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S.F. No. 4995 – Seasonal Tax Base Replacement Aid

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Section 1. Seasonal tax base replacement aid. Establishes a new school district aid program that reduces and offsets the voter-approved operating referendum levies in districts with class 4c(12) seasonal recreational property. Reduces voter-approved referendum tax rates by as much as 50% in school districts with large amounts of class 4c(12) property. Effective for taxes payable in 2025 and later.

Background information

Class 4c(12) property consists of real and personal property devoted to non-commercial, temporary, and seasonal residential occupancy for recreation purposes. This class of property is sometimes referred to as “cabin property.”

Under current law, class 4c(12) property is not included in the definition of “referendum market value” for the purposes of calculating school district equalized market value levy amounts and does not pay any portion of school district market value levies, including the voter-approved referendum levies. However, this class of property is subject to school district net tax capacity levies and is in the tax base for the state general levy.