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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. 1030

February 15, 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 the application of the 4d property tax classification;  
1.3 amending Minnesota Statutes 2006, section 273.128, subdivision 1.

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

1.5 Section 1. Minnesota Statutes 2006, section 273.128, subdivision 1, is amended to read:

1.6 Subdivision 1. **Requirement.** Low-income rental property classified as class 4d  
1.7 under section 273.13, subdivision 25, is entitled to valuation under this section if at  
1.8 least ~~75~~ 20 percent of the units in the rental housing property meet any of the following  
1.9 qualifications:

1.10 (1) the units are subject to a housing assistance payments contract under Section 8  
1.11 of the United States Housing Act of 1937, as amended;

1.12 (2) the units are rent-restricted and income-restricted units of a qualified low-income  
1.13 housing project receiving tax credits under section 42(g) of the Internal Revenue Code of  
1.14 1986, as amended;

1.15 (3) the units are financed by the Rural Housing Service of the United States  
1.16 Department of Agriculture and receive payments under the rental assistance program  
1.17 pursuant to section 521(a) of the Housing Act of 1949, as amended; or

1.18 (4) the units are subject to rent and income restrictions under the terms of financial  
1.19 assistance provided to the rental housing property by the federal government ~~or~~, the  
1.20 state of Minnesota, or a local unit of government as evidenced by a document recorded  
1.21 against the property.

1.22 The restrictions must require assisted units to be occupied by residents whose  
1.23 household income at the time of initial occupancy does not exceed 60 percent of the  
1.24 greater of area or state median income, adjusted for family size, as determined by the

2.1 United States Department of Housing and Urban Development. The restriction must also  
2.2 require the rents for assisted units to not exceed 30 percent of 60 percent of the greater of  
2.3 area or state median income, adjusted for family size, as determined by the United States  
2.4 Department of Housing and Urban Development.

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