

A bill for an act
relating to property taxes; extending the limited market value law for two years;
amending Minnesota Statutes 2006, section 273.11, subdivision 1a.

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

Section 1. Minnesota Statutes 2006, section 273.11, subdivision 1a, is amended to read:

Subd. 1a. **Limited market value.** In the case of all property classified as
agricultural homestead or nonhomestead, residential homestead or nonhomestead, timber,
or noncommercial seasonal residential recreational, the assessor shall compare the value
with the taxable portion of the value determined in the preceding assessment.

For assessment years ~~2004, 2005, and 2006~~ through 2008, the amount of the increase
shall not exceed the greater of (1) 15 percent of the value in the preceding assessment,
or (2) 25 percent of the difference between the current assessment and the preceding
assessment.

For assessment year ~~2007~~ 2009, the amount of the increase shall not exceed the
greater of (1) 15 percent of the value in the preceding assessment, or (2) 33 percent of the
difference between the current assessment and the preceding assessment.

For assessment year ~~2008~~ 2010, the amount of the increase shall not exceed the
greater of (1) 15 percent of the value in the preceding assessment, or (2) 50 percent of the
difference between the current assessment and the preceding assessment.

This limitation shall not apply to increases in value due to improvements. For
purposes of this subdivision, the term "assessment" means the value prior to any exclusion
under subdivision 16.

The provisions of this subdivision shall be in effect through assessment year ~~2008~~
2010 as provided in this subdivision.

2.1 For purposes of the assessment/sales ratio study conducted under section 127A.48,
2.2 and the computation of state aids paid under chapters 122A, 123A, 123B, 124D, 125A,
2.3 126C, 127A, and 477A, market values and net tax capacities determined under this
2.4 subdivision and subdivision 16, shall be used.

2.5 **EFFECTIVE DATE.** This section is effective for assessment year 2007 and
2.6 thereafter, for taxes payable in 2008 and thereafter.