2026 PROPERTY TAXES
LEGISLATIVE BULLETIN

Appeals, Legal Services, and Disclosure Division
600 N. Robert St.
St. Paul, MN 55146-2220

9/10/2026 FINAL

PROPERTY TAX AIDS AND CREDITS

General education aid. Minn. Stat. § 126C.13, subd. 4, was amended to remove the reference to fiscal year 2015, and add a reference to the new seasonal tax base replacement aid for school districts created under section 126C.17, subdivision 7c. Effective for revenue in fiscal year 2028 and later. 2026 Minn. Laws, Ch. 128, Art. 4, § 1.

School district seasonal tax base replacement aid. Minn. Stat. § 126C.17 was amended to create a subdivision 7c, establishing a new seasonal tax base replacement aid for school districts. Effective for taxes payable in 2027 and later. 2026 Minn. Laws, Ch. 128, Art. 4, § 2.

Tribal property exemption. Minn. Stat. § 272.02, subd. 101 was amended to include the parking lot owned by an Indian tribe and used exclusively to serve the medical clinic as exempt property, to increase the maximum number of qualifying exempt parcels from two to five, to remove the requirement for the parcels to be contiguous, and to extend the provision's expiration date from taxes payable in 2028 to those payable in 2038. Effective beginning with assessment year 2027. 2026 Minn. Laws, Ch. 128, Art. 4, § 3.

Repealer – Business incubator exemption. Minn. Stat. § 272.02, subd. 31, was repealed, which was a business incubator exemption that expired after property taxes payable in 2016. Effective August 1, 2026. 2026 Minn. Laws, Ch. 88, Art. 1, § 226, subd. 7.

Tribal property exemption. Minn. Stat. § 272.02 was amended by adding new subdivision 110, to exempt one parcel that is used to store medical clinic equipment and materials, located in a city with a population between 12,400 and 12,800 as of the 2020 census, that was as of January 1, 2026 and as of current assessment, owned by a federally recognized Indian Tribe or its instrumentality located within Minnesota. The exemption does not apply to any portion of the property used for housing, parking facilities, agriculture, or forestry. For assessment year 2026, an exemption application must be filed with the county assessor by July 1, 2026. Effective beginning with property taxes payable in 2027. For assessment year 2026 only, an exemption application under this section must be filed with the county assessor by July 1, 2026. 2026 Minn. Laws, Ch. 128, Art. 4, § 4.

Repealer – Valuation exclusion for certain business property improvements. Minn. Stat. § 273.11, subds. 19 and 20, were repealed, which were obsolete provisions governing the valuation of class 3 property damaged by floods in 1997 and 2002, because both the exclusion period and assessment years to add back the exclusion have ended. Effective August 1, 2026. 2026 Minn. Laws, Ch. 88, Art. 1, § 226, subds. 8 and 9.

Expired property tax programs. Minn. Stat. §§ 273.032 and 273.111, subd. 9, were amended to remove references to expired property tax programs. Effective May 28, 2026. 2026 Minn. Laws, Ch. 128, Art. 10, §§ 1 and 2.

Class 1c property. Minn. Stat. § 273.13, subd. 22, was amended to adjust the tier thresholds for class 1c commercial use property, increasing tier I classification from the first $600,000 to the first $1,500,000 of market value, and tier II classification from the next $1,700,000 to the next $3,000,000 of market value. Effective beginning with assessment year 2026. 2026 Minn. Laws, Ch. 128, Art. 4, § 5.

Repealer – Class 1b homestead declaration before 2009. Minn. Stat. § 273.1315, subd 1, was repealed, which was an obsolete provision that governed a class 1b homestead declaration made on or before October 1, 2008. Effective August 1, 2026. 2026 Minn. Laws, Ch. 88, Art. 1, § 226, subd 10.

Repealer – Public Employees Retirement Association ("PERA") aid. Minn. Stat. § 273.1385, was repealed, which was an obsolete aid offsetting the PERA rate increase for employer contributions that terminated on June 30, 2020. Effective August 1, 2026. 2026 Minn. Laws, Ch. 88, Art. 1, § 226, subd. 11.

Repealer – Terminated aid program and obsolete language. Minn. Stat. §§ 273.25; 273.65; 273.66; 273.67; 274.07; 428B.02, subd. 7; and 477A.085, were repealed, which contained references to personal property lists that are no longer taxed, required unnecessary submission of information to the commissioner of revenue, and referenced an expired aid program. Effective May 28, 2026. 2026 Minn. Laws, Ch. 128, Art. 10, § 3.

Levy limits. Minn. Stat. § 275.011 subds. 1 and 2, were amended to remove provisions regarding taxes payable in 1988 and 1989, and to update obsolete statutory cross-references. Effective August 1, 2026. 2026 Minn. Laws, Ch. 88, Art. 1, §§ 168 and 169.

Public utilities commission. Minn. Stat. § 412.341, subd. 3, was amended to clarify that ordinances, subject to voter approval, can increase or reduce, rather than only reduce, the number of public utilities commission members. Effective May 28, 2026. 2026 Minn. Laws, Ch. 128, Art. 4, § 6.

Lake City port authority. Minn. Stat. § 469.0773, subds. 1 and 2, were amended to clarify that the Lake City port authority has no power to issue debt or bonds or to exercise eminent domain, but that it can request Lake City to levy tax for its benefit. An uncodified provision extended the time limit to January 1, 2027, for Lake City to file its approval to establish a port authority. Effective May 28, 2026. 2026 Minn. Laws, Ch. 128, Art. 4, §§ 7, 10.

Red Wing port authority. Minn. Stat. § 469.081, subd. 3a, was amended to adjust Red Wing port authority appointee terms from three to six years. Effective the day after the governing body of the city of Red Wing and its chief clerical officer comply with section 645.021, subdivisions 2 and 3. 2026 Minn. Laws, Ch. 128, Art. 4, § 8.

Repealer – Local Government Aid. Minn. Stat. § 477A.18 was repealed, which provided a production property transition aid that ended after aids were paid in 2020. Effective May 13, 2026. 2026 Minn. Laws, Ch. 88, Art. 1, § 226, subd. 15.

Local homeless prevention aid. Minn. Stat. § 477A.30, subd. 8, was amended to extend the expiration date of local homeless prevention aid payments to after aids payable in 2032. Effective July 1, 2026. 2026 Minn. Laws, Ch. 128, Art. 4, § 9.

Onetime school district seasonal tax base replacement aid. This uncodified provision was created to appropriate funds to the commissioner of education for a onetime seasonal tax base replacement aid payable to eligible school districts in fiscal year 2027. Effective July 1, 2026. 2026 Minn. Laws, Ch. 128, Art. 4, § 12.

2027 aid calculation for Northern Township. This uncodified provision provides the aid formula for calculation and certification of city aid payable under section 477A.013, subds. 8 and 9, to Northern Township if Northern Township has incorporated as a city by January 31, 2027. Effective for aids payable in 2027 only. 2026 Minn. Laws, Ch. 128, Art. 4, § 13.

TAX INCREMENT FINANCING

Excess increments. Minn. Stat. § 469.176, subd. 2, was amended to reorganize and adjust the procedure for how a rural development financing authority processes excess tax increments for a district. Applies to all districts and is effective for excess tax increment determinations for calendar year 2026 and thereafter. 2026 Minn. Laws, Ch. 128, Art. 6, § 1.

City of Chaska; Tax Increment Financing District No. 23. This uncodified provision permits the Chaska Economic Development Authority to collect tax increment from the Chaska Tax Increment Financing District No. 23 for up to 35 years after receipt of the first increment. Effective upon compliance by the governing bodies of the city of Chaska, Carver County, and Independent School District No. 112 with the requirements of Minnesota Statutes, section 469.1782, subdivision 2. 2026 Minn. Laws, Ch. 128, Art. 6, § 5.

City of Columbia Heights; Alatus Tax Increment Financing District. This uncodified provision extends the five-year year rule for determining whether tax increment expenditures were paid within the district to ten years for the city of Columbia Heights, and eleven years for the Alatus Tax Increment Financing District in Columbia Heights. It also permits the city of Columbia Heights to extend the duration of the Alatus Tax Increment Financing District by five years. The five-year rule extension is effective the day after the governing body of the city of Columbia Heights and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3. The five-year district extension authorization is effective upon compliance by the governing bodies of the city of Columbia Heights, Anoka County, and Independent School District No. 13 with the requirements of Minnesota Statutes, section 469.1782, subdivision 2. 2026 Minn. Laws, Ch. 128, Art. 6, § 6.

City of Eden Prairie; Tax increment financing authority. This uncodified provision modifies Laws 2025, First Special Session chapter 13, article 5, section 11, subdivision 3, to extend the expiration date for the city of Eden Prairie to establish a tax increment financing authority, from December 31, 2026, to December 31, 2028. Effective the day after the governing body of the city of Eden Prairie and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3. 2026 Minn. Laws, Ch. 128, Art. 6, § 4.

City of Hopkins; Tax Increment Financing District 1-6 (325 Blake). This uncodified provision extends the five-year rule for determining whether tax increment expenditures were paid within the district to ten years for the city of Hopkins, and eleven years for Tax Increment Financing District 1-6 (325 Blake) in Hopkins. Effective the day after the governing body of the city of Hopkins and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3. 2026 Minn. Laws, Ch. 128, Art. 6, § 7.

City of Mountain Lake; Tax Increment Financing District No. 1-8. This uncodified provision modifies Laws 2021, First Special Session chapter 14, article 9, section 9, to extend that provision's five-year extension of the deadline for Tax Increment Financing District No. 1-8 to begin activities to an eight-year extension, ending April 1, 2029. Effective the day after the governing body of the city of Mountain Lake and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3. 2026 Minn. Laws, Ch. 128, Art. 6, § 2.

City of Wayzata; Tax Increment Financing District No. 6. This uncodified provision modifies Laws 2021, First Special Session chapter 14, article 9, section 11, to permit the city of Wayzata to use increments from Tax Increment Financing District No. 6 for specific local projects. Effective the day after the governing body of the city of Wayzata and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3. 2026 Minn. Laws, Ch. 128, Art. 6, § 3.

PUBLIC FINANCE

Bonds. Minn. Stat. § 297A.993, subd. 4, was amended to reduce the minimum number of days a county must publish a notice of its intent to issue qualifying bonds from 14 days to ten. Effective July 1, 2026. 2026 Minn. Laws, Ch. 128, Art. 7, § 1.

Port authority bond maturity. Minn. Stat. § 469.060, subd. 3, was amended to remove the requirement that the bonds issued by a port authority must mature serially. Effective July 1, 2026. 2026 Minn. Laws, Ch. 128, Art. 7, § 2.