

1.1 A bill for an act

1.2 relating to taxation; modifying benefits under the Minnesota property tax
1.3 homestead market value exemption program for disabled veterans and their
1.4 surviving spouses; amending Minnesota Statutes 2008, section 273.13,
1.5 subdivision 34.

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

1.7 Section 1. Minnesota Statutes 2008, section 273.13, subdivision 34, is amended to read:

1.8 Subd. 34. **Homestead of disabled veteran.** (a) All or a portion of the market value
1.9 of property owned by a veteran or by the veteran and the veteran's spouse qualifying
1.10 for homestead classification under subdivision 22 or 23 is excluded in determining the
1.11 property's taxable market value if it serves as the homestead of a military veteran, as
1.12 defined in section 197.447, who has a service-connected disability of 70 percent or
1.13 more. To qualify for exclusion under this subdivision, the veteran must have been
1.14 honorably discharged from the United States armed forces, as indicated by United States
1.15 Government Form DD214 or other official military discharge papers, and must be certified
1.16 by the United States ~~Veterans Administration~~ Department of Veterans Affairs as having a
1.17 service-connected disability.

1.18 (b)(1) For a disability rating of 70 percent or more, ~~\$150,000~~ 70 percent of market
1.19 value is excluded up to an amount equal to 70 percent of the average market value of a
1.20 residential homestead within the county, except as provided in clause (2); and

1.21 (2) for a total (100 percent) and permanent disability, ~~\$300,000~~ 100 percent
1.22 of market value is excluded up to an amount equal to the average market value of a
1.23 residential homestead within the county.

2.1 (c) Notwithstanding paragraph (b), clauses (1) and (2), no property that qualifies for
2.2 a valuation exclusion under this subdivision for the current year shall have an exclusion
2.3 that is less than its exclusion under this subdivision for taxes payable in 2010.

2.4 ~~(e)~~ (d) If a disabled veteran qualifying for a valuation exclusion under paragraph
2.5 (b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the
2.6 spouse holds the legal or beneficial title to the homestead and permanently resides there,
2.7 the exclusion shall carry over to the benefit of the veteran's spouse ~~for one additional~~
2.8 ~~assessment year or~~ until such time as the spouse sells, transfers, or otherwise disposes of
2.9 the property, ~~whichever comes first.~~

2.10 ~~(d)~~ (e) In the case of an agricultural homestead, only the portion of the property
2.11 consisting of the house and garage and immediately surrounding one acre of land qualifies
2.12 for the valuation exclusion under this subdivision.

2.13 ~~(e)~~ (f) A property qualifying for a valuation exclusion under this subdivision is
2.14 not eligible for the credit under section 273.1384, subdivision 1, or classification under
2.15 subdivision 22, paragraph (b).

2.16 ~~(f)~~ (g) To qualify for a valuation exclusion under this subdivision a property owner
2.17 must apply to the assessor by July 1 of each assessment year, except that an annual
2.18 reapplication is not required once a property has been accepted for a valuation exclusion
2.19 under paragraph (b), clause (2), and the property continues to qualify until there is a
2.20 change in ownership.

2.21 **EFFECTIVE DATE.** This section is effective for assessment year 2010 and
2.22 thereafter, for taxes payable in 2011 and thereafter.