

MINNESOTA • REVENUE

PROPERTY TAX Property Tax Reduction For Mold Damage

March 8, 2005

	Yes	No
Separate Official Fiscal Note Requested		X
Fiscal Impact		
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 420 (Goodwin) / S.F. 1081 (Pogemiller)

	Fund Impact			
	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective for taxes payable in 2005 and thereafter.

EXPLANATION OF THE BILL

The bill would provide a reduction in taxes payable on a homestead property damaged by mold if all of the following conditions are met:

- the property owner makes written application to the county assessor for this tax treatment;
- the county assessor determines the homestead dwelling is uninhabitable due to mold contamination; and
- the property owner makes written application to the county board.

If all of the conditions are met, the county board must grant a reduction in the amount of property taxes payable on the homestead dwelling. The reduction must be made for taxes payable in the year that the assessor determines the homestead uninhabitable and the following year.

The reduction in taxes payable must be calculated based upon the number of months the homestead is uninhabitable. The amount of net tax due shall be multiplied by the percentage of months in the year that the dwelling was occupied by that taxpayer. If the reduction is granted after all property taxes due for the year have been paid, the amount must be refunded to the taxpayer. A denial of a reduction or refund by the county board may be appealed to the tax court.

REVENUE ANALYSIS DETAIL

- There would be no impact on the state general fund. The bill does not provide counties the authority to levy back lost dollars from a property tax reduction or refund.

Number of Taxpayers: The number of affected properties is not known.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/taxes/legal_policy

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