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S.F. No. 3808 – Agricultural Homestead Modifications (as proposed to be amended with A-1)

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Section 1. Homestead owned by or leased to family farm corporation, joint farm venture, limited liability company, or partnership. Allows agricultural homestead classification for agricultural property that is owned by a qualifying business entity and located within four townships or cities from agricultural land that is owned and used as a homestead by an individual who is a shareholder, member, or partner of the eligible business entity. Under current law, this property receives the first-tier homestead classification rate but is not eligible for homestead status. Without homestead status, the property is not eligible for the homestead market value credit, and other homestead benefits, including tax deferral programs. In addition, the property may now be eligible for the qualified farm property estate tax exclusion since the property would now receive agricultural homestead classification. Effective beginning with assessment year 2023.

Section 2. Agricultural homesteads; special provisions. Clarifies that, for purposes of agricultural relative homestead, the relative actively farming the agricultural land can do so on their own or through a qualifying business entity. Under current law, it's unclear if the person actively farming the agricultural land or the owner of the land must be a member of the qualifying business entity. Effective beginning with assessment year 2023.