

This Document can be made available
in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 3806

April 26, 2010

Authored by Obermueller, Marquart and Masin

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; property; disabled veterans' market value exclusion; allowing
1.3 spouses of deceased disabled veterans or service members who die while in active
1.4 military service to qualify for the senior deferral program; amending Minnesota
1.5 Statutes 2008, sections 273.13, subdivision 34; 290B.03, by adding a subdivision.

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 either: (1) serves as the homestead of a military
1.12 veteran, as defined in section 197.447, who has a service-connected disability of 70
1.13 percent or more, or (2) served as the homestead of a service member at the time of the
1.14 service member's death due to a service-connected cause while in active service, as
1.15 defined in section 190.05, subdivision 5. To qualify for exclusion under ~~this subdivision~~
1.16 clause (1), the veteran must have been honorably discharged from the United States armed
1.17 forces, as indicated by United States Government Form DD214 or other official military
1.18 discharge papers, and must be certified by the United States Veterans Administration
1.19 as having a service-connected disability. To qualify for exclusion under clause (2), the
1.20 surviving spouse must show proof of the service member's death while in active service
1.21 in any branch or unit of the United States armed forces, as shown by United States
1.22 Government Form DD214.

1.23 (b)(1) For a disability rating of 70 percent or more, \$150,000 of market value is
1.24 excluded, except as provided in clause (2); and

2.1 (2) for a total (100 percent) and permanent disability, or in the case of a property
2.2 qualifying under paragraph (a), clause (2), \$300,000 of market value is excluded.

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

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

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

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

2.19 **EFFECTIVE DATE.** The change made to paragraph (a) is effective for deaths
2.20 occurring after the effective date of this act. The change made to paragraph (c) is effective
2.21 for all properties qualifying under this subdivision for taxes payable in 2010 and thereafter.

2.22 Sec. 2. Minnesota Statutes 2008, section 290B.03, is amended by adding a subdivision
2.23 to read:

2.24 **Subd. 1a. Special program qualifications; spouse of service member who**
2.25 **died while in active service or deceased disabled veteran.** (a) Notwithstanding the
2.26 requirements of subdivision 1, clauses (1) and (3), but subject to all the other requirements
2.27 of subdivision 1, homestead property owned and occupied by the spouse of either a service
2.28 member who died while in active service, or a deceased disabled veteran, is eligible to
2.29 participate in the program established under this chapter. For purposes of this subdivision,
2.30 "service member who died while in active service" means a person serving in any branch
2.31 or unit of the United States armed forces who has died from a service-connected cause
2.32 while serving in active service, as defined in section 190.05, subdivision 5, as indicated
2.33 by United States Government Form DD214. For purposes of this subdivision, "deceased
2.34 disabled veteran" means a deceased disabled veteran who was honorably discharged from
2.35 the United States armed forces, as indicated by United States Government Form DD214

3.1 or other official military discharge papers, and certified by the United States Veterans
3.2 Administration as having a total (100 percent) and permanent service-connected disability
3.3 prior to the veteran's death.

3.4 (b) Applications under this subdivision are exempt from the age requirements under
3.5 the application process in section 290B.04, subdivision 1. The commissioner may require
3.6 certifications as are necessary to ensure eligibility under this subdivision.

3.7 **EFFECTIVE DATE.** This section is effective for taxes payable in 2011 and
3.8 thereafter.