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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **486**

February 1, 2007
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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; extending homestead classification to certain property
1.3 used for nonhomestead purposes; amending Minnesota Statutes 2006, section
1.4 273.124, subdivision 11.

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

1.6 Section 1. Minnesota Statutes 2006, section 273.124, subdivision 11, is amended to
1.7 read:

1.8 Subd. 11. **Limitation on homestead treatment.** ~~(a) For taxes payable in 2003~~
1.9 ~~through 2005 only,~~ If the assessor has classified a property as both homestead and
1.10 nonhomestead, the greater of: (1) the value attributable to the portion of the property
1.11 used as a homestead; or (2) ~~the homestead value amount determined under paragraph~~
1.12 ~~(b) \$76,000,~~ is entitled to assessment as a homestead under section 273.13, subdivision
1.13 22 or 23.

1.14 ~~(b) For taxes payable in 2003 only, the homestead value amount is \$60,000. For~~
1.15 ~~taxes payable in 2004 only, the homestead value amount is \$45,000. For taxes payable in~~
1.16 ~~2005 only, the homestead value amount is \$30,000.~~

1.17 ~~The homestead value amount must not exceed the property's taxable market value.~~

1.18 ~~(c) The limitation in this section does not apply to buildings containing fewer than~~
1.19 ~~four residential units or to a single rented or leased dwelling unit located within or attached~~
1.20 ~~to a private garage or similar structure owned by the owner of a homestead and located on~~
1.21 ~~the premises of that homestead.~~ If the assessor has classified a property as both homestead
1.22 and nonhomestead, the reductions in tax provided under sections 273.135 and 273.1391
1.23 apply to the value of both the homestead and the nonhomestead portions of the property.

- 2.1 **EFFECTIVE DATE.** This section is effective for taxes levied in 2007, payable
- 2.2 in 2008, and thereafter.