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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH  
SESSION

HOUSE FILE NO. **27**

January 12, 2009

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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 property taxation; limiting the taxable value of reconstructed homes in  
1.3 a disaster area; amending Minnesota Statutes 2008, section 273.11, by adding a  
1.4 subdivision.

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

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

1.8 **Subd. 24. Limit on taxable valuation; reconstructed homes in disaster area.**

1.9 (a) A homestead property located within a disaster or emergency area that (i) sustained  
1.10 physical damage of at least \$5,000 in the disaster or emergency, (ii) has been restored or  
1.11 rebuilt within 18 months of the disaster or emergency, and (iii) has a current estimated  
1.12 market value that exceeds its taxable market value in the year of the disaster or emergency  
1.13 because of the restoration or reconstruction, is eligible for valuation limitation under  
1.14 this subdivision for the three assessment years immediately following the restoration  
1.15 or reconstruction. For those three assessment years, the property is not subject to the  
1.16 valuation limit under subdivision 1a. In the first assessment year following the restoration  
1.17 or reconstruction, the taxable value shall be equal to three-quarters of its taxable value in  
1.18 the assessment year of the disaster or emergency, plus one-quarter of its current estimated  
1.19 market value. In the second assessment year following the restoration or reconstruction,  
1.20 the taxable value shall be equal to one-half of its taxable value in the assessment year of  
1.21 the disaster or emergency, and one-half of its current estimated market value. In the  
1.22 third assessment year following the restoration or reconstruction, the taxable value shall  
1.23 be equal to one-quarter of its taxable value in the assessment year of the disaster or  
1.24 emergency, and three-quarters of its current estimated market value.

2.1            (b) For the purposes of this section, "disaster or emergency area" means an area in  
2.2            which the president of the United States, the secretary of agriculture, or the administrator  
2.3            of the small business administration has determined that a disaster exists pursuant to  
2.4            federal law or in which a local emergency has been declared pursuant to section 12.29.

2.5            **EFFECTIVE DATE.** This section is effective for assessment year 2009 and  
2.6            thereafter.