



## **S.F. No. 2076 – Modifying Tier Limits for Class 1c Homestead Resorts**

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**SF 2076** modifies the tier limits for Class 1c property. Class 1c is commercial-use 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 property must include three or more rental units and must provide recreational activities including rental of ice fishing houses, rental of snowmobiles, and rental of downhill or cross county ski equipment.

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%. The value in Tier III is also subject to the state general levy.

SF 2076 modifies the tier rates such that the first \$1,500,000 of market value is Tier 1, the market value from \$1,500,001 to \$4,500,000 is Tier II, and any value over \$4,500,000 is Tier III, and remains subject to the state general levy.

**Effective** beginning with assessment year 2026.

