (e) The homestead application shall also notify the property owners that if the property
3.19 is granted homestead status for any assessment year, that same property shall remain
3.20 classified as homestead until the property is sold or transferred to another person, or the
3.21 owners, the spouse of the owner, or the relatives no longer use the property as their
3.22 homestead. Upon the sale or transfer of the homestead property, a certificate of value must
3.23 be timely filed with the county auditor as provided under section 272.115. Failure to notify
3.24 the assessor within 30 days that the property has been sold, transferred, or that the owner,
3.25 the spouse of the owner, or the relative is no longer occupying the property as a homestead,
3.26 shall result in the penalty provided under this subdivision and the property will lose its
3.27 current homestead status.

3.28 (f) If a homestead application has not been filed with the county by December 31, the
3.29 assessor shall classify the property as nonhomestead for the current assessment year for
3.30 taxes payable in the following year, provided that the owner may be entitled to receive the
3.31 homestead classification by proper application under section 375.192.

3.32 **EFFECTIVE DATE.** This section is effective for homestead applications filed in 2023
3.33 and thereafter.

4.1 Sec. 4. Minnesota Statutes 2022, section 273.124, subdivision 13c, is amended to read:

4.2 Subd. 13c. **Property lists.** In addition to lists of homestead properties, the commissioner
 4.3 may ask the counties to furnish lists of all properties and the record owners. The Social
 4.4 Security numbers, individual taxpayer identification numbers, and federal identification
 4.5 numbers that are maintained by a county or city assessor for property tax administration
 4.6 purposes, and that may appear on the lists retain their classification as private or nonpublic
 4.7 data; but may be viewed, accessed, and used by the county auditor or treasurer of the same
 4.8 county for the limited purpose of assisting the commissioner in the preparation of microdata
 4.9 samples under section 270C.12. The commissioner shall use the information provided on
 4.10 the lists as appropriate under the law, including for the detection of improper claims by
 4.11 owners, or relatives of owners, under chapter 290A.

4.12 **EFFECTIVE DATE.** This section is effective for homestead data provided to the
 4.13 commissioner of revenue in 2024 and thereafter.

4.14 Sec. 5. Minnesota Statutes 2022, section 273.124, subdivision 13d, is amended to read:

4.15 Subd. 13d. **Homestead data.** On or before April 30 each year beginning in 2007, each
 4.16 county must provide the commissioner with the following data for each parcel of homestead
 4.17 property by electronic means as defined in section 289A.02, subdivision 8:

4.18 (1) the property identification number assigned to the parcel for purposes of taxes payable
 4.19 in the current year;

4.20 (2) the name and Social Security number or individual taxpayer identification number
 4.21 of each occupant of homestead property who is the property owner or qualifying relative
 4.22 of a property owner, and the spouse of the property owner who occupies homestead property
 4.23 or spouse of a qualifying relative of a property owner who occupies homestead property;

4.24 (3) the classification of the property under section 273.13 for taxes payable in the current
 4.25 year and in the prior year;

4.26 (4) an indication of whether the property was classified as a homestead for taxes payable
 4.27 in the current year because of occupancy by a relative of the owner or by a spouse of a
 4.28 relative;

4.29 (5) the property taxes payable as defined in section 290A.03, subdivision 13, for the
 4.30 current year and the prior year;

4.31 (6) the market value of improvements to the property first assessed for tax purposes for
 4.32 taxes payable in the current year;

5.1 (7) the assessor's estimated market value assigned to the property for taxes payable in
5.2 the current year and the prior year;

5.3 (8) the taxable market value assigned to the property for taxes payable in the current
5.4 year and the prior year;

5.5 (9) whether there are delinquent property taxes owing on the homestead;

5.6 (10) the unique taxing district in which the property is located; and

5.7 (11) such other information as the commissioner decides is necessary.

5.8 The commissioner shall use the information provided on the lists as appropriate under
5.9 the law, including for the detection of improper claims by owners, or relatives of owners,
5.10 under chapter 290A.

5.11 **EFFECTIVE DATE.** This section is effective for homestead data provided to the
5.12 commissioner of revenue in 2024 and thereafter.

5.13 Sec. 6. Minnesota Statutes 2022, section 273.124, subdivision 14, is amended to read:

5.14 Subd. 14. **Agricultural homesteads; special provisions.** (a) Real estate of less than ten
5.15 acres that is the homestead of its owner must be classified as class 2a under section 273.13,
5.16 subdivision 23, paragraph (a), if:

5.17 (1) the parcel on which the house is located is contiguous on at least two sides to (i)
5.18 agricultural land, (ii) land owned or administered by the United States Fish and Wildlife
5.19 Service, or (iii) land administered by the Department of Natural Resources on which in lieu
5.20 taxes are paid under sections 477A.11 to 477A.14 or section 477A.17;

5.21 (2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20
5.22 acres;

5.23 (3) the noncontiguous land is located not farther than four townships or cities, or a
5.24 combination of townships or cities from the homestead; and

5.25 (4) the agricultural use value of the noncontiguous land and farm buildings is equal to
5.26 at least 50 percent of the market value of the house, garage, and one acre of land.

5.27 Homesteads initially classified as class 2a under the provisions of this paragraph shall
5.28 remain classified as class 2a, irrespective of subsequent changes in the use of adjoining
5.29 properties, as long as the homestead remains under the same ownership, the owner owns a
5.30 noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use

6.1 value qualifies under clause (4). Homestead classification under this paragraph is limited
6.2 to property that qualified under this paragraph for the 1998 assessment.

6.3 (b)(i) Agricultural property shall be classified as the owner's homestead, to the same
6.4 extent as other agricultural homestead property, if all of the following criteria are met:

6.5 (1) the agricultural property consists of at least 40 acres including undivided government
6.6 lots and correctional 40's;

6.7 (2) the owner, the owner's spouse, or a grandchild, child, sibling, or parent of the owner
6.8 or of the owner's spouse, is actively farming the agricultural property, either on the person's
6.9 own behalf as an individual or on behalf of a partnership operating a family farm, family
6.10 farm corporation, joint family farm venture, or limited liability company of which the person
6.11 is a partner, shareholder, or member;

6.12 (3) both the owner of the agricultural property and the person who is actively farming
6.13 the agricultural property under clause (2), are Minnesota residents;

6.14 (4) neither the owner nor the spouse of the owner claims another agricultural homestead
6.15 in Minnesota; and

6.16 (5) neither the owner nor the person actively farming the agricultural property lives
6.17 farther than four townships or cities, or a combination of four townships or cities, from the
6.18 agricultural property, except that if the owner or the owner's spouse is required to live in
6.19 employer-provided housing, the owner or owner's spouse, whichever is actively farming
6.20 the agricultural property, may live more than four townships or cities, or combination of
6.21 four townships or cities from the agricultural property.

6.22 The relationship under this paragraph may be either by blood or marriage.

6.23 (ii) Property containing the residence of an owner who owns qualified property under
6.24 clause (i) shall be classified as part of the owner's agricultural homestead, if that property
6.25 is also used for noncommercial storage or drying of agricultural crops.

6.26 (iii) As used in this paragraph, "agricultural property" means class 2a property and any
6.27 class 2b property that is contiguous to and under the same ownership as the class 2a property.

6.28 (c) Noncontiguous land shall be included as part of a homestead under section 273.13,
6.29 subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached
6.30 land is located in the same township or city, or not farther than four townships or cities or
6.31 combination thereof from the homestead. Any taxpayer of these noncontiguous lands must
6.32 notify the county assessor that the noncontiguous land is part of the taxpayer's homestead,

7.1 and, if the homestead is located in another county, the taxpayer must also notify the assessor
7.2 of the other county.

7.3 (d) Agricultural land used for purposes of a homestead and actively farmed by a person
7.4 holding a vested remainder interest in it must be classified as a homestead under section
7.5 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other
7.6 dwellings on the land used for purposes of a homestead by persons holding vested remainder
7.7 interests who are actively engaged in farming the property, and up to one acre of the land
7.8 surrounding each homestead and reasonably necessary for the use of the dwelling as a home,
7.9 must also be assessed class 2a.

7.10 (e) Agricultural land and buildings that were class 2a homestead property under section
7.11 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as
7.12 agricultural homesteads for subsequent assessments if:

7.13 (1) the property owner abandoned the homestead dwelling located on the agricultural
7.14 homestead as a result of the April 1997 floods;

7.15 (2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or
7.16 Wilkin;

7.17 (3) the agricultural land and buildings remain under the same ownership for the current
7.18 assessment year as existed for the 1997 assessment year and continue to be used for
7.19 agricultural purposes;

7.20 (4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles
7.21 of one of the parcels of agricultural land that is owned by the taxpayer; and

7.22 (5) the owner notifies the county assessor that the relocation was due to the 1997 floods,
7.23 and the owner furnishes the assessor any information deemed necessary by the assessor in
7.24 verifying the change in dwelling. Further notifications to the assessor are not required if the
7.25 property continues to meet all the requirements in this paragraph and any dwellings on the
7.26 agricultural land remain uninhabited.

7.27 (f) Agricultural land and buildings that were class 2a homestead property under section
7.28 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified
7.29 agricultural homesteads for subsequent assessments if:

7.30 (1) the property owner abandoned the homestead dwelling located on the agricultural
7.31 homestead as a result of damage caused by a March 29, 1998, tornado;

7.32 (2) the property is located in the county of Blue Earth, Brown, Cottonwood, Le Sueur,
7.33 Nicollet, Nobles, or Rice;

8.1 (3) the agricultural land and buildings remain under the same ownership for the current
8.2 assessment year as existed for the 1998 assessment year;

8.3 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of
8.4 one of the parcels of agricultural land that is owned by the taxpayer; and

8.5 (5) the owner notifies the county assessor that the relocation was due to a March 29,
8.6 1998, tornado, and the owner furnishes the assessor any information deemed necessary by
8.7 the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the
8.8 owner must notify the assessor by December 1, 1998. Further notifications to the assessor
8.9 are not required if the property continues to meet all the requirements in this paragraph and
8.10 any dwellings on the agricultural land remain uninhabited.

8.11 (g) Agricultural property of a family farm corporation, joint family farm venture, family
8.12 farm limited liability company, or partnership operating a family farm as described under
8.13 subdivision 8 shall be classified homestead, to the same extent as other agricultural homestead
8.14 property, if all of the following criteria are met:

8.15 (1) the property consists of at least 40 acres including undivided government lots and
8.16 correctional 40's;

8.17 (2) a shareholder, member, or partner of that entity is actively farming the agricultural
8.18 property;

8.19 (3) that shareholder, member, or partner who is actively farming the agricultural property
8.20 is a Minnesota resident;

8.21 (4) neither that shareholder, member, or partner, nor the spouse of that shareholder,
8.22 member, or partner claims another agricultural homestead in Minnesota; and

8.23 (5) that shareholder, member, or partner does not live farther than four townships or
8.24 cities, or a combination of four townships or cities, from the agricultural property.

8.25 Homestead treatment applies under this paragraph even if:

8.26 (i) the shareholder, member, or partner of that entity is actively farming the agricultural
8.27 property on the shareholder's, member's, or partner's own behalf; or

8.28 (ii) the family farm is operated by a family farm corporation, joint family farm venture,
8.29 partnership, or limited liability company other than the family farm corporation, joint family
8.30 farm venture, partnership, or limited liability company that owns the land, provided that:

8.31 (A) the shareholder, member, or partner of the family farm corporation, joint family
8.32 farm venture, partnership, or limited liability company that owns the land who is actively

9.1 farming the land is a shareholder, member, or partner of the family farm corporation, joint
9.2 family farm venture, partnership, or limited liability company that is operating the farm;
9.3 and

9.4 (B) more than half of the shareholders, members, or partners of each family farm
9.5 corporation, joint family farm venture, partnership, or limited liability company are persons
9.6 or spouses of persons who are a qualifying relative under section 273.124, subdivision 1,
9.7 paragraphs (c) and (d).

9.8 Homestead treatment applies under this paragraph for property leased to a family farm
9.9 corporation, joint farm venture, limited liability company, or partnership operating a family
9.10 farm if legal title to the property is in the name of an individual who is a member, shareholder,
9.11 or partner in the entity.

9.12 (h) To be eligible for the special agricultural homestead under this subdivision, an initial
9.13 full application must be submitted to the county assessor where the property is located.
9.14 Owners and the persons who are actively farming the property shall be required to complete
9.15 only a one-page abbreviated version of the application in each subsequent year provided
9.16 that none of the following items have changed since the initial application:

9.17 (1) the day-to-day operation, administration, and financial risks remain the same;

9.18 (2) the owners and the persons actively farming the property continue to live within the
9.19 four townships or city criteria and are Minnesota residents;

9.20 (3) the same operator of the agricultural property is listed with the Farm Service Agency;

9.21 (4) a Schedule F or equivalent income tax form was filed for the most recent year;

9.22 (5) the property's acreage is unchanged; and

9.23 (6) none of the property's acres have been enrolled in a federal or state farm program
9.24 since the initial application.

9.25 The owners and any persons who are actively farming the property must include the
9.26 appropriate Social Security numbers or individual taxpayer identification numbers, and sign
9.27 and date the application. If any of the specified information has changed since the full
9.28 application was filed, the owner must notify the assessor, and must complete a new
9.29 application to determine if the property continues to qualify for the special agricultural
9.30 homestead. The commissioner of revenue shall prepare a standard reapplication form for
9.31 use by the assessors.

10.1 (i) Agricultural land and buildings that were class 2a homestead property under section
10.2 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified
10.3 agricultural homesteads for subsequent assessments if:

10.4 (1) the property owner abandoned the homestead dwelling located on the agricultural
10.5 homestead as a result of damage caused by the August 2007 floods;

10.6 (2) the property is located in the county of Dodge, Fillmore, Houston, Olmsted, Steele,
10.7 Wabasha, or Winona;

10.8 (3) the agricultural land and buildings remain under the same ownership for the current
10.9 assessment year as existed for the 2007 assessment year;

10.10 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of
10.11 one of the parcels of agricultural land that is owned by the taxpayer; and

10.12 (5) the owner notifies the county assessor that the relocation was due to the August 2007
10.13 floods, and the owner furnishes the assessor any information deemed necessary by the
10.14 assessor in verifying the change in homestead dwelling. For taxes payable in 2009, the
10.15 owner must notify the assessor by December 1, 2008. Further notifications to the assessor
10.16 are not required if the property continues to meet all the requirements in this paragraph and
10.17 any dwellings on the agricultural land remain uninhabited.

10.18 (j) Agricultural land and buildings that were class 2a homestead property under section
10.19 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as
10.20 agricultural homesteads for subsequent assessments if:

10.21 (1) the property owner abandoned the homestead dwelling located on the agricultural
10.22 homestead as a result of the March 2009 floods;

10.23 (2) the property is located in the county of Marshall;

10.24 (3) the agricultural land and buildings remain under the same ownership for the current
10.25 assessment year as existed for the 2008 assessment year and continue to be used for
10.26 agricultural purposes;

10.27 (4) the dwelling occupied by the owner is located in Minnesota and is within 50 miles
10.28 of one of the parcels of agricultural land that is owned by the taxpayer; and

10.29 (5) the owner notifies the county assessor that the relocation was due to the 2009 floods,
10.30 and the owner furnishes the assessor any information deemed necessary by the assessor in
10.31 verifying the change in dwelling. Further notifications to the assessor are not required if the

11.1 property continues to meet all the requirements in this paragraph and any dwellings on the
11.2 agricultural land remain uninhabited.

11.3 **EFFECTIVE DATE.** This section is effective for homestead applications filed in 2023
11.4 and thereafter.

11.5 Sec. 7. Minnesota Statutes 2022, section 273.1245, subdivision 1, is amended to read:

11.6 Subdivision 1. **Private or nonpublic data.** The following data are private or nonpublic
11.7 data as defined in section 13.02, subdivisions 9 and 12, when they are submitted to a county
11.8 or local assessor under section 273.124, 273.13, or another section, to support a claim for
11.9 the property tax homestead classification under section 273.13, or other property tax
11.10 classification or benefit:

11.11 (1) Social Security numbers;

11.12 (2) individual taxpayer identification numbers;

11.13 (3) copies of state or federal income tax returns; and

11.14 ~~(3)~~ (4) state or federal income tax return information, including the federal income tax
11.15 schedule F.

11.16 **EFFECTIVE DATE.** This section is effective for homestead applications filed in 2023
11.17 and thereafter.

11.18 Sec. 8. Minnesota Statutes 2022, section 273.1315, subdivision 2, is amended to read:

11.19 Subd. 2. **Class 1b homestead declaration 2009 and thereafter.** (a) Any property owner
11.20 seeking classification and assessment of the owner's homestead as class 1b property pursuant
11.21 to section 273.13, subdivision 22, paragraph (b), after October 1, 2008, shall file with the
11.22 county assessor a class 1b homestead declaration, on a form prescribed by the commissioner
11.23 of revenue. The declaration must contain the following information:

11.24 (1) the information necessary to verify that, on or before June 30 of the filing year, the
11.25 property owner or the owner's spouse satisfies the requirements of section 273.13, subdivision
11.26 22, paragraph (b), for class 1b classification; and

11.27 (2) any additional information prescribed by the commissioner.

11.28 (b) The declaration must be filed on or before October 1 to be effective for property
11.29 taxes payable during the succeeding calendar year. The Social Security numbers, individual
11.30 taxpayer identification numbers, and income and medical information received from the
11.31 property owner pursuant to this subdivision are private data on individuals as defined in

12.1 section 13.02. If approved by the assessor, the declaration remains in effect until the property
 12.2 no longer qualifies under section 273.13, subdivision 22, paragraph (b). Failure to notify
 12.3 the assessor within 30 days that the property no longer qualifies under that paragraph because
 12.4 of a sale, change in occupancy, or change in the status or condition of an occupant shall
 12.5 result in the penalty provided in section 273.124, subdivision 13b, computed on the basis
 12.6 of the class 1b benefits for the property, and the property shall lose its current class 1b
 12.7 classification.

12.8 **EFFECTIVE DATE.** This section is effective for homestead applications filed in 2023
 12.9 and thereafter.

12.10 Sec. 9. Minnesota Statutes 2022, section 290A.25, is amended to read:

12.11 **290A.25 VERIFICATION OF SOCIAL SECURITY NUMBERS.**

12.12 Annually, the commissioner of revenue shall furnish a list to the county assessor
 12.13 containing the names ~~and~~, Social Security numbers, and individual taxpayer identification
 12.14 numbers of persons who have applied for both homestead classification under section 273.13
 12.15 and a property tax refund as a renter under this chapter.

12.16 Within 90 days of the notification, the county assessor shall investigate to determine if
 12.17 the homestead classification was improperly claimed. If the property owner does not qualify,
 12.18 the county assessor shall notify the county auditor who will determine the amount of
 12.19 homestead benefits that has been improperly allowed. For the purpose of this section,
 12.20 "homestead benefits" has the meaning given in section 273.124, subdivision 13b. The county
 12.21 auditor shall send a notice to persons who owned the affected property at the time the
 12.22 homestead application related to the improper homestead was filed, demanding
 12.23 reimbursement of the homestead benefits plus a penalty equal to 100 percent of the homestead
 12.24 benefits. The person notified may appeal the county's determination with the Minnesota
 12.25 Tax Court within 60 days of the date of the notice from the county as provided in section
 12.26 273.124, subdivision 13b.

12.27 If the amount of homestead benefits and penalty is not paid within 60 days, and if no
 12.28 appeal has been filed, the county auditor shall certify the amount of taxes and penalty to
 12.29 the county treasurer. The county treasurer will add interest to the unpaid homestead benefits
 12.30 and penalty amounts at the rate provided for delinquent personal property taxes for the
 12.31 period beginning 60 days after demand for payment was made until payment. If the person
 12.32 notified is the current owner of the property, the treasurer may add the total amount of
 12.33 benefits, penalty, interest, and costs to the real estate taxes otherwise payable on the property
 12.34 in the following year. If the person notified is not the current owner of the property, the

13.1 treasurer may collect the amounts due under the Revenue Recapture Act in chapter 270A,
13.2 or use any of the powers granted in sections 277.20 and 277.21 without exclusion, to enforce
13.3 payment of the benefits, penalty, interest, and costs, as if those amounts were delinquent
13.4 tax obligations of the person who owned the property at the time the application related to
13.5 the improperly allowed homestead was filed. The treasurer may relieve a prior owner of
13.6 personal liability for the benefits, penalty, interest, and costs, and instead extend those
13.7 amounts on the tax lists against the property for taxes payable in the following year to the
13.8 extent that the current owner agrees in writing.

13.9 Any amount of homestead benefits recovered by the county from the property owner
13.10 shall be distributed to the county, city or town, and school district where the property is
13.11 located in the same proportion that each taxing district's levy was to the total of the three
13.12 taxing districts' levy for the current year. Any amount recovered attributable to taconite
13.13 homestead credit shall be transmitted to the St. Louis County auditor to be deposited in the
13.14 taconite property tax relief account. Any amount recovered that is attributable to supplemental
13.15 homestead credit is to be transmitted to the commissioner of revenue for deposit in the
13.16 general fund of the state treasury. The total amount of penalty collected must be deposited
13.17 in the county general fund.

13.18 **EFFECTIVE DATE.** This section is effective for lists furnished by the commissioner
13.19 of revenue to county assessors in 2023 and thereafter.