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## **S.F. No. 1476 – Modifying Class 1c Property (as proposed to be amended by A-1)**

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**SF 1476** modifies the tier rates for class 1c property. Class 1c is homestead report property that abuts public water, or a state-trail administered by the Department of Natural Resources and used for temporary and seasonal residential occupancy for recreational purposes provided that the property is not devoted to commercial purposes for more than 250 days in the year preceding the assessment year.

The portion of the property used as a homestead is classified as class 1a residential homestead. The remainder of the property is classified as follows:

Tier I – the first \$600,000 at 0.50%

Tier II – \$600,001 to \$2,300,000 at 1.00%

Tier III – any value over \$2,300,000 at 1.25%. Value in Tier III is also subject to the state general levy.

SF 1476 provides that the first \$850,000 of market value is Tier I, and the market value from \$850,001 to \$3,100,000 is Tier II. Any value over \$3,100,000 will be Tier III and remain subject to the state general levy.

**Effective** for taxes payable in 2023.