

Set aside
X

1 moves to amend H. F. No. 785, as follows:

2 Page ..., after line ..., insert:

3 "Sec. 49. [REPORT; REPORT ON STANDARDIZED ASSESSMENT AND
4 CLASSIFICATION STANDARDS.]

5 Recognizing the importance of uniform and professional
6 property tax assessment and classification practices, the
7 commissioner of revenue, in consultation with appropriate
8 stakeholder groups shall develop and issue two reports to the
9 chairs of the house and senate tax committees. The reports
10 shall include an analysis of existing practices and provide
11 recommendations, where necessary, for achieving higher quality
12 and uniform assessments and consistency of property
13 classifications. The first report will be issued on February 1,
14 2006, and will address the following property types:

15 (1) agricultural land including land enrolled in green
16 acres (both high and low values) and agricultural preserve;

17 (2) rural woodlands including timber, seasonal residential
18 recreational, agricultural and residential property and lands
19 used for the production of short rotation woody crops; and

20 (3) resort property including class 1c (ma and pa resorts)
21 and class 4c seasonal residential recreational commercial
22 resorts.

23 The second report will be issued on February 1, 2007, and
24 will address the following property types:

- 1 (1) lands enrolled in state or federal conservation
- 2 programs including the Conservation Reserve Program (CRP),
- 3 Reinvest in Minnesota (RIM) program, and Conservation Reserve
- 4 Enhancement Program (CREP);
- 5 (2) residential use properties including seasonal
- 6 residential recreational and residential homestead and
- 7 non-homestead property; and
- 8 (3) commercial/industrial property."

#1
A

Subject: Transfer of a manufactured home to the park owners without paying current or delinquent taxes on the home.

Will this amendment exempt mobile home park owners from the provisions on Minn. Stat. 277.20 Subd. 2? Minn. Stat. 277.20 Subd. 2, provides that a lien for delinquent personal property taxes on mobile homes is enforceable against a purchaser, mortgagee, pledgee, holder of a UCC security interest, mechanic's lien or, or judgment lien creditor if a notice of lien has been filed in the public records in accordance with the filling provisions described in the subdivision

Senate Bill
Page 159

Subd. 1C

We favor a provision that exempts mobile home park owners from having to pay delinquent taxes when they are going to destroy the trailer. With language: No County auditor or treasurer shall require a manufactured home park owner to satisfy the current or delinquent personal property taxes owed as a condition of title transfer to the park owner if the park owner provides a statement that the home is to be destroyed or moved to a site to be destroyed. The County ~~will~~ will provide a move letter to the site of destruction without requiring all taxes be paid.

What we disagree with is that a park owner is treated differently from any other purchasers of a mobile home as it related to current and delinquent personal property taxes. A mobile home park owner is not a dealer of mobile homes as stated in Minn Stat. 327.31 Subd. 5.

1 Sec. ... Minnesota Statutes 2004, section 273.11, is
2 amended by adding a subdivision to read:

3 Subd. 21. [VALUATION EXCLUSION FOR HOMESTEAD PROPERTY
4 DAMAGED BY MOLD.] (a) The owner of homestead property must
5 receive a reduction in the market value of the property if the
6 owner of the property makes written application to the county
7 assessor on a form provided by the commissioner of revenue for
8 an exclusion under this subdivision, and includes with the
9 application two estimates of the cost to cure the mold condition
10 provided by licensed contractors, each of which must estimate a
11 cost of at least \$.....

12 (b) If the conditions in paragraph (a) are met, the county
13 board must grant a reduction in the market value of the
14 homestead dwelling. ^{equal to the condition required to cure the mold condition} If a property owner applies for exclusion
15 under this subdivision between January 1 and June 30 of any
16 year, the exclusion applies for taxes payable in the following
17 year. If a property owner applies for exclusion under this
18 subdivision between July 1 and December 31 of any year, the
19 exclusion applies for taxes payable in the second following year.

20 (c) A denial of a reduction under this section by the
21 county board may be appealed to the tax court. If the county
22 board takes no action on the application within 60 days after
23 its receipt, it is considered a denial.

24 (d) In the assessment year following the assessment year

1 when a valuation reduction has occurred under this section, the
2 amount of the reduction must be added to the market value of the
3 property. For purposes of subdivision 1a, this amount must be
4 considered an increase in value due to an improvement.

5 [EFFECTIVE DATE.] This section is effective for property
6 taxes payable in 2006 and subsequent years.

7 Sec. ... Minnesota Statutes 2004, section 273.11, is
8 amended by adding a subdivision to read:

9 Subd. 22. [VALUATION EXCLUSION FOR SEWAGE TREATMENT SYSTEM
10 IMPROVEMENTS.] Owners of property classified as class 1a, 1b,
11 1c, 2a, 4b, 4bb, or noncommercial 4c under section 273.13 may
12 apply for a valuation exclusion under this subdivision, provided
13 that the property is located in a county which has authorized
14 valuation exclusions under this subdivision, and provided that
15 the following conditions are met:

16 (1) a notice of noncompliance has been issued by a licensed
17 compliance inspector with regard to the individual sewage
18 treatment system serving the property under section 115.55,
19 subdivision 5b;

20 (2) the owner of the property furnishes documentation to
21 the satisfaction of the assessor that the property's individual
22 sewage treatment system has been replaced or refurbished,
23 including replacement of the individual system with a community
24 or cluster system, between July 1, 2005, and December 31, 2007,
25 and that the cost of the replacement or refurbishment is at
26 least \$.....; and

27 (3) a certificate of compliance has been issued for the new
28 or refurbished system under section 115.55, subdivision 5.

29 Application must be made to the assessor on a form
30 prescribed by the commissioner of revenue. Property meeting the
31 requirements of this subdivision is eligible for a valuation
32 exclusion equal to the actual costs incurred, to a maximum
33 exclusion of \$15,000, for a period of one year, after which the
34 amount of the exclusion will be added to the estimated market
35 value of the property and treated as an improvement for purposes
36 of subdivision 1a. If a property owner applies for exclusion

1 under this subdivision between January 1 and June 30 of any
2 year, the exclusion applies for taxes payable in the following
3 year. If a property owner applies for exclusion under this
4 subdivision between July 1 and December 31 of any year, the
5 exclusion applies for taxes payable in the second following year.

6 [EFFECTIVE DATE.] This section is effective for taxes
7 payable in 2006 and subsequent years.

8 Sec. ... Minnesota Statutes 2004, section 273.11, is
9 amended by adding a subdivision to read:

10 Subd. 23. [VALUATION EXCLUSION FOR LEAD HAZARD REDUCTION.]
11 Owners of property classified as class 1a, 1b, 1c, 2a, 4b, or
12 4bb under section 273.13 may apply for a valuation exclusion for
13 lead hazard reduction, provided that the property is located in
14 a city which has authorized valuation exclusions under this
15 subdivision. A city which authorizes valuation exclusions under
16 this subdivision must establish guidelines for qualifying lead
17 hazard reduction projects and must designate an agency within
18 the city to issue certificates of completion of qualifying
19 projects. For purposes of this subdivision, "lead hazard
20 reduction" has the same meaning as in section 144.9501,
21 subdivision 17.

22 The property owner must obtain a certificate from the city
23 stating that the project has been completed and stating the cost
24 incurred by the owner in completing the project. Only projects
25 originating after June 30, 2005, may qualify for exclusion under
26 this subdivision. The property owner shall apply for a
27 valuation exclusion to the assessor on a form prescribed by the
28 commissioner of revenue.

29 A qualifying property is eligible for a valuation exclusion
30 equal to the actual costs incurred, to a maximum exclusion of
31 \$30,000, for one year, after which the amount of the exclusion
32 will be added to the estimated market value of the property. If
33 a property owner applies for exclusion under this subdivision
34 between January 1 and June 30 of any year, the exclusion applies
35 for taxes payable in the following year. If a property owner
36 applies for exclusion under this subdivision between July 1 and

1 December 31 of any year, the exclusion applies for taxes payable
2 in the second following year.

3 [EFFECTIVE DATE.] This section is effective for taxes
4 payable in 2006 and subsequent years.

Cities in Outstate Minnesota with populations of 10,000 or more

House Research
6/28/2005

2003 Population Asking for a local sales tax? Meet stricter criteria in latest general authority amendment?

Cities of the Third Class (population of 10,000 - 20,000):

| | | | |
|-----------------------|--------|-----|--|
| ALEXANDRIA CITY OF | 10,165 | | |
| ST PETER CITY OF | 10,210 | | |
| FARMONT CITY OF | 10,778 | | |
| WORTHINGTON CITY OF | 11,300 | Yes | community center and auditorium renovation might meet criteria of "regional convention or civic center" |
| CLOQUET CITY OF | 11,499 | Yes | no - funding parks, industrial park infrastructure, and landfill closing |
| SARTELL CITY OF | 11,583 | Yes | part - regional library does, the local projects probably don't |
| SAUK RAPIDS CITY OF | 11,690 | Yes | part - regional library does, the local projects probably don't |
| BUFFALO CITY OF | 12,120 | | |
| ST MICHAEL CITY OF | 12,343 | | |
| NORTH MANKATO CITY OF | 12,429 | | |
| BEMIDJI CITY OF | 12,758 | Yes | No - funding parks and trails |
| MARSHALL CITY OF | 12,788 | | |
| HUTCHINSON CITY OF | 13,545 | | |
| BRAINERD CITY OF | 13,780 | | |
| FERGUS FALLS CITY OF | 13,782 | | |
| NEW ULM CITY OF | 13,798 | | |
| RED WING CITY OF | 16,191 | | |
| HILL CITY OF | 16,800 | | |
| ALBERT LEA CITY OF | 18,082 | Yes | No - funding lake improvements |
| NORTHFIELD CITY OF | 18,256 | | |
| WILLMAR CITY OF | 18,597 | Yes | Part - airport and civic center would. Trails, industrial park and treatment center purchase don't. |
| ELK RIVER CITY OF | 18,758 | | |

Cities of the second class (population of 20,000 - 99,999):

| | | | |
|-------------------|--------|-----|--|
| FARIBAULT CITY OF | 22,037 | | |
| SWATONNA CITY OF | 23,379 | | |
| AUSTIN CITY OF | 23,685 | | |
| WINONA CITY OF | 27,018 | Yes | Unclear - unspecified library and cultural projects might; transportation wouldn't. |
| MOORHEAD CITY OF | 32,720 | | |
| MANKATO CITY OF | 33,844 | Yes | No - looking for extension of existing authority |
| ST CLOUD CITY OF | 62,850 | Yes | Part - library and airport would but road projects would not. |
| ROCHESTER CITY OF | 93,037 | Yes | No - looking for extension of existing authority for transportation and higher ed projects. |

Cities of the first class (population of 100,000 or more and Duluth):

| | | | |
|----------------|--------|--|--|
| DULUTH CITY OF | 86,082 | | |
|----------------|--------|--|--|

Other cities asking for a local sales tax with a population less than 10,000:

St. Joseph
Waite Park
Hermantown
Proctor
Baxter
Beaver Bay
Clearwater
Medford
Park Rapids
Waseca

Mower and Douglas Counties

1 moves to amend H. F. No., as follows:

2 Page .., after line .., insert:

3 "Sec. ... Minnesota Statutes 2004, section 297A.99,
4 subdivision 1, is amended to read:

5 Subdivision 1. [AUTHORIZATION; SCOPE.] (a) A political
6 subdivision of this state may impose a general sales tax if
7 permitted by special law or if the political subdivision enacted
8 and imposed the tax before the effective date of section
9 477A.016 and its predecessor provision, of if the tax is allowed
10 under subdivision 1a.

11 (b) This section governs the imposition of a general sales
12 tax by the political subdivision. The provisions of this
13 section preempt the provisions of any special law:

14 (1) enacted before June 2, 1997, or

15 (2) enacted on or after June 2, 1997, that does not
16 explicitly exempt the special law provision from this section's
17 rules by reference.

18 (c) This section does not apply to or preempt a sales tax
19 on motor vehicles or a special excise tax on motor vehicles.

20 [EFFECTIVE DATE.] This section is effective for local sales
21 taxes for which the authorizing referendum is held after June
22 30, 2005.

23 Sec. ... Minnesota Statutes 2004, section 297A.99, is
24 amended by adding a subdivision to read:

1 Subd. 1a. [GENERAL AUTHORITY; CERTAIN CITIES.] (a) A city
2 may impose a local sales tax of one-half of one percent without
3 authorization under a special law provided that:

4 (1) the city is located outside of the metropolitan
5 counties, as defined in section 473.121, subdivision 4;

6 (2) the city is a city of the first or second class as
7 defined in section 410.01;

8 (3) imposition of the tax is approved by the voters of the
9 city pursuant to subdivision 3, paragraph (a);

10 (4) imposition of the tax is approved by the voters at a
11 general election in each of the cities and organized townships
12 that are contiguous to the city imposing the tax;

13 (5) imposition of the tax is approved by resolution of the
14 county board for the home county of the city imposing the tax;

15 (6) all the conditions for adoption, use, and termination
16 of the tax contained in this subdivision and subdivisions 3 to
17 12 are met; and

18 (7) imposition of tax under this authority would not
19 increase the total local tax imposed in the city to a rate
20 greater than one-half of one percent.

21 (b) The proceeds of a tax imposed under this subdivision
22 must be dedicated exclusively to pay for specific regional
23 capital projects that provide benefit to persons outside of the
24 city boundaries, as defined in paragraph (c), as well as to the
25 city, and is approved by the voters in the authorizing
26 referendum. No proceeds may be used for normal maintenance or
27 operating costs of a facility. The proceeds may be used to pay
28 for collecting and administering the tax, to pay all or part of
29 the capital and administrative costs of the development, design,
30 acquisition, construction, expansion, and improvement, and to
31 secure and pay debt service on bonds or other obligations issued
32 to finance capital costs of any one of the following regional
33 projects:

34 (1) a regional convention or civic center;

35 (2) a regional airport;

36 (3) a regional public library;

1 (4) a performing arts center; or

2 (5) a flood control and protection project.

3 (c) A capital project listed in paragraph (b) is considered
4 to be a "regional capital project that provides benefits to
5 persons outside the city boundaries" if it meets one of the
6 following criteria:

7 (1) at least ... percent of the direct users of the
8 facility will be persons from outside of the city; or

9 (2) at least ... percent of the benefit derived from the
10 project will accrue to persons residing or businesses located
11 outside of the city boundaries.

12 (d) At least three months prior to holding a referendum to
13 impose the tax, a city must provide to the commissioner of
14 revenue a resolution approved by the city that shows that the
15 tax will fund a project that meets the requirements of
16 paragraphs (a) to (c), the date on which the referendum will be
17 held, the maximum amount raised by the tax that may be used for
18 the specified project, excluding issuance and interest costs for
19 any related bonds, and the maximum time that the tax may be
20 imposed. The commissioner shall certify that the requirements
21 under this subdivision are met and the city shall provide any
22 additional information the commissioner requests in order to
23 make that determination. The commissioner's decision is final.

24 (e) The question put to the voters at the referendum
25 authorizing the vote must include information on the specific
26 project to be funded by the proceeds of the tax, the maximum
27 amount of sales tax revenues that will be used to fund the
28 project, not including any issuance and interest costs for
29 related bonds, and the maximum length of time that the tax will
30 be imposed. The referendum must also include a statement that
31 the sales tax revenues are pledged to pay for the specific
32 capital improvement but the improvement costs and any related
33 bonds are a general obligation of the political subdivision and
34 will be guaranteed by the political subdivision's property tax
35 levy. If the referendum is not held on the date contained in
36 the resolution, the authority for imposing the tax expires.

1 (f) A city may hold a referendum for only one project
2 listed in paragraph (b) at any election.

3 (g) A city may issue general obligation bonds to pay the
4 costs of projects specified in the referendum authorizing
5 imposition of the tax. The approval of the question under
6 paragraph (e) meets the requirement for elector approval for
7 issuance of bonds under section 475.58, subdivision 1. The debt
8 represented by the bonds must not be included in computing any
9 debt limitations applicable to the city, and the levy of taxes
10 required by section 475.61 to pay the principal or any interest
11 on the bonds must not be subject to any levy limitations or be
12 included in computing or applying any levy limitation to the
13 city.

14 (h) The tax, if enacted, expires when the specified revenue
15 has been raised or the maximum time in which the tax is in
16 effect under the resolution is reached, whichever is sooner.
17 Any tax imposed under this subdivision must expire no later than
18 12 years after imposition. The governing board of the city may,
19 by ordinance, terminate the tax at an earlier date.

20 (i) Except as specifically authorized by this section, a
21 city must not use public funds to prepare or disseminate
22 material regarding the passage of a ballot question under
23 section 297A.99, subdivision 1a, including but not limited to
24 billboards or other signs, newspaper advertising, advertising
25 messages broadcast on radio or television, programming on cable
26 television, except for any legal requirements regarding notice
27 of election. A city may allow meetings in a public building of
28 proponents of a question involving imposing a local sales tax
29 under section 297A.99, subdivision 1a, if opponents of the
30 question who so request are allowed to meet in a public building
31 on similar terms to those applicable to the proponents. A city
32 must not allow proponents or opponents of a ballot question on
33 imposition of a local sales tax under section 297A.99,
34 subdivision 1a, to place campaign signs on public property.

35 [EFFECTIVE DATE.] This section is effective for local sales
36 taxes for which the authorizing referendum is held after June

1 30, 2004. If the authorizing referendum was held prior to July
2 1, 2005, the three month prior notice to the commissioner
3 contained in paragraph (d) shall not apply, but the commissioner
4 must still certify that all other provisions of this subdivision
5 are met before the tax may be imposed.

6 Sec. ... Minnesota Statutes 2004, section 297A.99,
7 subdivision 3, is amended to read:

8 Subd. 3. [REQUIREMENTS FOR ADOPTION, USE, TERMINATION.]

9 (a) Imposition of a local sales tax is subject to approval by
10 voters of the political subdivision at a general election.

11 (b) The proceeds of the tax must be dedicated exclusively
12 to payment of the cost of a specific capital improvement which
13 is designated at least 90 days before the referendum on
14 imposition of the tax is conducted.

15 (c) The tax must terminate after the improvement designated
16 under paragraph (b) has been completed.

17 (d) After a sales tax imposed by a political subdivision
18 has expired or been terminated, the political subdivision is
19 prohibited from imposing a local sales tax for a period of one
20 year. Notwithstanding subdivision 13, this paragraph applies to
21 all local sales taxes in effect at the time of or imposed after
22 May 26, 1999.

23 (e) All local sales taxes imposed before July 1, 2005, must
24 be approved or re-approved by the voters in the taxing
25 jurisdiction at a general election held by December 31, 2010.
26 The question put to the voters must reaffirm the existing uses
27 and expiration of the tax. If the current tax has no expiration
28 provision, the reauthorized tax will expire no later than
29 December 31, 2022. If an existing tax is not approved by the
30 voters as required under this paragraph, the tax will expire at
31 the later of (1) the first day of the calendar quarter beginning
32 at least 90 days after failure of the referendum, or (2) when
33 the tax has generated revenues sufficient to pay off existing
34 bonds for the authorized project.

35 [EFFECTIVE DATE.] This section is effective July 1, 2005."