

2012 PROPERTY TAX LEGISLATIVE BULLETIN

(2012 1st Special Session)

MINNESOTA • REVENUE

Appeals and Legal Services Division
600 North Robert Street
Saint Paul, Minnesota 55146-2220

Bulletin Date: September 6, 2012

The provisions discussed in this bulletin can be found in 2012 Minn. Laws, 1st Special Session, Chapter 1.

PROPERTY TAXES

Appropriations and definitions. The affected area is defined as the area of Minnesota designated under Presidential Declaration FEMA-4069-DR, whether initially or if added later. As of August 24, 2012, the area consisted of the following Minnesota counties: (1) Aitkin; (2) Cass; (3) Carlton; (4) Cook; (5) Crow Wing; (6) Dakota; (7) Goodhue; (8) Itasca; (9) Kandiyohi; (10) Lake; (11) Meeker; (12) Pine; (13) Rice; (14) St. Louis; (15) Sibley, (16) Fond du Lac Band of Superior Chippewa, (17) Grand Portage Band of Lake Superior Chippewa; and, Mille Lacs Band of Ojibway. For the purposes the legislation, “the floods” is defined as the flooding that resulted from storms that occurred June 14 through 21, 2012. Effective August 25, 2012.

Flood-related loss of taxable property values. The commissioner of revenue must make a one-time payment after July 1, and before July 20, 2014 to cities that lost at least 5% of their property tax base (based on net tax capacity) due to flooding that resulted from the storms of June 14-21, 2012. The aid is equal to the city’s average local tax rate for taxes payable in 2012 times the taxable value of flood-based damages to real property within the city and certified to the commissioner of revenue by August 1, 2013. The commissioner must notify each eligible city of its flood loss aid amount by August 15, 2013. Cities may spend part of the aid payment to repair county roads located in the city. Effective August 25, 2012.

Waivers of property tax late-payment penalties. Penalties related to late-payment of the second one-half installment of the 2012 property taxes normally due on October 15, 2012 (November 15 for agricultural properties) for business and damaged properties, are waived if those taxes are fully paid by December 28, 2012. Penalties calculated from the normal due date will be imposed in full if payment is not made by December 28. Commercial and industrial properties are eligible if they are located in a county that includes an area designated as a “disaster or emergency area” under Minn. Stat. § 273.1231 whether or not there has been executive council approval. Other properties are eligible if they suffered at least 50% damage as a result of the floods. In all cases, the taxpayer must attest to the inability of paying on the normal date due to circumstances related to the floods; and, must have timely paid the 2012 first-half installment. Effective August 25, 2012.

Agricultural homesteads extended. For assessment years 2013 and 2014 (payable 2014 and 2015) farmers can receive the homestead classification on agricultural property they no longer occupy provided that: 1.) the property owner abandoned the homestead dwelling as a result of damage caused by the floods; 2.) the property is located within the disaster or emergency area related to the floods; 3.) the land and buildings remain under the same ownership for the current assessment year as existed for the 2012 assessment year; 4.) the owner occupies a dwelling located in Minnesota that is within 50 miles of one of the parcels of agricultural land; and, 5.) the owner notifies the county assessor and provides all information necessary to verify the relocation by December 1, 2013 for taxes payable in 2014. Further notifications are not required if the property continues to meet all the requirements and dwellings on the agricultural land remains uninhabited. Effective August 25, 2012.

Application requirement waived for disaster abatements and credits. Eliminates the requirement for certain owners or taxpayers to make an application in order to receive a property tax abatement or credit under Minn. Stat. §§ 273.1231-.1235 for property damages related to the floods. By October 1 2012, county assessors must reassess all property in the areas that qualify to be designated as a “disaster or emergency area” based solely on damage to the area regardless of whether there has been executive council approval. The taxpayer does not need to apply for property tax abatements and/or credits. County assessors must notify the taxpayers or owners of affected parcels before December 14, 2012. Effective August 25, 2012.

