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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1094

02/15/2021 Authored by Youakim 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; modifying identification requirements for homestead
1.3 determination; amending Minnesota Statutes 2020, section 273.124, subdivisions
1.4 6, 13, 13a, 13c, 13d, 14.

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

1.6 Section 1. Minnesota Statutes 2020, section 273.124, subdivision 6, is amended to read:

1.7 Subd. 6. Leasehold cooperatives. When one or more dwellings or one or more buildings
1.8 which each contain several dwelling units is owned by a nonprofit corporation subject to
1.9 the provisions of chapter 317A and qualifying under section 501(c)(3) or 501(c)(4) of the
1.10 Internal Revenue Code, or a limited partnership which corporation or partnership operates
1.11 the property in conjunction with a cooperative association, and has received public financing,
1.12 homestead treatment may be claimed by the cooperative association on behalf of the members
1.13 of the cooperative for each dwelling unit occupied by a member of the cooperative. The
1.14 cooperative association must provide the assessor with the Social Security numbers or
1.15 individual tax identification numbers of those members. To qualify for the treatment provided
1.16 by this subdivision, the following conditions must be met:

1.17 (a) the cooperative association must be organized under chapter 308A or 308B and all
1.18 voting members of the board of directors must be resident tenants of the cooperative and
1.19 must be elected by the resident tenants of the cooperative;

1.20 (b) the cooperative association must have a lease for occupancy of the property for a
1.21 term of at least 20 years, which permits the cooperative association, while not in default on
1.22 the lease, to participate materially in the management of the property, including material

2.1 participation in establishing budgets, setting rent levels, and hiring and supervising a  
2.2 management agent;

2.3 (c) to the extent permitted under state or federal law, the cooperative association must  
2.4 have a right under a written agreement with the owner to purchase the property if the owner  
2.5 proposes to sell it; if the cooperative association does not purchase the property it is offered  
2.6 for sale, the owner may not subsequently sell the property to another purchaser at a price  
2.7 lower than the price at which it was offered for sale to the cooperative association unless  
2.8 the cooperative association approves the sale;

2.9 (d) a minimum of 40 percent of the cooperative association's members must have incomes  
2.10 at or less than 60 percent of area median gross income as determined by the United States  
2.11 Secretary of Housing and Urban Development under section 142(d)(2)(B) of the Internal  
2.12 Revenue Code. For purposes of this clause, "member income" means the income of a member  
2.13 existing at the time the member acquires cooperative membership;

2.14 (e) if a limited partnership owns the property, it must include as the managing general  
2.15 partner a nonprofit organization operating under the provisions of chapter 317A and  
2.16 qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code and the limited  
2.17 partnership agreement must provide that the managing general partner have sufficient powers  
2.18 so that it materially participates in the management and control of the limited partnership;

2.19 (f) prior to becoming a member of a leasehold cooperative described in this subdivision,  
2.20 a person must have received notice that (1) describes leasehold cooperative property in plain  
2.21 language, including but not limited to the effects of classification under this subdivision on  
2.22 rents, property taxes and tax credits or refunds, and operating expenses, and (2) states that  
2.23 copies of the articles of incorporation and bylaws of the cooperative association, the lease  
2.24 between the owner and the cooperative association, a sample sublease between the  
2.25 cooperative association and a tenant, and, if the owner is a partnership, a copy of the limited  
2.26 partnership agreement, can be obtained upon written request at no charge from the owner,  
2.27 and the owner must send or deliver the materials within seven days after receiving any  
2.28 request;

2.29 (g) if a dwelling unit of a building was occupied on the 60th day prior to the date on  
2.30 which the unit became leasehold cooperative property described in this subdivision, the  
2.31 notice described in paragraph (f) must have been sent by first class mail to the occupant of  
2.32 the unit at least 60 days prior to the date on which the unit became leasehold cooperative  
2.33 property. For purposes of the notice under this paragraph, the copies of the documents  
2.34 referred to in paragraph (f) may be in proposed version, provided that any subsequent

3.1 material alteration of those documents made after the occupant has requested a copy shall  
3.2 be disclosed to any occupant who has requested a copy of the document. Copies of the  
3.3 articles of incorporation and certificate of limited partnership shall be filed with the secretary  
3.4 of state after the expiration of the 60-day period unless the change to leasehold cooperative  
3.5 status does not proceed;

3.6 (h) the county attorney of the county in which the property is located must certify to the  
3.7 assessor that the property meets the requirements of this subdivision;

3.8 (i) the public financing received must be from at least one of the following sources:

3.9 (1) tax increment financing proceeds used for the acquisition or rehabilitation of the  
3.10 building or interest rate write-downs relating to the acquisition of the building;

3.11 (2) government issued bonds exempt from taxes under section 103 of the Internal Revenue  
3.12 Code, the proceeds of which are used for the acquisition or rehabilitation of the building;

3.13 (3) programs under section 221(d)(3), 202, or 236, of Title II of the National Housing  
3.14 Act;

3.15 (4) rental housing program funds under Section 8 of the United States Housing Act of  
3.16 1937, as amended, or the market rate family graduated payment mortgage program funds  
3.17 administered by the Minnesota Housing Finance Agency that are used for the acquisition  
3.18 or rehabilitation of the building;

3.19 (5) low-income housing credit under section 42 of the Internal Revenue Code;

3.20 (6) public financing provided by a local government used for the acquisition or  
3.21 rehabilitation of the building, including grants or loans from (i) federal community  
3.22 development block grants; (ii) HOME block grants; or (iii) residential rental bonds issued  
3.23 under chapter 474A; or

3.24 (7) other rental housing program funds provided by the Minnesota Housing Finance  
3.25 Agency for the acquisition or rehabilitation of the building;

3.26 (j) at the time of the initial request for homestead classification or of any transfer of  
3.27 ownership of the property, the governing body of the municipality in which the property is  
3.28 located must hold a public hearing and make the following findings:

3.29 (1) that the granting of the homestead treatment of the apartment's units will facilitate  
3.30 safe, clean, affordable housing for the cooperative members that would otherwise not be  
3.31 available absent the homestead designation;

4.1 (2) that the owner has presented information satisfactory to the governing body showing  
4.2 that the savings garnered from the homestead designation of the units will be used to reduce  
4.3 tenant's rents or provide a level of furnishing or maintenance not possible absent the  
4.4 designation; and

4.5 (3) that the requirements of paragraphs (b), (d), and (i) have been met.

4.6 Homestead treatment must be afforded to units occupied by members of the cooperative  
4.7 association and the units must be assessed as provided in subdivision 3, provided that any  
4.8 unit not so occupied shall be classified and assessed pursuant to the appropriate class. No  
4.9 more than three acres of land may, for assessment purposes, be included with each dwelling  
4.10 unit that qualifies for homestead treatment under this subdivision.

4.11 When dwelling units no longer qualify under this subdivision, the current owner must  
4.12 notify the assessor within 60 days. Failure to notify the assessor within 60 days shall result  
4.13 in the loss of benefits under this subdivision for taxes payable in the year that the failure is  
4.14 discovered. For these purposes, "benefits under this subdivision" means the difference in  
4.15 the net tax capacity of the units which no longer qualify as computed under this subdivision  
4.16 and as computed under the otherwise applicable law, times the local tax rate applicable to  
4.17 the building for that taxes payable year. Upon discovery of a failure to notify, the assessor  
4.18 shall inform the auditor of the difference in net tax capacity for the building or buildings in  
4.19 which units no longer qualify, and the auditor shall calculate the benefits under this  
4.20 subdivision. Such amount, plus a penalty equal to 100 percent of that amount, shall then be  
4.21 demanded of the building's owner. The property owner may appeal the county's determination  
4.22 by serving copies of a petition for review with county officials as provided in section 278.01  
4.23 and filing a proof of service as provided in section 278.01 with the Minnesota Tax Court  
4.24 within 60 days of the date of the notice from the county. The appeal shall be governed by  
4.25 the Tax Court procedures provided in chapter 271, for cases relating to the tax laws as  
4.26 defined in section 271.01, subdivision 5; disregarding sections 273.125, subdivision 5, and  
4.27 278.03, but including section 278.05, subdivision 2. If the amount of the benefits under this  
4.28 subdivision and penalty are not paid within 60 days, and if no appeal has been filed, the  
4.29 county auditor shall certify the amount of the benefit and penalty to the succeeding year's  
4.30 tax list to be collected as part of the property taxes on the affected buildings.

4.31 **EFFECTIVE DATE.** This section is effective for homestead applications filed in 2021  
4.32 and thereafter.

5.1 Sec. 2. Minnesota Statutes 2020, section 273.124, subdivision 13, is amended to read:

5.2 Subd. 13. **Homestead application.** (a) A person who meets the homestead requirements  
5.3 under subdivision 1 must file a homestead application with the county assessor to initially  
5.4 obtain homestead classification.

5.5 (b) The commissioner shall prescribe the content, format, and manner of the homestead  
5.6 application required to be filed under this chapter pursuant to section 270C.30. The  
5.7 application must clearly inform the taxpayer that this application must be signed by all  
5.8 owners who occupy the property or by the qualifying relative and returned to the county  
5.9 assessor in order for the property to receive homestead treatment.

5.10 (c) Every property owner applying for homestead classification must furnish to the  
5.11 county assessor the Social Security number or individual tax identification number of each  
5.12 occupant who is listed as an owner of the property on the deed of record, the name and  
5.13 address of each owner who does not occupy the property, and the name and Social Security  
5.14 number or individual tax identification number of the spouse of each occupying owner. The  
5.15 application must be signed by each owner who occupies the property and by each owner's  
5.16 spouse who occupies the property, or, in the case of property that qualifies as a homestead  
5.17 under subdivision 1, paragraph (c), by the qualifying relative.

5.18 If a property owner occupies a homestead, the property owner's spouse may not claim  
5.19 another property as a homestead unless the property owner and the property owner's spouse  
5.20 file with the assessor an affidavit or other proof required by the assessor stating that the  
5.21 property qualifies as a homestead under subdivision 1, paragraph (e).

5.22 Owners or spouses occupying residences owned by their spouses and previously occupied  
5.23 with the other spouse, either of whom fail to include the other spouse's name and Social  
5.24 Security number or individual tax identification number on the homestead application or  
5.25 provide the affidavits or other proof requested, will be deemed to have elected to receive  
5.26 only partial homestead treatment of their residence. The remainder of the residence will be  
5.27 classified as nonhomestead residential. When an owner or spouse's name and Social Security  
5.28 number or individual tax identification number appear on homestead applications for two  
5.29 separate residences and only one application is signed, the owner or spouse will be deemed  
5.30 to have elected to homestead the residence for which the application was signed.

5.31 (d) If residential real estate is occupied and used for purposes of a homestead by a relative  
5.32 of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for  
5.33 the property to receive homestead status, a homestead application must be filed with the  
5.34 assessor. The Social Security number or individual tax identification number of each relative

6.1 occupying the property and the name and Social Security number or individual tax  
6.2 identification number of the spouse of a relative occupying the property shall be required  
6.3 on the homestead application filed under this subdivision. If a different relative of the owner  
6.4 subsequently occupies the property, the owner of the property must notify the assessor  
6.5 within 30 days of the change in occupancy. The Social Security number or individual tax  
6.6 identification number of a relative occupying the property or the spouse of a relative  
6.7 occupying the property is private data on individuals as defined by section 13.02, subdivision  
6.8 12, but may be disclosed to the commissioner of revenue, or, for the purposes of proceeding  
6.9 under the Revenue Recapture Act to recover personal property taxes owing, to the county  
6.10 treasurer.

6.11 (e) The homestead application shall also notify the property owners that if the property  
6.12 is granted homestead status for any assessment year, that same property shall remain  
6.13 classified as homestead until the property is sold or transferred to another person, or the  
6.14 owners, the spouse of the owner, or the relatives no longer use the property as their  
6.15 homestead. Upon the sale or transfer of the homestead property, a certificate of value must  
6.16 be timely filed with the county auditor as provided under section 272.115. Failure to notify  
6.17 the assessor within 30 days that the property has been sold, transferred, or that the owner,  
6.18 the spouse of the owner, or the relative is no longer occupying the property as a homestead,  
6.19 shall result in the penalty provided under this subdivision and the property will lose its  
6.20 current homestead status.

6.21 (f) If a homestead application has not been filed with the county by December 15, the  
6.22 assessor shall classify the property as nonhomestead for the current assessment year for  
6.23 taxes payable in the following year, provided that the owner may be entitled to receive the  
6.24 homestead classification by proper application under section 375.192.

6.25 **EFFECTIVE DATE.** This section is effective for homestead applications filed in 2021  
6.26 and thereafter.

6.27 Sec. 3. Minnesota Statutes 2020, section 273.124, subdivision 13a, is amended to read:

6.28 Subd. 13a. **Occupant list.** At the request of the commissioner, each county must give  
6.29 the commissioner a list that includes the name and Social Security number or individual  
6.30 tax identification number of each occupant of homestead property who is the property owner,  
6.31 property owner's spouse, qualifying relative of a property owner, or a spouse of a qualifying  
6.32 relative. The commissioner shall use the information provided on the lists as appropriate  
6.33 under the law, including for the detection of improper claims by owners, or relatives of  
6.34 owners, under chapter 290A.

7.1 **EFFECTIVE DATE.** This section is effective for homestead applications filed in 2021  
7.2 and thereafter.

7.3 Sec. 4. Minnesota Statutes 2020, section 273.124, subdivision 13c, is amended to read:

7.4 Subd. 13c. **Property lists.** In addition to lists of homestead properties, the commissioner  
7.5 may ask the counties to furnish lists of all properties and the record owners. The Social  
7.6 Security numbers, individual tax identification numbers, and federal identification numbers  
7.7 that are maintained by a county or city assessor for property tax administration purposes,  
7.8 and that may appear on the lists retain their classification as private or nonpublic data; but  
7.9 may be viewed, accessed, and used by the county auditor or treasurer of the same county  
7.10 for the limited purpose of assisting the commissioner in the preparation of microdata samples  
7.11 under section 270C.12. The commissioner shall use the information provided on the lists  
7.12 as appropriate under the law, including for the detection of improper claims by owners, or  
7.13 relatives of owners, under chapter 290A.

7.14 **EFFECTIVE DATE.** This section is effective for homestead applications filed in 2021  
7.15 and thereafter.

7.16 Sec. 5. Minnesota Statutes 2020, section 273.124, subdivision 13d, is amended to read:

7.17 Subd. 13d. **Homestead data.** On or before April 30 each year beginning in 2007, each  
7.18 county must provide the commissioner with the following data for each parcel of homestead  
7.19 property by electronic means as defined in section 289A.02, subdivision 8:

7.20 (1) the property identification number assigned to the parcel for purposes of taxes payable  
7.21 in the current year;

7.22 (2) the name and Social Security number or individual tax identification number of each  
7.23 occupant of homestead property who is the property owner or qualifying relative of a property  
7.24 owner, and the spouse of the property owner who occupies homestead property or spouse  
7.25 of a qualifying relative of a property owner who occupies homestead property;

7.26 (3) the classification of the property under section 273.13 for taxes payable in the current  
7.27 year and in the prior year;

7.28 (4) an indication of whether the property was classified as a homestead for taxes payable  
7.29 in the current year because of occupancy by a relative of the owner or by a spouse of a  
7.30 relative;

7.31 (5) the property taxes payable as defined in section 290A.03, subdivision 13, for the  
7.32 current year and the prior year;

8.1 (6) the market value of improvements to the property first assessed for tax purposes for  
8.2 taxes payable in the current year;

8.3 (7) the assessor's estimated market value assigned to the property for taxes payable in  
8.4 the current year and the prior year;

8.5 (8) the taxable market value assigned to the property for taxes payable in the current  
8.6 year and the prior year;

8.7 (9) whether there are delinquent property taxes owing on the homestead;

8.8 (10) the unique taxing district in which the property is located; and

8.9 (11) such other information as the commissioner decides is necessary.

8.10 The commissioner shall use the information provided on the lists as appropriate under  
8.11 the law, including for the detection of improper claims by owners, or relatives of owners,  
8.12 under chapter 290A.

8.13 **EFFECTIVE DATE.** This section is effective for homestead applications filed in 2021  
8.14 and thereafter.

8.15 Sec. 6. Minnesota Statutes 2020, section 273.124, subdivision 14, is amended to read:

8.16 Subd. 14. **Agricultural homesteads; special provisions.** (a) Real estate of less than ten  
8.17 acres that is the homestead of its owner must be classified as class 2a under section 273.13,  
8.18 subdivision 23, paragraph (a), if:

8.19 (1) the parcel on which the house is located is contiguous on at least two sides to (i)  
8.20 agricultural land, (ii) land owned or administered by the United States Fish and Wildlife  
8.21 Service, or (iii) land administered by the Department of Natural Resources on which in lieu  
8.22 taxes are paid under sections 477A.11 to 477A.14;

8.23 (2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20  
8.24 acres;

8.25 (3) the noncontiguous land is located not farther than four townships or cities, or a  
8.26 combination of townships or cities from the homestead; and

8.27 (4) the agricultural use value of the noncontiguous land and farm buildings is equal to  
8.28 at least 50 percent of the market value of the house, garage, and one acre of land.

8.29 Homesteads initially classified as class 2a under the provisions of this paragraph shall  
8.30 remain classified as class 2a, irrespective of subsequent changes in the use of adjoining  
8.31 properties, as long as the homestead remains under the same ownership, the owner owns a

9.1 noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use  
9.2 value qualifies under clause (4). Homestead classification under this paragraph is limited  
9.3 to property that qualified under this paragraph for the 1998 assessment.

9.4 (b)(i) Agricultural property shall be classified as the owner's homestead, to the same  
9.5 extent as other agricultural homestead property, if all of the following criteria are met:

9.6 (1) the agricultural property consists of at least 40 acres including undivided government  
9.7 lots and correctional 40's;

9.8 (2) the owner, the owner's spouse, or a grandchild, child, sibling, or parent of the owner  
9.9 or of the owner's spouse, is actively farming the agricultural property, either on the person's  
9.10 own behalf as an individual or on behalf of a partnership operating a family farm, family  
9.11 farm corporation, joint family farm venture, or limited liability company of which the person  
9.12 is a partner, shareholder, or member;

9.13 (3) both the owner of the agricultural property and the person who is actively farming  
9.14 the agricultural property under clause (2), are Minnesota residents;

9.15 (4) neither the owner nor the spouse of the owner claims another agricultural homestead  
9.16 in Minnesota; and

9.17 (5) neither the owner nor the person actively farming the agricultural property lives  
9.18 farther than four townships or cities, or a combination of four townships or cities, from the  
9.19 agricultural property, except that if the owner or the owner's spouse is required to live in  
9.20 employer-provided housing, the owner or owner's spouse, whichever is actively farming  
9.21 the agricultural property, may live more than four townships or cities, or combination of  
9.22 four townships or cities from the agricultural property.

9.23 The relationship under this paragraph may be either by blood or marriage.

9.24 (ii) Property containing the residence of an owner who owns qualified property under  
9.25 clause (i) shall be classified as part of the owner's agricultural homestead, if that property  
9.26 is also used for noncommercial storage or drying of agricultural crops.

9.27 (iii) As used in this paragraph, "agricultural property" means class 2a property and any  
9.28 class 2b property that is contiguous to and under the same ownership as the class 2a property.

9.29 (c) Noncontiguous land shall be included as part of a homestead under section 273.13,  
9.30 subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached  
9.31 land is located in the same township or city, or not farther than four townships or cities or  
9.32 combination thereof from the homestead. Any taxpayer of these noncontiguous lands must  
9.33 notify the county assessor that the noncontiguous land is part of the taxpayer's homestead,

10.1 and, if the homestead is located in another county, the taxpayer must also notify the assessor  
10.2 of the other county.

10.3 (d) Agricultural land used for purposes of a homestead and actively farmed by a person  
10.4 holding a vested remainder interest in it must be classified as a homestead under section  
10.5 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other  
10.6 dwellings on the land used for purposes of a homestead by persons holding vested remainder  
10.7 interests who are actively engaged in farming the property, and up to one acre of the land  
10.8 surrounding each homestead and reasonably necessary for the use of the dwelling as a home,  
10.9 must also be assessed class 2a.

10.10 (e) Agricultural land and buildings that were class 2a homestead property under section  
10.11 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as  
10.12 agricultural homesteads for subsequent assessments if:

10.13 (1) the property owner abandoned the homestead dwelling located on the agricultural  
10.14 homestead as a result of the April 1997 floods;

10.15 (2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or  
10.16 Wilkin;

10.17 (3) the agricultural land and buildings remain under the same ownership for the current  
10.18 assessment year as existed for the 1997 assessment year and continue to be used for  
10.19 agricultural purposes;

10.20 (4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles  
10.21 of one of the parcels of agricultural land that is owned by the taxpayer; and

10.22 (5) the owner notifies the county assessor that the relocation was due to the 1997 floods,  
10.23 and the owner furnishes the assessor any information deemed necessary by the assessor in  
10.24 verifying the change in dwelling. Further notifications to the assessor are not required if the  
10.25 property continues to meet all the requirements in this paragraph and any dwellings on the  
10.26 agricultural land remain uninhabited.

10.27 (f) Agricultural land and buildings that were class 2a homestead property under section  
10.28 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified  
10.29 agricultural homesteads for subsequent assessments if:

10.30 (1) the property owner abandoned the homestead dwelling located on the agricultural  
10.31 homestead as a result of damage caused by a March 29, 1998, tornado;

10.32 (2) the property is located in the county of Blue Earth, Brown, Cottonwood, LeSueur,  
10.33 Nicollet, Nobles, or Rice;

11.1 (3) the agricultural land and buildings remain under the same ownership for the current  
11.2 assessment year as existed for the 1998 assessment year;

11.3 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of  
11.4 one of the parcels of agricultural land that is owned by the taxpayer; and

11.5 (5) the owner notifies the county assessor that the relocation was due to a March 29,  
11.6 1998, tornado, and the owner furnishes the assessor any information deemed necessary by  
11.7 the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the  
11.8 owner must notify the assessor by December 1, 1998. Further notifications to the assessor  
11.9 are not required if the property continues to meet all the requirements in this paragraph and  
11.10 any dwellings on the agricultural land remain uninhabited.

11.11 (g) Agricultural property of a family farm corporation, joint family farm venture, family  
11.12 farm limited liability company, or partnership operating a family farm as described under  
11.13 subdivision 8 shall be classified homestead, to the same extent as other agricultural homestead  
11.14 property, if all of the following criteria are met:

11.15 (1) the property consists of at least 40 acres including undivided government lots and  
11.16 correctional 40's;

11.17 (2) a shareholder, member, or partner of that entity is actively farming the agricultural  
11.18 property;

11.19 (3) that shareholder, member, or partner who is actively farming the agricultural property  
11.20 is a Minnesota resident;

11.21 (4) neither that shareholder, member, or partner, nor the spouse of that shareholder,  
11.22 member, or partner claims another agricultural homestead in Minnesota; and

11.23 (5) that shareholder, member, or partner does not live farther than four townships or  
11.24 cities, or a combination of four townships or cities, from the agricultural property.

11.25 Homestead treatment applies under this paragraph even if:

11.26 (i) the shareholder, member, or partner of that entity is actively farming the agricultural  
11.27 property on the shareholder's, member's, or partner's own behalf; or

11.28 (ii) the family farm is operated by a family farm corporation, joint family farm venture,  
11.29 partnership, or limited liability company other than the family farm corporation, joint family  
11.30 farm venture, partnership, or limited liability company that owns the land, provided that:

11.31 (A) the shareholder, member, or partner of the family farm corporation, joint family  
11.32 farm venture, partnership, or limited liability company that owns the land who is actively

12.1 farming the land is a shareholder, member, or partner of the family farm corporation, joint  
12.2 family farm venture, partnership, or limited liability company that is operating the farm;  
12.3 and

12.4 (B) more than half of the shareholders, members, or partners of each family farm  
12.5 corporation, joint family farm venture, partnership, or limited liability company are persons  
12.6 or spouses of persons who are a qualifying relative under section 273.124, subdivision 1,  
12.7 paragraphs (c) and (d).

12.8 Homestead treatment applies under this paragraph for property leased to a family farm  
12.9 corporation, joint farm venture, limited liability company, or partnership operating a family  
12.10 farm if legal title to the property is in the name of an individual who is a member, shareholder,  
12.11 or partner in the entity.

12.12 (h) To be eligible for the special agricultural homestead under this subdivision, an initial  
12.13 full application must be submitted to the county assessor where the property is located.  
12.14 Owners and the persons who are actively farming the property shall be required to complete  
12.15 only a one-page abbreviated version of the application in each subsequent year provided  
12.16 that none of the following items have changed since the initial application:

12.17 (1) the day-to-day operation, administration, and financial risks remain the same;

12.18 (2) the owners and the persons actively farming the property continue to live within the  
12.19 four townships or city criteria and are Minnesota residents;

12.20 (3) the same operator of the agricultural property is listed with the Farm Service Agency;

12.21 (4) a Schedule F or equivalent income tax form was filed for the most recent year;

12.22 (5) the property's acreage is unchanged; and

12.23 (6) none of the property's acres have been enrolled in a federal or state farm program  
12.24 since the initial application.

12.25 The owners and any persons who are actively farming the property must include the  
12.26 appropriate Social Security numbers or individual tax identification numbers, and sign and  
12.27 date the application. If any of the specified information has changed since the full application  
12.28 was filed, the owner must notify the assessor, and must complete a new application to  
12.29 determine if the property continues to qualify for the special agricultural homestead. The  
12.30 commissioner of revenue shall prepare a standard reapplication form for use by the assessors.

13.1 (i) Agricultural land and buildings that were class 2a homestead property under section  
13.2 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified  
13.3 agricultural homesteads for subsequent assessments if:

13.4 (1) the property owner abandoned the homestead dwelling located on the agricultural  
13.5 homestead as a result of damage caused by the August 2007 floods;

13.6 (2) the property is located in the county of Dodge, Fillmore, Houston, Olmsted, Steele,  
13.7 Wabasha, or Winona;

13.8 (3) the agricultural land and buildings remain under the same ownership for the current  
13.9 assessment year as existed for the 2007 assessment year;

13.10 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of  
13.11 one of the parcels of agricultural land that is owned by the taxpayer; and

13.12 (5) the owner notifies the county assessor that the relocation was due to the August 2007  
13.13 floods, and the owner furnishes the assessor any information deemed necessary by the  
13.14 assessor in verifying the change in homestead dwelling. For taxes payable in 2009, the  
13.15 owner must notify the assessor by December 1, 2008. Further notifications to the assessor  
13.16 are not required if the property continues to meet all the requirements in this paragraph and  
13.17 any dwellings on the agricultural land remain uninhabited.

13.18 (j) Agricultural land and buildings that were class 2a homestead property under section  
13.19 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as  
13.20 agricultural homesteads for subsequent assessments if:

13.21 (1) the property owner abandoned the homestead dwelling located on the agricultural  
13.22 homestead as a result of the March 2009 floods;

13.23 (2) the property is located in the county of Marshall;

13.24 (3) the agricultural land and buildings remain under the same ownership for the current  
13.25 assessment year as existed for the 2008 assessment year and continue to be used for  
13.26 agricultural purposes;

13.27 (4) the dwelling occupied by the owner is located in Minnesota and is within 50 miles  
13.28 of one of the parcels of agricultural land that is owned by the taxpayer; and

13.29 (5) the owner notifies the county assessor that the relocation was due to the 2009 floods,  
13.30 and the owner furnishes the assessor any information deemed necessary by the assessor in  
13.31 verifying the change in dwelling. Further notifications to the assessor are not required if the

- 14.1 property continues to meet all the requirements in this paragraph and any dwellings on the
- 14.2 agricultural land remain uninhabited.
- 14.3 **EFFECTIVE DATE.** This section is effective for homestead applications filed in 2021
- 14.4 and thereafter.