A bill for an act
relating to taxation; property; extending the limited market value for agricultural property; amending Minnesota Statutes 2008, section 273.11, subdivision 1a.

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

Section 1. Minnesota Statutes 2008, section 273.11, subdivision 1a, is amended to read:

Subd. 1a. **Limited market value.** (a) In the case of all property classified as agricultural ~~homestead or nonhomestead~~ under section 273.13, subdivision 23, paragraph (a), (b), or (c), ~~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, 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, 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, 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.~~ (b) For assessment year 2010, the amount of increase shall not exceed the greater of (1) 20 percent of the value of the 2008 assessment, or (2) 33 percent of the difference between the 2010 assessment and the 2008 assessment.

(c) For assessment years 2011, 2012, and 2013, the amount of the increase shall not exceed (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.

(d) For assessment year 2014, the amount of the increase shall not exceed (1) 15 percent of the value of the preceding year, or (2) 50 percent of the difference between the current assessment and the preceding assessment.

~~This limitation~~ (e) The limitations set forth in this subdivision 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~~ 2014 as provided in this subdivision.

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

EFFECTIVE DATE. This section is effective beginning with the 2010 assessment.