



REVENUE CORRESPONDENCE:

Homesteads:

Application, Spousal Treatment, Relative, Life Estate, and General Homestead Questions

Any correspondence posted within this file is deemed to be accurate and a true representation of the answer as of the date the original document was issued. The Department of Revenue will make every attempt to ensure letters that are no longer accurate due to law or policy changes are removed in a timely manner. If you find a document that you believe is no longer accurate due to a change in law or policy, please direct your concerns to us at proptax.questions@state.mn.us and we will attempt to resolve the situation.

Please understand that all answers are based on the specific question asked. If any of the facts of the situation change, our opinion will be subject to change as well.

This document is intended to be used as a supplement to the Property Tax Administrator's Manual, [Module 4: Homesteads](#).

Updated July 2024



***Application, Verification,
Proof of Eligibility, etc.***

December 10, 2002

Gary Grossinger
Stearns County Assessor
Administrative Center Room 37
705 Courthouse Square
St. Cloud, Minnesota 56303

Dear Mr. Grossinger:

Your e-mail to John Hagen has been forwarded to me for a reply.

It is my understanding that you have a situation in which a daughter owns an 80-acre farm with her parents. She attends college full time at Northern Michigan. She has applied for homestead on the farm. You have asked if the homestead should be granted.

In our opinion, it is extremely unlikely that she would qualify for homestead considering she is enrolled in college full time in Michigan. You stated that you have already asked to see a copy of her tuition statement to see if she is paying resident or non-resident tuition. We would also suggest you check the address on her driver's license, the address where school information is sent, etc. as verification of her Minnesota residency. You may also want to check to see that she filed income tax for 2001 and in which state she filed as a resident – Minnesota or Michigan. In the absence of these items showing that her permanent residence is in Minnesota, the homestead should be denied. If the daughter were to graduate and move onto the farm and make it her primary place of residence, she could be granted homestead at that time.

If you have any further questions, please contact our division.

Sincerely,

STEPHANIE NYHUS, Senior Appraiser
Property Tax Division - Information and Education Section
Phone (651) 296-0335
e-mail: stephanie.nyhus@state.mn.us

Property Tax Division

Mail Station 3340

Fax: (651) 297-2166

St. Paul, MN 55146-3340 Phone: (651) 296-0336

e-mail: john.hagen@state.mn.us

December 18, 2002

Gary Grossinger
Stearns County Assessor
Admin Center Room 37
705 Courthouse Square
St. Cloud, Minnesota 56303

Dear Gary:

Thank you for your recent letter concerning a daughter who owns an 80 acre farm property in conjunction with her parents. The daughter has made application for homestead on the property however she attends school in Northern Michigan. You question the appropriateness of granting her homestead. You have requested a copy of her tuition statement, to verify that she pays non-resident tuition and you are looking for further guidance.

In our opinion, it would appear to be very unlikely that she is actually occupying the property for homestead purposes while at the same time attending school full time in Northern Michigan. Checking for tuition residency status is an excellent idea. We would also recommend that you verify the following:

- Is the house where she is claiming homestead furnished and awaiting her return?
- Does she have a Minnesota drivers license and does the license have the address where she is claiming homestead?
- Is her mail delivered to the address where she is claiming homestead?
- If she voted in the most recent election did she vote (absentee) at the address where she is claiming homestead?
- If she owns a vehicle is it registered in her name at the address where she is claiming homestead.
- When she returns home from school for breaks and holidays, does she return to the property where she is claiming homestead?

In 1996 when we issued our homestead manual, we initiated something we called the reasonableness test. In other words, does the request for homestead seem reasonable. Is it probable that the applicant is actually occupying the property for purposes of a homestead.

In this instance, although not impossible, it would seem improbable that this individual is actually occupying the property as a homestead. We commend you for checking the tuition residence status. However even if that comes back identifying her as paying out-of-state tuition, that only means that she does not live in Michigan, not that she lives where she is claiming homestead.

Since this homestead request would seem to strain the limits of reasonableness test we would recommend that the applicant be required to meet all of the requirements listed above with the possible exception of the final one. It would be understandable that the house might not be winterized making occupancy during winter visits impossible

Remember, you do not have to prove that applicant is not entitled to homestead, the applicant must prove that they are.

Very truly yours,

JOHN F. HAGEN, Manager
Information and Education Section

April 1, 2003

Brad Johnson
Goodhue County Assessor
509 West 5th Street Room 208
Red Wing, Minnesota 55066

Dear Brad:

Your letter of February 11, 2003, to John Hagen has been forwarded to me for reply. With your letter you enclosed a copy of a purchase agreement and several signatures on documents which were signed and notarized on December 9, 2002. You have asked us if it is acceptable to give the new owners of the property in question homestead status for the 2002 assessment.

In our opinion, it is not appropriate. As you are aware, the basic requirements of a mid-year homestead are found in **Minnesota Statute 273.124, subdivision 9, homestead established after assessment date**. This states in part that:

“Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead on December 1 of a year, constitutes class 1 or class 2a.”

In order to qualify for a mid-year homestead on this property, the new owners would have had to own and occupy the property as their homestead on December 1, 2002. Clearly, as evidenced by the signatures on the documents provided, the owners did not purchase the property in question until December 9, 2002. Therefore, they fail to meet the ownership test for homestead.

If you have further questions, please contact me.

Sincerely,

STEPHANIE NYHUS, Senior Appraiser
Information and Education Section
Property Tax Division
Phone: (651) 296-0335
e-mail: stephanie.nyhus@state.mn.us

February 23, 2005

Don Niemi
Courthouse
209 2nd Street NW
Aitkin, MN 56431

Dear Mr. Niemi:

Thank you for your inquiry regarding a homestead.

You provided the following information: A property owner has owned property in Aitkin County for many years. He sold his house in the Twin Cities on December 15, 2004, and immediately filed for homestead on his property in Aitkin County. You ask if he can receive the homestead classification in Aitkin County.

To receive the homestead classification in Aitkin County for the 2004 assessment year, taxes payable in 2005, the property must have been the property owner's principal place of residence on or before December 1, 2004.

In our opinion, it is not appropriate to grant the mid-year homestead in Aitkin County for 2004. As you are aware, the basic requirements of a mid-year homestead are found in Minnesota Statutes, Section 273.124, subdivision 9, which states in part that:

“Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead on December 1 of a year, constitutes class 1 or class 2a. Any taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor under section 273.063, in writing, by December 15 of the year of occupancy in order to qualify under this subdivision...”

Since the property was not occupied as the property owner's principal place of residence on or before December 1, 2004, no potential exists for this property to be granted a homestead for the 2004 assessment.

If you have further questions, please contact me.

Sincerely,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114 Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

May 17, 2005 *Edited July 2021 due to law change*

Mark Nisley
Constituent Services Department
Republican Caucus
Minnesota House of Representatives
406B State Office Building
St. Paul, MN 55155

Dear Mr. Nisley:

Thank you for your letter regarding homestead classification. In your letter, you mentioned that a constituent had contacted Rep. Howes with questions pertaining to the homestead classification. You asked for answers to the following questions:

1. When can a property owner apply for homestead classification?

There are two possibilities for receiving a residential homestead for the current assessment year. You must either:

1. Own and occupy your property on January 2 and file by December 31 to receive homestead for the current assessment year (taxes payable in the following year); or
 2. Own and occupy by December 31 and file by December 31 to receive homestead for the current assessment year (taxes payable in the following year).
2. How many days out of the year does a person have to live in the house to keep the homestead classification?

To be eligible to receive the homestead classification, the property owner or qualified relative must:

1. Be a Minnesota resident;
2. Own the property or be related to the owner as provided for in statute; and
3. Occupy the property as his/her primary place of residence.

Of these requirements, by far the most difficult determination is the primary place of residence. There is no requirement that a person has to live in a house a set number of days to receive the homestead classification. It is simply based on the facts. Token occupancy does not meet the requirements of homestead.

Some factors the assessor considers when determining whether or not to grant a homestead are where the taxpayer has his/her mail sent, where he/she is registered to vote, the address on his/her driver's license, etc. However, simply changing the address on a driver's license or registering to vote does not satisfy the requirement. The property owner (or qualifying relative) either occupies a property as his/her principal place of residence or he/she does not. If the property is not occupied by the owner (or qualifying relative) as his/her primary place of residence, the property is not entitled to receive the homestead classification.

It is up to the assessor to determine if a property owner (or qualifying relative) occupies the property as his/her primary place of residence. Assessors do not have to prove that an applicant does not qualify for homestead status; the taxpayer has the burden of proving he/she is entitled to receive homestead.

3. What would cause homestead classification to be revoked?

If the property owner (or qualifying relative) no longer meets the requirements for homestead, the assessor would remove the homestead on the assessment date (January 2). For example, if the property owner no longer occupies the property as his/her primary residence, it would be appropriate for the assessor to remove the homestead classification.

If the constituent has further questions, you may direct him/her to the county assessor where the property is located or he/she may contact our division.

Sincerely,

JOHN HAGEN, Manager
Information and Education Section
Property Tax Division
Phone: (651) 556-6106
Fax: (651) 556-3128
E-mail: john.hagen@state.mn.us

June 9, 2005

Patrick Todd
Supervisor, Real Estate Assessment
309 2nd Avenue South - Room 100
Minneapolis, MN 55401-2234

Dear Mr. Todd:

Thank you for your question regarding Minnesota residency for homestead purposes.

You provided the following: You have a person that says he is a Minnesota resident even though he maintains his California driver's license. He works in California five months out of the year and never plans on giving up his driver's license in California.

Based upon our understanding, it is impossible to have a valid driver's license in two different states at the same time. Consequently, if this individual refuses to surrender his California driver's license, and get a Minnesota driver's license, he has made his choice. He is a California resident and not eligible for homesteading in Minnesota.

You were told that the Department of Revenue (DOR) has a form in which a homestead applicant can complete and return to the DOR. The DOR, in turn, will then send a letter to you verifying that the applicant is a Minnesota resident. You asked if this is correct and, if so, where can you find the form.

While there is no specific form used to obtain this information, we can check with our income tax division to see if the taxpayer filed Minnesota income tax for the most recent year the information is available. If you would like us to verify that information, please email John Hagen at john.hagen@state.mn.us. Make sure you include the taxpayer's social security number and request that John verify whether or not the taxpayer filed income tax as a Minnesota resident.

If you have any further questions, please contact the division.

Sincerely,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114 Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

December 23, 2005

Pam Moe
Becker County Assessor's Office
Courthouse 913 Lake Avenue
P.O.Box 787
Detroit Lakes, Minnesota 56502

Dear Pam:

Thank you for your question regarding homestead applications.

You have a situation where a property owner refuses to return a homestead application. Since the assessor for the township questions whether or not anyone still occupies the property in question, you indicated that you sent the property owner a new homestead application. You have asked for the statute which gives the county assessor the authority to pull the homestead of a property owner if a homestead application is not returned.

Minnesota Statute 273.124, subd. 1, paragraph (a), states in part:

“...The assessor shall require proof, as provided in subdivision 13, of the facts upon which classification as a homestead may be determined. Notwithstanding any other law, the assessor may at any time (emphasis added) require a homestead application to be filed in order to verify that any property classified as a homestead continues to be eligible for homestead status...”

You may want to send a copy of the entire statute (M.S. 273.124) regarding homestead determination to the property owner for their information. Statutes may be accessed via the legislative website at www.leg.state.mn.us.

If you have further questions, please direct them to proptax.questions@state.mn.us.

Sincerely,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114 Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

February 16, 2006

Nancy Bye
City Assessor
3400 Plymouth Blvd.
Plymouth, MN 55447

Dear Nancy:

Thank you for your question regarding homestead.

You provided the following information:

- A homeowner in the city of Plymouth did not use any water in 2005.
- The water bill was returned as undeliverable to the property address in the city of Plymouth.
- You then sent a letter addressed to the property owner, to a P. O. Box address in Shakopee, Minnesota, notifying them that the homestead for their property in the city of Plymouth would be removed for the 2006 assessment year for taxes payable in 2007.
- The property owner called and indicated that he should not be penalized because they travel and that this is their only homestead.
- You were informed by the property owner that they were at their Plymouth residence in September to go to the Minnesota State Fair. He also said that they do not use the water when they are in town. When the property owners were at their Plymouth residence in September, they used the restroom at McDonalds and bought bottled water to drink.
- The property owner said that he files his taxes in Minnesota, his wife has a Minnesota driver's license, and that he will be obtaining a Minnesota driver's license.

You have asked for our opinion regarding homestead in this matter.

As you know, there is no set number of days a property owner has to occupy a property to receive the homestead classification. However, there are several indicators you can use to evaluate whether the property is the owner's homestead. These include:

- Where is the taxpayer registered to vote?
- Where is the taxpayer's mail delivered?
- What is the address on the taxpayer's driver's license?
- Does the taxpayer have any other residence in Minnesota for which they can, or do claim a homestead exemption?
- Has the applicant applied for or received any Minnesota rent credits?
- What is the address on the taxpayer's motor vehicle license?
- What is the location of the taxpayer's bank accounts, especially the location of the most active checking account?
- What is the address on the taxpayer's fishing or hunting license, and was a resident or nonresident license purchased?

(Continued...)

Nancy Bye
February 16, 2006
Page 2

The taxpayer does not have to meet all of the preceding factors. However, this information can provide strong evidence about the taxpayer's principal residence. The fact that no water was used in 2005 indicates that they did not occupy the property as their principal place of residence in 2005.

We suggest that you check the address on the wife's driver's license, the address where they receive their mail, and if the husband has, in fact, obtained a Minnesota driver's license. If you would like the Department of Revenue to verify that the couple has filed income tax as residents of Minnesota for the most recent year the information is available, please email their Social Security numbers to John Hagen at john.hagen@state.mn.us. In the absence of these items showing that their permanent residence is in Minnesota, the homestead should be removed for the 2006 assessment year.

We also recommend that you monitor this situation yearly in case it changes.

We have formed this opinion based solely on the facts provided. If any of the facts differ, our opinion would be subject to change. Please be advised that this opinion is only advisory in nature. The assessor must make the final determination as to the appropriate classification of property. If the taxpayer disagrees, he or she may follow the appropriate avenues of appeal.

If you have any further questions, please direct them to us at proptax.questions@state.mn.us.

Sincerely,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114
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E-mail: joan.seelen@state.mn.us

C: Peggy Schulman, Assessment Technician, city of Plymouth

Peggy Schulman
Assessment Technician
3400 Plymouth Blvd.
Plymouth, MN 55447

September 7, 2006

Jackie Wegwerth
Ramsey County
50 Kellogg Boulevard W
8th Floor Homestead
St. Paul, MN 55102

Dear Ms. Wegwerth,

Your e-mail has been assigned to me for reply. You outlined the following situation. A single person has been a homesteader in Minnesota for sometime. He works in Madison, Wisconsin. He receives mail in Madison, Wisconsin and is in Minnesota on weekends. He files income tax quarterly in Minnesota. You asked whether or not he could continue to homestead in Minnesota.

In our opinion, the property owner may qualify for a homestead. Unfortunately, as you know, there is no single indicator that will clearly identify when a property qualifies for homestead. First and foremost, the person must be a resident of Minnesota and therefore, must pay Minnesota income tax. The taxpayer in question appears to meet this qualification. Other facts you should consider include where the person is registered to vote, the address on his driver's license, and where his car is registered. The answers to these questions should help you determine if the property owner qualifies for homestead.

If you have further questions or concerns, please direct them to proptax.questions@state.mn.us.

Very truly yours,

LEANNA V. SARTIN, State Program Administrator
Information and Education Section
Property Tax Division
Phone: (651) 556-6084
E-Mail: leanna.sartin@state.mn.us

October 10, 2007

Bob Hansen
Hubbard County Assessor
Hubbard County Courthouse
301 Court Ave.
Park Rapids, MN 56470

Dear Mr. Hansen,

I am responding to your inquiry regarding a homestead application for a parcel of mostly unimproved property on Big Stony Lake in Hubbard County. The owners of the property also own an RV and the RV seems to be their residence. During the summer months, the owners move their RV to a campground in Cass County where the owners work five days per week. You indicate that the owners winter out of state.

The parcel in question is about 210 feet by 85 feet, located on the shore of the lake. The parcel's use is restricted by a variance dated October 17, 1994 that provides the lot may be used only seasonally between May 1 and November 1 each year and can only have a self-contained recreational vehicle parked there. You advised us that the parcel has access from a road, has electrical service and a storage trailer but no well, septic system or mailbox. The applicants tell you that their mail is delivered to a relative who lives close by.

Both the local assessor and your staff have visited the property and have seen little evidence of use. The local assessor tells you that the summer use is "intermittent and token."

From the notes you sent, it appears that you have confirmed that the applicants file Minnesota tax returns, use the property address on most of their accounts and mail, are registered to vote in Hubbard County and use this address on their drivers' licenses.

You have asked our advice on whether to grant the homestead classification. Based on the information you sent to us, we support your initial decision to deny the homestead application. Minnesota law provides that real estate occupied and used for the purposes of a homestead by a Minnesota resident is a residential homestead. Section 3310 of the Minnesota Assessors Manual provides that the use for homestead purposes must be "actual and substantial." The local assessor has reviewed the property, actually visited the site and then concluded that the homestead should be denied based on the limited use of the property by the applicants.

Homestead decisions are fact specific and we agree that these facts do not support the applicants' claim that the property is occupied and used as a homestead. Please advise the applicants that your decision may be appealed to the Minnesota Tax Court.

If you have additional questions, please contact us at proptax.questions@state.mn.us.

Sincerely,

Dorothy A. McClung
Property Tax Division

May 20, 2008

Tom Houselog
Rock County Land Records Director
P.O. Box 509
Luverne, MN 56156

Dear Mr. Houselog:

Thank you for your question concerning homestead. You asked what to do if a property owner requests to have their homestead classification removed even though they continue to live in the property.

The answer to your question depends on what the property owner is requesting to do.

- (1) If the owner is requesting to rescind their homestead (remove their homestead classification for past years), you should inform them that they cannot do so. It is highly inappropriate for a property owner to rescind a homestead. A homestead application cannot be rescinded or undone by the applicant once application has been made. A homestead application is a legal document. By completing one, and thereby securing the corresponding tax benefit, the property owner is certifying that they are a resident of Minnesota, the property they are claiming as their homestead is their primary place of residence, and they have a sufficient ownership interest to entitle them to the homestead classification. Minnesota law provides significant penalties to persons found to be fraudulently claiming a homestead.
- (2) If the property owner is requesting to remove their homestead for future years, we would suggest that you ask them to supply you with a letter or document indicating how they will be using the property (i.e. seasonally, renting it to others, etc.). This will help you determine how the property should be classified. You may then classify the property accordingly for the next assessment.

Please be aware that this opinion is based solely on the information provided. If any of the facts of the situation were to change, our opinion would be subject to change as well.

If you have any other questions or concerns please direct them to proptax.questions@state.mn.us.

Sincerely,

DREW IMES, State Program Administrator
Information Education Section
Property Tax Division

December 3, 2009

Lori Clark
Ramsey County Assessor's Office
Homestead/Abatement Unit
90 W Plato Blvd - PO Box 64097
St Paul, MN 55164-0097

Dear Ms. Clark,

Thank you for your recent homestead question to the Property Tax Division. You have outlined the following scenario: A property owner has filed for homestead although he only physically occupies the property from May to August of the year. At other times he lives in Puerto Rico. According to the taxpayer, he files Minnesota income taxes, votes in Minnesota, and has a child registered with St. Paul Public Schools. You have asked if he would qualify for homestead even if he "technically" is not at the property on January 2 or December 1 of any given year.

The Department of Revenue has consistently maintained that homestead is a fact situation based on multiple criteria. Homestead is determined by ownership, occupancy, and status as a Minnesota resident. Physical presence of a person on a specific date in time is not determinative of eligibility for homestead. Proof of homestead eligibility under the occupancy requirement can be verified through multiple criteria, including the address on the applicant's identification (such as a driver's license), where the taxpayer files income tax, where the taxpayer is registered to vote, location(s) of the applicant's bank account(s), whether the property is rented to anyone else during absence, etc.

In a recent 2009 Minnesota Tax Court case (*Sayles v. Cottonwood*, available online at www.taxcourt.state.mn.us) the Court stated:

"This Court has found that temporary absence when a homestead has already been established does not necessarily negate homestead classification. We have consistently granted homestead status when taxpayers were Minnesota residents who intended to return to their houses and were absent from their homes due to jobs, incarceration, travel, or other reasons. An absence of less than a year where the owner intends to return and has not leased out the property is permissible."

If homestead (ownership and occupancy) is established for a property anytime between January 2 and December 1, temporary absence will not disqualify the property. Of significant consideration is that, in cases of temporary absence, the property owner "intends to and does return to his home (*Sayles v. Cottonwood*, 2009)."

The onus is on the taxpayer to prove that homestead is warranted. However, if you feel that you have sufficient information to approve the homestead classification based on the information you have been given, that would appear to be justified.

If you have any further questions, please do not hesitate to contact our division at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

March 17, 2010

Laurie Hein
Property Support Specialist
2100 3rd Ave
Anoka MN 55303

laurie.hein@co.anoka.mn.us

Dear Ms. Hein,

Thank you for your recent homestead question. You have outlined the following scenario: A property owner has recently married. She has asked that you change the name on her homestead property to reflect her married name. You have asked what information you should require for homestead purposes.

If there has been a name change on the property, you are correct that you may request additional information under Minnesota Statutes, section 273.124, subdivision 1 to verify that homestead continues to be met. In order to change the recorded name on the property, we recommend the following types of information (whichever you deem appropriate for your purposes):

- an official marriage certificate listing the names of the persons filing homestead both before and after the marriage;
- an updated Social Security card or letter verifying that a name change has been granted;
- an updated driver's license number reflecting the name change; and/or
- an official letter from a Court if a name change was sought through that route.

You may continue to grant homestead treatment in the new name of the owner if you are satisfied that you have appropriate documentation on file. We recommend requesting a new homestead application be completed, so that the spouse information is correct on file.

If you have any further questions, please do not hesitate to contact our division at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

March 19, 2010

Cindi Crawford
Cook County Assessor's Office
cindi.crawford@state.mn.us

Dear Cindi,

Thank you for your recent question to the Property Tax Division. You have asked our advice on a homestead question. You have outlined the following scenario: A married couple owns property in Cook County, which was previously homesteaded. In 2009, your office conducted a review of homestead property in Cook County with mailing addresses elsewhere to determine whether the homestead classification was factually warranted on those parcels. The property in question came up during that review.

While the property owners own property in Cook County, their mailing address is in Plymouth, MN. They are registered to vote in Cook County; however their drivers' licenses are in Plymouth. The Plymouth property is currently classified as non-homestead (although their son occupies the property). For the winter months, the property owners live in Florida. You have asked our opinion as to the legality of homestead status.

Homestead is a fact situation. Typically, assessors must look at multiple factors to determine homestead eligibility when it is unclear, and the onus is on the taxpayer to prove residency. Some of the factors that are considered have been included in your review (address of driver's license, address of voter registration, etc.). Based on the information you have provided, it is unclear as to which address the property owners consider their permanent domicile.

One factor that is often given the most weight is typically the address of the driver's license. We refer to Minnesota Statutes, section 171.11, which requires:

“When any person, after applying for or receiving a driver's license, shall change permanent domicile from the address named in... the license issued to the person... such person shall, within 30 days thereafter, apply for a duplicate driver's license upon a form furnished by the department and pay the required fee. The application or duplicate license shall show both the licensee's old address and new address...”

In other words, the address of the driver's license must legally match the address that the license holder considers his or her “permanent domicile.” In the scenario you have outlined, that address is listed in Plymouth, MN.

If the property owners are able to establish that their permanent domicile is in Cook County, they may be eligible for homestead. If you are unable to determine the facts and the property owners are not able to provide additional information, they may appeal the classification of their property to local and county boards of appeal and equalization, and/or Minnesota Tax Court.

Very sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

April 7, 2010

Wendell Engelstad
Dodge County Assessor
22 E 6th St., Dept. 44
Mantorville MN 55955

wendell.engelstad@co.dodge.mn.us

Dear Mr. Engelstad,

Thank you for your recent homestead question to the Property Tax Division. You have outlined the following scenario: A property owner had a homestead property, but in 2009 the residence was demolished. He appeared at a local board meeting in 2009 and had the value of the residence removed, and subsequently homestead was removed from this property. However, in July of 2009 he moved a camper onto the property and began to occupy it as his residence (the camper was also connected to city utilities). A new residential structure is in the process of being built. The address on his driver's license matches this address; however his mail is delivered to the local Post Office. You have asked if the property owner might have qualified for mid-year homestead in 2009, based on his occupancy of the property even though it was not a permanent structure.

Homestead is a fact situation, and Minnesota Statutes regarding homestead do not refer to structures, rather real estate that is occupied by an owner as his or her principal place of residence. There is no requirement that the owner occupy a permanent structure. The fact that the owner is temporarily living in a camper which is parked on the site while he constructs his new house does not matter. If he is occupying the property has his primary place of residence, the property qualifies for owner-occupied homestead. This would have been correct in 2009 as well.

If you have any further questions, please do not hesitate to contact our division via email at protpax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

Department of Revenue Correspondence: Homesteads
MINNESOTA • REVENUE

June 14, 2010

Joy Lindquist
Lake of the Woods County Assessor's Office
PO Box 808
Baudette, MN 56623

Dear Ms. Lindquist:

Thank you for your e-mail. It has been assigned to me for response. You have outlined the following situation. A husband and wife occupy an apartment in a senior apartment building in town and are managers of the complex. In addition, they own 40 acres of farmland outside town which they farm. They have received a special agricultural homestead on this property for many years. The agricultural property has had a house that was uninhabitable for many years until this year. Since the home is now livable, you have classified the house, garage, and one acre (HGA) as residential non-homestead and granted the remainder of the farm special agricultural homestead. However, the property owners have challenged the classification and claim they are living on the farm. You believe they are living in the apartment. The mailing address for the property tax statement is at the farm. You have asked for our advice in this situation.

As you are aware, homestead is granted based on the taxpayers' principal place of residence. The taxpayers must prove they meet the requirements for homestead. While there is no single factor that determines eligibility, there are strong indicators. Ordinarily, we recommend assessors verify:

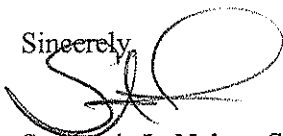
- The address on the taxpayers' drivers licenses (must be changed within 30 days of an address change);
- The address on the taxpayers' motor vehicle registration (must be changed within 30 days of an address change);
- The address on the taxpayers voter registration cards; or
- Have the taxpayers applied for or received any rent credits?

Of greater concern is that ordinarily, managers of apartment buildings are required to live onsite as a condition of employment. As such, it is likely that the taxpayers would be required to occupy one of the rental units in the apartment complex as their principal place of residence. Therefore, in our opinion, it would be appropriate to request a letter from the owner of the apartment building indicating that the taxpayers are not required to occupy a unit in the building as a condition of their employment prior to granting them homestead on the farm.

Once their principal place of residence is determined, the homestead options are easier to identify. If the principal place of residence is the farm, the farm should receive an owner occupied agricultural homestead assuming the property meets all the other qualifications (at least 10 acres of an agricultural product in production, etc.). If the principal place of residence is the apartment, the farm would be split-classified with the HGA receiving a residential non-homestead classification and the remaining 39 acres classified as class 2a agricultural or 2b rural vacant land, whichever is appropriate. This property is not eligible for a special agricultural homestead under Minnesota Statutes, section 273.124, subdivision 14, paragraph (b) which requires the non-contiguous agricultural land to be 40 acres in size.

Please understand this opinion is based solely on the information provided. If any of the facts of the situation were to change, our opinion would be subject to change as well. If you have additional questions or concerns, please direct them to proptax.questions@state.mn.us.

Sincerely,



Stephanie L. Nyhus, SAMA
Principal Appraiser

Property Tax Division
Mail Station 3340
600 North Robert Street
Saint Paul, Minnesota 55146-3340

Updated 7/31/2024 - See Disclaimer on Front Cover

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MINNESOTA ▪ REVENUE

June 17, 2010

Dave Sipila
St. Louis County Assessor
sipilad@co.st-louis.mn.us

Dear Mr. Sipila,

Thank you for your recent homestead question. You have outlined the following scenario: A property owner in St. Louis County has a homestead residence. She claims that she must live with her son “most of the time” in another county for health reasons. While Minnesota Statutes, section 273.124, subdivision 1, paragraph (f) allow for continuation of homestead treatment in the case of a property owner requiring nursing home or assisted living care, you acknowledge that that is not the case in this scenario. You have asked whether homestead should be denied or granted in the case you have outlined.

While physical presence of a person for a specific period of time is not determinative of eligibility for homestead, proof of homestead may be verified through multiple criteria. The address on the individual’s driver’s license, where the individual is registered to vote, and whether the individual receives mail at the residence for which homestead is sought may all be used to determine homestead eligibility. Further, whether the property is rented to anyone else during absence is a fact situation to examine.

In a recent Minnesota Tax Court Case (*Sayles v. Cottonwood*, 2009), the Court provided that absence of less than one year, where the owner intends to return and has not leased the property to another individual, may still be permissible without losing homestead. If ownership and occupancy for homestead purposes are established anytime between January 1 and December 1, temporary absence does not disqualify a property. Of significant consideration is that, in cases of temporary absence, the property owner “intends to and does return to [the] home (*Sayles v. Cottonwood*, 2009).”

Also, in a 2006 bulletin from the Department of Revenue (“Homestead Absence Due to Prison”), we outlined the following guidelines:

1. If a property owner is absent for less than one year after establishing homestead, do not remove the homestead.
2. If the owner is absent for more than one year, but less than two years, the dates of absence may be important and the following examples used as guidelines:
 - a. the homestead should continue uninterrupted if the owner is absent on January 2 of the assessment year but returns by December 1 of that assessment year;
 - b. the homestead should be removed for the assessment year if the owner is absent on January 2 of the following assessment year (in this case, January 2, 2011).

The onus is on the taxpayer to prove that homestead is warranted. However, if you feel that you have sufficient information to approve homestead classification based on the information you have been given, that would appear to be justified.

If you have any further questions, please do not hesitate to contact our division via email at proptax.questions@state.mn.us.

Very sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

August 16, 2010

Patrick Todd
Minneapolis City Assessor
Patrick.Todd@ci.minneapolis.mn.us

Dear Mr. Todd:

Thank you for your question concerning homestead. You have provided us with the following scenario and question:

A property owner is elected/appointed to a political office that requires them to live outside of the country for an underdetermined amount of time (possibly longer than one year). You have asked if the homestead status should remain on the property similar to the homestead of military personnel.

In our opinion, the homestead of a person elected or appointed to a political or governmental position that requires him/her to live outside of Minnesota should be treated similarly to that of a person in the military. If the performance of the person's duties as an elected/appointed official requires him/her to be absent from the homestead, the homestead classification should not be removed from the property as long as that person remains a Minnesota resident. However, if the person becomes a resident of another state or country (not a Minnesota resident), rents out the property during his/her absence, or does not maintain the property as a homestead, the homestead classification should be removed.

If you have any other questions or concerns please direct them to proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

September 3, 2010 *Edited July 2021 due to law change*

Patrick Todd
City of Minneapolis Assessor's Office
patrick.todd@ci.minneapolis.mn.us

Dear Patrick,

Recently, you called me with your question regarding homestead residency requirements for persons serving in public office. You had asked if there was any statutory citation for homestead residency requirements in these cases. Your question brought to my mind an Attorney General opinion on the subject that we had discussed with St. Louis County during the Perpich administration. Unfortunately, we were unable to find this opinion. However, we discussed this situation with legal staff again before responding to you.

In short, while there may be residency requirements (e.g. residency for a specific length of time) in order for an individual to legally hold public office in a given jurisdiction, this would not have an effect on homestead rules for property tax purposes. It has been, and remains, our strong belief that homestead should not be removed for persons who are absent during political services (or for that matter, military or other governmental services) if they are required by their duties to be away from their homes for a period of time. The only instance we can imagine in which homestead would be removed would be if an individual was required, by the terms of service, to establish a new homestead elsewhere. This would not be different from regular homestead treatment, as you are aware.

If homestead (ownership and occupancy) is established for a property anytime between January 2 and December 31 of an assessment year, temporary absence does not disqualify the property from classification as a homestead. In fact, homestead should only be removed if a new homestead is established by the property owner in a separate location. This would not typically be the case for public officials serving in their official capacities.

If you have any further questions, please do not hesitate to contact our division via email at proptax.questions@state.mn.us.

Sincerely,

John Hagen, Director
Property Tax Division
Department of Revenue

MINNESOTA • REVENUE

January 6, 2011

Allison Lowe
Cook County Assessor's Office
411 W 2nd Street
Grand Marais, MN 55604

Dear Ms. Lowe:

Your recent e-mail to the Information and Education Section has been assigned to me for response. In your e-mail you indicated you happened upon a vacation rental listing for a property which is currently homesteaded in your county. In following up with the owners of the property, they indicated the following:

- The property has not been rented yet;
- The owners are requiring that any prospective rentals must be for a period of at least 7 days; and
- It is unclear if the owners will allow rentals throughout the year or just during one or two weeks during the year.

You have asked the following questions which are answered individually below.

- 1. Does the Department of Revenue have an opinion as to a specific length of time a homestead may be rented?** **Answer:** The law does not provide for a specific occupancy requirement. Rather, Minnesota Statutes, section 273.124, subdivision 1, paragraph (a), simply states in part that:

“Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a residential homestead...”

In past opinions, including a January 9, 2007 letter referenced in your e-mail, we have stated the property must be the taxpayer's principal place of residence and be available to the taxpayer at all times. The January 2007 letter was written in response to a specific situation where the taxpayer was registered to vote in another county and rented out the property she claimed homestead on for approximately 21 of 52 weeks per year.

In this case, the facts appear to be different. In our opinion, the *occasional* rental or use of the home by others would not jeopardize the homestead classification as it would likely be determined to be an incidental use of the property. For example, when major events, such as the US Open Golf Championship are held in the Twin Cities, homeowners on the golf course will often rent their homes for the week the tournament is in town. This use is incidental when compared to the overall use of the property.

However, at some point, the continuous advertisement and use of a property as a vacation rental must be recognized since the property may not be available to the taxpayers at all times as their principal place of residence. It likely indicates more of a seasonal residential use. We recommend you monitor the situation to determine the actual use of the property.

Paragraph (a) of section 273.124 further allows that *“the assessor shall require proof, as provided in subdivision 13, of the facts upon which classification as a homestead may be determined... the assessor may at any time require a homestead application to be filed in order to verify that any property classified as a homestead continues to be eligible for homestead status.”*

2. **Does it make a difference if they leave for the winters and rent out their property during the time they are gone?** **Answer:** Again, the premise of the homestead classification is that it is the taxpayer’s principal place of residence. Taxpayers are allowed to be away from their property for a reasonable length of time without losing their homestead, but the property must be available to them upon their return at any time. In our opinion, it is unlikely that a property could be rented for any significant length of time, such as a number of months, and still retain the homestead status.

3. **The property has a detached garage with finished living space. Would a homestead still apply if during the times the house is rented, the owners stay in the garage living space?** **Answer:** Occupying the living space above the garage does count as occupying the property and should not cause the property to lose the homestead status. Again, the incidental occupancy of the house by transient guests would not likely cause the property to be split-classed. However, if the home were to be rented on a weekly basis during the summer, for example, it is very likely the property would require a split class to recognize the change in use.

We hope we have provided some guidance for you in making your decisions. If you have any additional questions or concerns, please direct them to proptax.quesitons@state.mn.us.

Sincerely,



Stephanie L. Nyhus, SAMA
Principal Appraiser
Information and Education Section

February 14, 2011

Keith Albertsen
Douglas County Assessor's Office
keith.albertsen@mail.co.douglas.mn.us

Dear Mr. Albertsen

Thank you for your question regarding homestead. You have outlined the following scenario:

A person's homestead residence burned in December of 2010. Do we treat it as a temporary absence and continue the homestead, or should the homestead be removed and have the property owner reapply when a new house is rebuilt on the same site?

It is our opinion that as long as the owner intends to rebuild and return to the property and the owner is a Minnesota resident, then you should treat this as a temporary absence and continue the homestead. If the owner occupies a new place as a permanent residence (or establishes homestead elsewhere) then it can be assumed that the individual is not intending to return to the property therefore the homestead may be removed. Please refer to the court case reference below as well as MN Statutes, section 273.124, subd. 13:

In a 2009 Minnesota Tax Court case (Sayles v. Cottonwood, available online at www.taxcourt.state.mn.us) the Court stated:

*"This Court has found that temporary absence when a homestead has already been established does not necessarily negate homestead classification. We have consistently granted homestead status when taxpayers were Minnesota residents who intended to return to their houses and were absent from their homes due to jobs, incarceration, travel, or **other reasons**. An absence of less than a year where the owner intends to return and has not leased out the property is permissible [emphasis added]."*

Minnesota Statutes, section 273.142, subdivision 13 states in part:

"... if the property is granted homestead status for any assessment year, that same property shall remain classified as homestead until the property is sold or transferred to another person, or the owners, the spouse of the owner, or the relatives no longer use the property as their homestead."

In other words, it appears that this is a temporary absence, and the owner does intend to rebuild and return to the property; therefore, the homestead should continue. If you have additional questions or concerns, please contact our division by email at proptax.questions@state.mn.us.

Sincerely,

Jessi Glancey
State Program Administrator
Information and Education Section
Property Tax Division



April 20, 2011

Julie Hackman
Manager
Assessment Services
Olmsted County Property Records and Licensing
151 4th Street SE
Rochester, MN 55904

Dear Ms. Hackman:

Thank you for your recent question to the Information and Education Section. As part of your email you forwarded a copy of a letter from an attorney indicating that he believed a property should not have been reclassified as non-homestead due to the provisions on Minnesota Statutes, section 510.04. The property is a condominium property owned by a limited liability company (LLC). It is occupied by the mother of one of the members of the LLC. They have requested the property be classified as a residential relative homestead.

In response to your letter, we have consulted with our legal staff and together, we make the following observations:

1. Residential property owned by a business entity such as an LLC or a corporation is not eligible for a homestead. As you are aware, only agricultural, resort, and hotel/motel properties which are owned by business entities are eligible for homestead treatment due to specific provisions granted in law. (See Minnesota Statutes, sections 273.124, subdivisions 8, 14, 17, and 273.13, subdivision 22, paragraph (c)). Further, business entities are not allowed relative homesteads as they cannot have relatives.
2. Minnesota Statutes, section 273.124 is the section of law that covers treatment of homestead property for property tax purposes, not Chapter 510. Chapter 510 refers to homestead in the context of debt, credit, and bankruptcy. It also needlessly sets limits on the amount of tax homestead benefits (both valuation and acreage) available to the owner which is not limited in section 273.124. Additional clarification regarding the differences between the debtor-creditor law (Chapter 510) and the homestead provisions found in section 273.124 can be found in several court cases. Two of the more recent examples are quoted below. I have also attached copies to this email.
 - *In re the estate of Norma Jean Bonde* (694 N.W. 2d 74, 2005) the court found that the residential property owned but not occupied by a decedent did not qualify as her homestead in her estate. In addition, while the probate code may use the term “homestead,” that term is not defined by the probate chapters of the statutes. Minnesota cases dealing with the descent of homestead property have also looked to debtor-creditor law, especially section 510.01, for guidance in defining homestead and related issues. (See also *In re Estate of Riggle* 654 N.W. 2d 710, 714 (Minn. App. 2002); *Cleys v. Cleys*, 363 N.W. 2d 65, 70 (Minn. App. 1985)).
 - In *Bonde*, the District Court specifically relied on the definition of homestead used for property tax purposes in section 273.124 which states that a property is homestead if it is “...occupied and used for the purposes of a homestead by its owner”...”or by a relative of the owner.” The court noted that many people have several relatives who could potentially qualify for residential relative homesteads. However, Minnesota’s debtor-creditor homestead exemption specifically requires that the property may only be

(continued)

classified as a homestead if it is “owned and occupied by a debtor as the debtor’s dwelling place and classifying several properties as homestead is incompatible with the underlying rationale of the statute.”

3. In 2009, the United States Bankruptcy Court held under Minnesota law that a debtor could not utilize the doctrine of reverse-piercing of the corporate veil and claim a homestead exemption on property which was owned by an LLC which was in turn wholly owned by a second LLC of which the debtor held a majority interest. (*In re Dennis E. Hecker*, debtor, 414 B.R. 499).
 - The court explained in their decision that “piercing of the corporate veil is a doctrine that has evolved to treat creditors equitably. When the doctrine applies, a creditor who is nominally a creditor of a corporation or limited liability company can collect its debt from an individual personally. Similarly, ‘reverse piercing’ generally refers to piercing the corporate veil in order to hold a corporate entity liable to an outsider for the debts of a corporate insider.”
 - “Minnesota courts have allowed a debtor, whose residence is owned by a corporate entity of which the debtor is the principal, under ‘carefully limited circumstances’ to pierce the corporate veil in order to claim homestead exemption.” (*Cargill, Inc. v. Hedge*, 375 N.W. 2d 477, 480, Minn. 1985)
 - The Hecker case examines two reverse pierce cases, both of which were farms. In one case, a married couple purchased a farm and created a family farm corporation; in the second, a family farm corporation was created following the death of one of the family members.
 - The Minnesota Supreme Court has expressed concern about allowing corporate shareholders to manipulate the formalities to suit their interests and has stated that a reverse pierce should only be allowed in very limited circumstances. Therefore, the courts must consider:
 - The degree of identity between the individual and the entity;
 - Whether others such as the creditor or other shareholders would be harmed by a pierce; and
 - The insider must prove that it is unfair not to pierce the corporate veil.

In conclusion, based on the information provided as well as recent court decisions, we concur with your decision to deny homestead on the property. Please understand this information is based solely on the information provided. If any of the facts of the situation were to change, our opinion would be subject to change as well. If you have any additional questions or concerns, please let us know.

Sincerely,



Stephanie L. Nyhus, SAMA
Principal Appraiser
Information and Education Section

Enclosures

MINNESOTA ▪ REVENUE

May 23, 2011

Kim Karch
Otter Tail County Assessor's Department
504 Fir Avenue West
Fergus Falls MN 56537
kkarch@co.ottertail.mn.us

Dear Ms. Karch,

Thank you for your recent question to the Property Tax Division regarding a property in your county. The property contains a triplex that had previously been granted homestead. For the 2011 assessment, it was discovered that the property owner had a South Dakota mailing address. Upon contacting the owners, it was determined that the property owners no longer homestead the triplex. The classification was changed to residential non-homestead. The owners have since claimed that one of the spouses is a South Dakota resident, while the other spouse is a Minnesota resident. The spouse who is a Minnesota resident does not file income taxes in Minnesota, but they have stated that this is because they have minimal income. Additionally, the property owners have explained that they live in a recreational vehicle (RV) which is parked on the property during the summertime. They consider their RV their home. Therefore, they believe that they should continue to receive homestead classification.

As you are aware, homestead is a fact situation that must be proved by the individual(s) seeking homestead treatment. While no single factor may determine whether homestead requirements are met, several indicators may be used to determine that homestead has been established at a location. These indicators may include:

- What is the address on the owner's driver's license or state-issued identification?
- Where the owner pays income taxes (i.e., do they pay income taxes in Minnesota?)
- Where is the taxpayer registered to vote?
- Where is the taxpayer's mail delivered?
- What is the taxpayer's address on the motor vehicle registration (in this case, the RV registration)?

If one of the property owners is able to verify that he/she does in fact homestead this property, the seasonal occupancy would not necessarily disqualify the property from homestead treatment. Based on the information you have provided, it appears unlikely that the RV would qualify for homestead treatment based on the occupancy and residency of the property by the owners. However, if the property is determined to qualify for homestead based on facts that may be established upon further review, please note that the RV would be treated as a unit and the property would no longer be considered a triplex property. The RV would become a fourth unit, thereby making the property a class 4a residential property, part of which may be homestead. If the RV is not a homestead and not a unit of this property, then the residential non-homestead classification (1 to 3 units) is still appropriate.

If you have any additional questions, please do not hesitate to contact our division via email at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

June 1, 2011

Keith Albertsen
Douglas County Assessor
keith.albertsen@mail.co.douglas.mn.us

Dear Mr. Albertsen:

Thank you for your question concerning mid-year homestead. You have asked the following question.

“We have a property that was owned by an individual and was part of a lumberyard as of January 2, 2011 and classified as commercial. The individual has now applied for a mid-year homestead on the property. If a property has a commercial classification and no residential classification on January 2 and a mid-year homestead application is filed, is it proper to take an appropriate portion of the commercial value and reclassify it residential mid-year homestead or should the class be left as commercial with no homestead?”

As you know, property is classified according to its use on January 2 of a given year. Typically, that classification stays the same through the assessment year. However, in some circumstances, the classification may be subject to change. In the scenario you have outlined, it is possible for the property owner to apply for mid-year homestead. As homestead cannot be granted to commercial property, it would be advisable to change the portion of the property being used for residential purposes from commercial to residential if the application for homestead is accepted. We do not recommend changing the classification before receiving a homestead application. The homestead application will serve as verification that use of the property has changed from commercial to residential.

If you have any further questions or concerns, please do not hesitate to contact our division at proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information Education Section
Property Tax Division



April 19, 2012

Laurie Hein
Anoka County Assessor's Office
laurie.hein@co.anoka.mn.us

Dear Ms. Hein,

Thank you for your recent email regarding homestead status. You provided us with the following information:

A homeowner owns and occupies a home in Fridley, MN. He works in St Paul, MN and has relatives that live in St Paul, MN. He wants to have his mail sent to his relatives' house for convenience. Can that homeowner maintain his homestead status in Fridley even though his mail is going to a different location?

As stated in the *Minnesota Property Tax Administrator's Manual, Module #4 Homesteads*, while there is no single factor that determines whether a property meets the qualifications for homestead, there are strong indicators. First and foremost, owner-occupants must be Minnesota residents for income tax purposes. That means that they must pay Minnesota income tax if they have a taxable income. Other indicators that you may want to consider include:

- Where is the taxpayer registered to vote?
- Where is the taxpayer's mail delivered?
- Does the taxpayer have another residence in Minnesota for which they can or do claim homestead?
- Has the taxpayer applied for or received any rent credits?
- What is the taxpayer's address on the taxpayer's motor vehicle registration?
- What is the taxpayer's address on their driver's license? (Per Minnesota Statutes, section 171.11, all licensed drivers must change their driver's license within 30 days of an address or name change.)
- What is the address on the taxpayer's hunting or fishing license and is the license a resident or non-resident license?

Although the onus is on the property owner to prove to you that the property is being occupied as the principle place of residence, it is important to stress that property owners do not have to meet all of the above factors. Therefore, if the homeowner meets some of the above factors it is our opinion that there is no reason he should lose his homestead status if the only thing he changes is where his mail is delivered. If the change in mailing address is due to the property owner no longer occupying the property as his principle place of residence, a review of the homestead may be required.

If you have any further questions or concerns please feel free to contact us at proptax.questions@state.mn.us

Sincerely,

JESSI GLANCEY, State Program Administrator
Information and Education Section
Property Tax Division

Property Tax Division
600 North Robert Street
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St. Paul, MN 55101

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July 2, 2012

Wayne Anderson
Pope County Assessor
Wayne.Anderson@co.pope.mn.us

Dear Mr. Anderson:

Thank you for your recent question regarding homestead eligibility. You have asked if Canadian residents are eligible to homestead property in Minnesota. Specifically, property owners in your county have applied for homestead but they are not U.S. Citizens. They are permanent residents with Social Security numbers.

To be eligible to homestead property, Minnesota Statutes, section 273.124 does not require U.S. Citizenship. Eligible property owners must have Social Security numbers and must be Minnesota residents, but individuals who have citizenship in a different country are still eligible for homestead.

As part of your question, you provided the names and Social Security numbers of the individuals in question. We verified that the individuals are currently paying property taxes as Minnesota residents. Therefore, it is our opinion that if the property owners are using the house in your county as their primary residence, homestead may be granted. If you have any additional questions, please contact our division via proptax.questions@state.mn.us. Thank you.

Sincerely,

ANDREA FISH, Supervisor
Information and Education Section
Property Tax Division

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MINNESOTA • REVENUE

October 31, 2012

Amanda Lee
Mower County Assessor's Office
amandalee@CO.MOWER.MN.US

Dear Ms. Lee:

Thank you for your question concerning the recently updated homestead application. You have observed that for the new form distributed by the department, the owner does not need to sign for a relative homestead. You have inquired as to whether this was an oversight.

Minnesota Statutes do not require the owner to sign the homestead application for a relative homestead:

Minnesota Statute 273.124, subdivision 13, paragraph (b):

*“The application must clearly inform the taxpayer that this application must be signed by all owners who occupy the property **or** by the qualifying relative and returned to the county assessor in order for the property to receive homestead treatment.” [Emphasis added.]*

Minnesota Statute 273.124, subdivision 13, paragraph (c):

*“The application must be signed by each owner who occupies the property and by each owner's spouse who occupies the property, **or**, in the case of property that qualifies as a homestead under subdivision 1, paragraph (c), by the qualifying relative.” [Emphasis added.]*

As part of the recent update of the homestead application the department removed the need for the owner to sign the application for a relative homestead.

If you have any additional questions please do not hesitate to contact the Property Tax Division of the Minnesota Department of Revenue at proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information Education Section
Property Tax Division

MINNESOTA • REVENUE

November 2, 2012

Bryan Eder
Olmsted County PRL
eder.bryan@co.olmsted.mn.us

Dear Mr. Eder:

Thank you for your recent question to the Property Tax Division regarding the recently-updated homestead application. You noted that the updated applications no longer contain a question regarding whether a relative is required to be listed on the deed by terms of a financing agreement. Because this question is no longer on the application, you have asked if the “Addendum to Application for Homestead” is still required by those individuals seeking homestead under Minnesota Statutes, section 273.124, subdivision 1, paragraph (g).

The “Addendum to Homestead Application” would still be required for individuals who would otherwise not qualify for full homestead under M.S. 273.124. In many cases, the relative homestead provisions in law grant full homestead already. However, in any other cases where this specific provision in Minnesota Statutes would apply, you would still need to receive a copy of the “Addendum to Homestead Application.”

The addendum was last updated in 2005. If you would like a copy of the addendum to have on file, please let us know. If you have any additional questions, you may contact us via proptax.questions@state.mn.us. Thank you.

Sincerely,

ANDREA FISH, Supervisor
Information and Education Section
Property Tax Division

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November 8, 2012

Lori Clark
Ramsey County Assessor's Office
lori.clark@co.ramsey.mn.us

Dear Ms. Clark,

Thank you for your recent email regarding homestead. You provided us with the following information:

You have a property owner in your county who has been receiving homestead since 2004. Recently, you received an application for homestead from the same property owner stating that the owner and his spouse moved in on 7/1/12 and they did not list a previous address. You contacted the owner to question his application and you found out the following information:

- The owner works for the United States Department of State.
- In 2009, the owner and his family were relocated due to his job to Washington, DC and after that, they moved to China for two years.
- The property owner rented his house out while they were gone; although the assessor's office was not aware of the relocation or that the house was rented between 2009 and 2012.
- The owner's wife and children moved back to the house on 7/1/2012 and he returned home on 8/28/2012.
- He was deployed to Afghanistan at the end of September, 2012 for active military duty.

You are asking if you should make a tax correction on the years the home did not qualify for homestead and then reinstate the homestead for 2012. You are also wondering if MN Statute 273.124, subdivision 13 would apply to this situation with regards to correcting duplicate homesteads and collecting back taxes.

After talking to our legal staff, we have decided that working for the US State Department does not qualify a property for homestead under MN Statute 273.124, subdivision 12, which states:

“Homestead of member of United States armed forces; Peace Corps; VISTA.

(a) Real estate actually occupied and used for the purpose of a homestead by a person, or by a member of that person's immediate family shall be classified as a homestead even though the person or family is absent if (1) the person or the person's family is absent solely because the person is on active duty with the armed forces of the United States, or is serving as a volunteer under the VISTA or Peace Corps program; [emphasis added] ...”

In other words, working for the US State Department is not the same as being on active duty, or volunteering under the VISTA or Peace Corps programs. In our opinion we would recommend that you review and make the appropriate corrections to the years that the property did not qualify for homestead. Finally, since the homeowner is deployed and is on active military duty in 2012, it is our opinion that you should reinstate the homestead for assessment year 2012, taxes payable 2013.

If you have any additional questions or concerns please feel free to contact our division us at proptax.questions@state.mn.us.

Sincerely,

JESSI GLANCEY, State Program Administrator
Information and Education Section
Property Tax Division

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November 8, 2012

Amber Peratalo
Itasca County Assessor's Office
amber.peratalo@co.itasca.mn.us

Dear Ms. Peratalo,

Thank you for your recent email regarding the recently-updated homestead application. You are looking for some clarification regarding the Owner Information section on the application. You have asked: if the applicants are the owners, do they still need to complete the owner information section of the application, specifically when the owners are a married couple?

When there are two owners, such as a married couple, we recommend that they complete the Applicant Information section in its entirety. Applicant one should be the first owner/spouse's information and applicant two should be the second owner/spouse's information.

When the applicants are completing the Owner Information section of the application, they can list both of their names in the name section or they can write "same as applicant" and in the relationship section they can write "selves" or "spouses". They will also need to fill out the date purchased and date of occupancy sections, as well as checking the box to verify they are Minnesota residents.

If you have any additional questions or concerns please feel free to contact our division us at proptax.questions@state.mn.us.

Sincerely,

JESSI GLANCEY, State Program Administrator
Information and Education Section
Property Tax Division

Property Tax Division
600 North Robert Street
Mail Station 3340
St. Paul, MN 55101

Tel: 651-556-6091
Fax: 651-556-5128
TTY: Call 711 for Minnesota Relay
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November 14, 2012

Marian Paulson
Kittson County Assessor
mpaulson@co.kittson.mn.us

Dear Ms. Paulson:

Thank you for your recent question to the Property Tax Division concerning the recently-updated homestead application. You noted that the updated applications no longer contain a question regarding whether a relative is required to be listed on the deed by terms of a financing agreement. Because this question (and subsequent questions such as if the applicant is a first-time homebuyer) are no longer on the application, you have asked if the “Addendum to Application for Homestead” is still required by those individuals seeking homestead under Minnesota Statutes, section 273.124, subdivision 1, paragraph (g).

The “Addendum to Homestead Application” would still be required for individuals who would otherwise not qualify for full homestead under M.S. 273.124. In many cases, the relative homestead provisions in law grant full homestead already. However, in any other cases where this specific provision in Minnesota Statutes would apply, you would still need to receive a copy of the “Addendum to Homestead Application.”

The addendum was last updated in 2005. If you would like a copy of the addendum to have on file, please let us know. If you have any additional questions, you may contact us via proptax.questions@state.mn.us. Thank you.

If you have any additional questions, you may contact us via proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information Education Section
Property Tax Division

November 15, 2012

Shelly Nelson
Pennington County
manelson@co.pennington.mn.us

Dear Ms. Nelson:

Thank you for your question submitted to the Property Tax Division regarding a homestead situation in your county. You have provided the following:

A married couple owns property in your county which both occupied as of January 2, 2012. The wife and her 15-year-old daughter moved to Wright County to a property that is owned by the husband at the end of August 2012 (before the school year started). They were not happy with the school district in Pennington County and would rather their daughter attend the school in Wright County. The wife is self-employed. The husband believes that they qualify for two full homesteads because of their personal circumstances. You are under the opinion that they should receive 50% homestead in both counties for taxes payable 2014. You explained this to the husband, but he still believes that he qualifies for 2 full homesteads, with the homestead in Wright County being a relative homestead. You would like clarification.

A married couple is considered one entity for property tax purposes. Therefore, a married couple is entitled one full owner-occupied homestead, unless specific criteria defined in Minnesota Statutes, section 273.124 are met.

Minnesota Statutes, section 273.124, subdivision 1, clause (e) reads:

“(e) In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to:

- (1) marriage dissolution proceedings,*
- (2) legal separation,*
- (3) employment or self-employment in another location, or*
- (4) other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes.*

To qualify under clause (3), the spouse's place of employment or self-employment must be at least 50 miles distant from the other spouse's place of employment, and the homesteads must be at least 50 miles distant from each other.”

Therefore, unless specific exceptions are met, spouses living apart cannot receive homestead benefits on two homes. The only provision above that the husband and wife could qualify under is number (4), “other personal circumstances.” However, the department has always held a very strict interpretation of this provision to include cases of abuse and other extreme situations. In our opinion, the case outlined above does not meet this requirement. Consequently the two properties can receive only a one-half homestead each based on occupancy by one spouse.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,
KELSEY JORISSEN, State Program Administrator
Information and Education Section
Property Tax Division

Property Tax Division
600 North Robert Street
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St. Paul, MN 55146

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MINNESOTA • REVENUE

October 3, 2013

Jody Moran
Assessment Support Manager
Property Records and Taxpayer Services
Jody.Moran@co.washington.mn.us

Dear Ms. Moran:

Thank you for submitting your question to the Property Tax Division regarding homestead.

Scenario: You have an applicant for homestead that refuses to supply his Social Security Number (SSN) citing portions of the Federal Privacy Law.

Question: Does the applicant have to supply his SSN to receive homestead benefits?

Answer: Yes, Minnesota Statutes, section 273.124, subdivision 13, paragraph (c) requires individuals to provide their SSNs when seeking to homestead property. Additionally, federal law specifically allows states (and political subdivisions) to collect SSNs to establish a taxpayer's identification for administering any tax (see 42 U.S.C. § 405(c)(2)(C)(i)). If the property owner does not wish to provide his SSN, homestead treatment may be denied.

If the applicant does provide his SSN, it is considered private data under Minnesota Statutes Chapter 13.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator - Principal
Information and Education Section
Property Tax Division

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Updated 7/31/2024 - See Disclaimer on Front Cover

October 18, 2013

Ryan DeCook
Dodge County Assessor
decook@co.dodge.mn.us

Dear Mr. DeCook:

Thank you for submitting your question to the Property Tax Division regarding special agricultural homesteads.

Scenario: You recently received a reapplication from a property owner for a special agricultural homestead. It did not come with a federal 156 EZ form from the Farm Service Agency. The owner has approximately 140 acres total of which 50 acres are tillable and 80 acres are used as active pasture. He no longer farms the tillable acres but does raise beef cattle on the pasture land. The tillable acres are rented out and the renter supplies hay for the owner's cattle. He was able to supply a Schedule F but did not supply a 156 EZ form because you understand that 156 EZ forms are only applicable to crop farmers.

Question: Can an applicant qualify for special agricultural homestead if they do not have a 156 EZ form?

Answer: In speaking with a representative at the FSA, we have determined that the 156 EZ form, though not required by statute, is still a valid form which is provided to the active farmer or producer. Due to the *Freedom of Information Act*, the information included on the 156 EZ form can only be released with the producer's consent. The assessor can request any information they determine necessary to verify for homestead purposes; therefore, if the county requires the information found on the 156 EZ form, this information would need to be supplied by the producer in order to receive special agricultural homestead benefits.

However, as you will note on the application (in this case CR-ROAEO) there is not a check box for the applicant to certify that they have provided a copy of the 156 EZ form. This is due to the fact that the 156 EZ form may not be required in all cases and is not statutorily required. Because the 156 EZ form is not required by statute to be supplied with the special agricultural homestead application, the responsibility to determine eligibility ultimately falls upon the assessor. Therefore if you believe that - lacking the 156 EZ form - the property qualifies for special agricultural homestead, then it would be appropriate to extend homestead benefits to the property.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information and Education Section
Property Tax Division



March 05, 2014

Lori Schwendemann
Lac Qui Parle County Assessor's Office
lori.schwendemann@lqpc.com

Dear Ms. Schwendemann:

Thank you for submitting your question to the Property Tax Division regarding a special agricultural homestead application in your county. You have provided the following scenario and question.

Scenario:

A mom owns two parcels of farm land that her son actively farms. They have been granted the actively farming classification for at least ten years but a situation has come up in the family where the son indicated to the family that he will not sign the actively farming application when it is mailed in July or August of 2014. Your thoughts are that the homestead would probably need to be removed.

Question:

Could an affidavit of some sort be submitted with the application if the individual actively farming the parcels refuses to sign that application so the active farming classification continued to be granted to the mom?

Answer:

One of the requirements that must be met to be eligible for the special agricultural homestead classification is that the owner and the person/s who is/are actively farming the property must sign and date the annual application [see Minnesota Statutes, section 273.124, subdivision 14, paragraph (h)]. There is nothing in law that provides an alternative to the signed application. Therefore, you are correct that the active farming homestead classification would be removed if the person who is actively farming the property does not sign section A of the Application for Special Agricultural Homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Emily Hagen, State Program Administrator
Information and Education Section
Property Tax Division

Property Tax Division
600 North Robert Street
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Updated 7/31/2024 - See Disclaimer on Front Cover



March 13, 2014

Lana Anderson
St. Louis County Assessor's Office
andersonl3@stlouiscountymn.gov

Dear Ms. Anderson:

Thank you for your question to the Property Tax Division regarding the Safe at Home program and homestead. You have provided the following scenario and question.

Scenario: Your county has received an inquiry from a potential homeowner, informing your office that there is legislation this year that will keep the names of property owners anonymous if they are covered under the "Safe at Home" law.

Question: The potential homeowner would like to know if he or she would be able to qualify for homestead if this law is enacted.

Answer: It is the Department of Revenue's understanding that under the current Safe at Home program there are no provisions that would make a property owner ineligible for homestead. As far as changes to the current Safe at Home program, it is unknown how the new language will be drafted and/or adopted into law. However, the Department of Revenue does not anticipate any provisions becoming law that would make a property owner ineligible for homestead if enrolled in the Safe at Home program. The Department of Revenue will continue to monitor the current legislative session and if new laws are enacted effecting property taxes, guidance will be given to property tax administrators at that time.

If you have any further questions, please do not hesitate to contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez, State Program Administrator
Information and Education Section
Property Tax Division

Property Tax Division
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Updated 7/31/2024 - See Disclaimer on Front Cover



August 25, 2015

Jason McCaslin.
Watonwan County Assessor
Jason.McCaslin@co.watonwan.mn.us

Dear Mr. McCaslin:

Thank you for submitting your question to the Property Tax Division regarding homestead for individuals in an assisted living facility.

Scenario: An elderly couple purchased and moved into a townhome complex in St. James from their farm last fall. When your office sent them a homestead application, the couple stated that the move was only temporary and that they would be moving back to the farm. It now appears they will not be returning to the farm and you are intending to pull the agricultural homestead on their farm.

In response, the couple's attorney has stated that the townhome complex is an assisted living facility. You do not believe the townhome complex qualifies as an assisted living facility.

Question: Does this scenario meet the guidelines for continued homestead under the allowance for couples who are in a nursing home or assisted living facility?

Answer: Based on the information submitted, there is no indication that this qualifies as an assisted living facility scenario that would allow for continued homestead.

Under Minnesota Statutes, section 273.124, subdivision 1, paragraph (f), a single person or married couple can continue homestead when absent from the home if they are absent due to residence in a:

- nursing home
- boarding care facility
- elderly assisted living facility

In order for the townhome complex to be considered a qualifying nursing home or boarding care facility, it is our understanding that the facility must be licensed to provide care (see, for example, sections [144.50](#) and [144A.02](#)). In order for the townhome complex to be considered a qualifying elderly assisted living facility, it must meet the definition of Minnesota Statutes, [section 273.13](#), subdivision 25a.

You may also wish to consult with your County Attorney if you believe you need more information on the statutory requirements for nursing homes, boarding care facilities, and/or elderly assisted living facilities. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Andrea Fish
Supervisor, Information & Education Section
Property Tax Division
Phone: (651) 556-6340
Email: proptax.questions@state.mn.us

MINNESOTA • REVENUE

September 4, 2015

Jason McCaslin
Watonwan County Assessor
Jason.McCaslin@co.watonwan.mn.us

Dear Mr. McCaslin:

Thank you for submitting your follow-up question to a letter we sent on August 24 regarding a homestead question.

Additional Information: The attorney for the couple seeking continued homestead states that the St. James Co-op townhome complex should be considered an “elderly assisted living facility” as defined in Minnesota Statutes, section 273.13, subdivision 25a. According to the attorney, an internet search showed that the co-op is listed as a “care center.” Additionally, residents must be at least age 55 to live there. The co-op provides a community room and “safety clinics.”

You contacted the co-op, and they explained to you that they are not an assisted living facility and they provide no services to their residents.

The couple’s attorney maintains that this type of facility should qualify as an elderly assisted living facility.

Question: Does this facility qualify as an elderly assisted living facility, which would allow the couple to maintain homestead?

Answer: While section 273.13, subdivision 25a contains fairly broad language, it is difficult to determine whether this is a qualifying elderly assisted living facility or if it is a complex devoted to senior living. It is compelling that the co-op has told you that they are not an assisted living facility and that they provide no services to their residents.

It may be helpful to review the Articles of Incorporation for the co-op, in order to determine if the complex is “designed to meet the housing, health, and financial security needs of the elderly.” If not, we understand why you would deny homestead in this case based on the information provided.

We also encourage you to consult with your County Attorney in this case for direct legal advice. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Andrea Fish
Supervisor, Information & Education Section
Property Tax Division
Phone: Division or Personal Phone
Email: proptax.questions@state.mn.us

MINNESOTA • REVENUE

February 5, 2016

Lynn Krachmer
County Assessor
Watonwan County
lynn.krachmer@co.watonwan.us.mn

Dear Mr. Krachmer:

Thank you for submitting your question to the Property Tax Division regarding homestead for an individual who claims to be absent due to occupancy in an assisted living facility. Your question was in follow-up to letters issued by our section in August of 2015.

Scenario: A homeowner lives in a complex that they define as an “assisted living facility,” but the facility does not provide on-site health care or associated assisted living services. An attorney for the homeowner contends that this living arrangement qualifies as assisted living that would allow the homeowner to continue homestead.

Watonwan County counters that the use of the word “may” is to be read in conjunction with “or,” and that the Legislature was defining the only two options; in other words, the facility must provide health care, and it could be done either in-house or provided by an outside organization. Their position is that, because the complex does not provide health care services, that it cannot be an elderly assisted living facility under the statute.

Question: Must the facility provide some sort of health care to its residents to be an assisted living facility?

Answer: After re-reading the statutes, it appears that "may" here is permissive as to whether the facility has health care on site at all. There are other "may" references in that subdivision that are clearly permissive as well. Because the statute does not say that health care "shall" be provided or anything similar to that, the facility may qualify as an assisted living facility.

You may wish to direct your question to your County Attorney’s office if there continues to be concern or questions over how your office is to apply statute in the situation you have outlined.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Andrea Fish
Supervisor, Information & Education Section
Property Tax Division
Phone: 651-556-6340
Email: proptax.questions@state.mn.us

December 29, 2015

Cathy Olson
Aitkin County Assessor's Office
cathy.olson@co.aitkin.mn.us

Dear Ms. Olson,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with two scenarios. Our response to those scenarios is listed below:

Scenario 1:

- In 2013, Aitkin County sent out homestead applications to all property owners in Aitkin City since Aitkin City was up for reassessment.
- A property owner forgot to mail back the application and the county removed the homestead classification for assessment year 2014.
- The son of the property owner recently contacted the county asking that the homestead be reinstated for taxes payable in 2015.
- The county received the application in September of 2015; it was signed and dated in 2013.
- On January 2, 2014 the property owner owned and occupied the property.
- The property is now empty and on the market as of September 2015.

Question: Should the county process the application and reinstate the homestead classification for assessment year 2014 (pay 2015) or 2015 (pay 2016)?

Answer: Because the property was classified as non-homestead for the 2014 assessment year, the taxes payable in 2015 cannot be changed except through an abatement. A property owner may apply for homestead during the assessment year, or by appeal to Tax Court as late as April 30 of the taxes payable year. In this case, the only remaining option is to seek an abatement. You may process the application for the 2015 assessment (taxes payable 2016).

Scenario 2:

- A property owner wants to transfer his property from an LLC to individual ownership.
- The property owner submitted a homestead application by the December 15 deadline.
- The property owner provided the county with a copy of the deed, dated November 24, 2015 but it was notarized on December 15, 2015.
- The property owner has not filed a deed with the recorder's office to show ownership change.

Question: Since the deed was not recorded until after December 15, 2015, does the property qualify for the homestead exclusion for pay 2016?

Answer: Yes, this property appears to qualify for homestead and should receive the exclusion for pay 2016. Deeds are not required to be recorded to receive homestead. However, the assessor should examine the deed to determine whether it is a bona fide purchase and keep a copy of the document attached to the application for homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

JESSI GLANCEY

State Program Administrator Principal

Property Tax Division

Phone: 651-556-6091

Email: proptax.questions@state.mn.us

January 19, 2016

Jason McCaslin
Jackson County Assessor
Jason.mccaslin@co.jackson.mn.us

Dear Mr. McCaslin:

Thank you for submitting your question to the Property Tax Division regarding special agricultural homestead. You have submitted the following scenario and question:

Scenario:

- A property owner did not submit the annual application for special agricultural homestead by the December 15 deadline.
- You informed the owner that the property would be non-homestead for pay 2016 due to missing the application deadline.
- The owner contacted his/her state representative and was advised that there is not a statute specific deadline for special agricultural homestead applications.
- The owner was also advised to pursue an abatement to resolve the issue.
- The Jackson County Abatement Policy specifically states that abatement requests for delinquent homestead applications will not be approved.

Question: What is the correct outcome for this situation?

Answer: Regarding the application deadline, Minnesota Statute 273.124, subdivision 13(f) states:

“If a homestead application has not been filed with the county by December 15, the assessor shall classify the property as nonhomestead for the current assessment year for taxes payable in the following year, provided that the owner may be entitled to receive the homestead classification by proper application under section 375.192.”

This deadline is for all homestead applications, no matter if it is for residential or agricultural. A special agricultural homestead application is a type of homestead application and the December 15th deadline is applicable to it.

As to the abatement process, except when specifically outlined in statute, guidelines for the review and processing of abatement requests are at the discretion of the county board. As you indicated, the Jackson County Abatement Policy states that all abatement requests for delinquent homestead applications will not be approved. This is a policy that is at your discretion.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Jeff Holtz

Title, Information & Education Section
Property Tax Division
Phone: 651-556-4861
Email: proptax.questions@state.mn.us



February 1, 2016

Jill Thompson
Hubbard County Assessor's Office
jnthompson@co.hubbard.mn.us

Dear Ms. Thompson:

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- Property owners have moved from California to Minnesota but have not applied for a Minnesota driver's license and do not plan to.
- The property owners have indicated they will not update their license until Minnesota is compliant with the REAL ID Act.
- The homeowners have shown other proof of Minnesota residency such as vehicle registration, school district information, voter registration, and utility bills.

Question: Can this property receive homestead even though neither owner has a Minnesota driver's license?

Answer: Yes. In this situation, it appears that the property owners are claiming their home as their principal residence and may qualify for homestead.

You have noted that the property owners have not or will not change their California drivers' licenses to Minnesota licenses. Per Minnesota Statute, section 171.11, all licensed drivers must change their license within 30 days of an address or name change. The changing of a driver's license is required by Minnesota law. However, for homestead purposes, the use of a driver's license is a helpful indicator but it is not the only factor to consider. The responsibility of the assessor lays with determining if the qualifications for homestead have been met and the assessor has no authority in law to impose additional or fewer requirements.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez
State Program Administrator
Property Tax
Phone: 651-556-4753
Email: proptax.questions@state.mn.us

MINNESOTA • REVENUE

May 3, 2016

Terrie Johnson
Mahnomen County Assessor
Terrie.Johnson@co.mahnomen.mn.us

Dear Ms. Johnson:

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- In Mahnomen County you have a taxpayer who is requesting homestead.
- The taxpayer claims to live in the county for the majority of the year.
- Mail has been sent to his Mahnomen County address and it's returned as "not deliverable as addressed."
- Voter information shows his address for an apartment in Minneapolis and not for his Mahnomen County address.

Question: Should homestead be granted for this taxpayer?

Answer: No. Homestead is a fact situation that must be proven by the individual(s) seeking homestead treatment. While no single factor may determine whether homestead requirements are met, several indicators may be used to determine that homestead has been established at a location. These indicators may include:

- What is the address on the owner's driver's license or state-issued identification?
- Where is the taxpayer registered to vote?
- Where is the taxpayer's mail delivered?
- What is the taxpayer's address on the motor vehicle registration?

Ultimately, the approval or denial of homestead is the decision of the county assessor. However, from the information provided it appears the taxpayer is not using the Mahnomen County property as his primary place of residency and may be merely trying to gain a tax advantage.

Please be aware that this opinion is based solely on the information provided. If any of the facts of the situation were to change, our opinion would be subject to change as well. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez
State Program Administrator
Property Tax
Phone: 651-556-4753
Email: proptax.questions@state.mn.us

November 15, 2016

Terrie Johnson
Mahnomens County Assessor
terri.johnson@co.mahnomen.mn.us

Dear Ms. Johnson:

Thank you for submitting your question to the Property Tax Division regarding a homestead application and the Social Security numbers requirement. You have provided the following scenario and question:

Scenario:

- An Amish couple has applied for a homestead in Mahnomens County.
- The couple did not provide Social Security numbers due to religious beliefs.

Question: Is the couple exempt from providing social security numbers due to their religious beliefs?

Answer: Social Security numbers are required for a homestead application to be approved, however there are instances where property owners are exempt from that requirement. In the information you provided, it appears that the Amish couple may qualify for that exemption.

In our opinion, section 1402 of the Internal Revenue Code should be used to determine if a homestead applicant should be exempted from the requirement of providing a Social Security number based on religious beliefs. It is also important to differentiate between people who decline to give a Social Security number and those who do not have one because of religious beliefs.

Since Section 1402 of the Internal Revenue Code is difficult to interpret, this is how the Department would summarize the requirements of providing a Social Security number on homestead applications:

To receive homestead, each applicant must provide his/her Social Security number and the Social Security number of his/her spouse. To be exempted from providing a Social Security number on the basis of religious beliefs, the following requirements must be met:

1. The homestead applicant must be a member of a recognized religious sect or division thereof;
2. Based on the established tenets or teachings of the religious sect or division, the homestead applicant is conscientiously opposed to acceptance of the benefits of any private or public insurance which makes payments in the event of death, disability, old age, or retirement or makes payments toward the cost of, or provides services for, medical care including the benefits of any insurance system established by the Social Security Act; **and**
3. The religious sect or division thereof has been in existence at all times since December 31, 1950.

Scenarios that fall short of meeting these criteria in totality should not be afforded the benefits of homestead. If, however, you determine the Amish couple meet all the criteria listed above, you may grant them full homestead status. It is important to note that ultimately granting homestead is up to the assessor, therefore the assessor has the right to require documentation from the property owner to assist your decision in whether to grant or deny the homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Gary Martin
State Program Administrator
Information and Education Section
Property Tax Division

September 27, 2017

Faye Lien
Kandiyohi County Assessor's Office
Faye.Lien@co.kandiyohi.mn.us

Dear Ms. Lien,

Thank you for submitting your question to the Property Tax Division regarding the homestead application and Social Security numbers. You have provided the following scenario and question:

Scenario:

- Mark and Julie are married, own a home (property 1) and qualify for homestead.
- Julie moves to another house (property 2) she owns individually and applies for homestead.
- Mark and Julie are living apart with no legal proceedings and no special circumstances.

Question: What happens to the homestead?

Answer: Once Julie is homesteading another property as her primary place of residency, property 1 would receive 50% homestead and property 2 she moves into would receive 50% homestead. Married couples are considered one entity for property tax purposes. If the property owner occupies the homestead, the property owner's spouse may not claim another property as a full (100%) homestead unless the property owner and the property owner's spouse file an affidavit and/or other proof, required by the assessor, stating that the property qualifies for a special spousal homestead as provided by law. It is important to note that for legal purposes, a spouse is considered an owner for property tax reasons even if he/she is not listed as an owner on the deed.

In this scenario for applications received in 2018 the Social Security number is required for Julie and Mark on both homestead applications to ensure the proper homestead is applied to each property.

Question: Would Julie qualify for homestead if she moves into her sister's house and applied for relative homestead?

Answer: Julie does not qualify for a second full (100%) homestead. The property may receive 50% homestead and the property Mark is occupying may receive 50% homestead. Again, marriage legally binds Julie and Mark for property tax purposes, and the only exception is through the special circumstances outlined in Module 4 - Homesteads of the Property Tax Administrators Manual.

As stated above, both Social Security numbers for each spouse will need to be provided on homestead applications received in 2018 to ensure the correct percentage of homestead is applied to each property.

Question: How should homestead be granted if two individuals are not married or related and they own a house together?

Answer: If a property is owned by two unrelated individuals, all of whom are Minnesota residents and all occupy and use the property as a principal place of residence, the property will qualify for a full regular

homestead, 50% to the one individual and 50% to the other. If one of the owners does not occupy the property that they own together (property A), then the property would receive 50% owner-occupied homestead and 50% non-homestead. In that case, the other owner that owns and occupies a different property (property B) would be eligible for a full homestead since that owner is not receiving another homestead at property A.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information and Education Section

Property Tax Division

Phone: 651-556-6091

December 11, 2018

Lori Schwendemann
Lac Qui Parle County Assessor's Office
lori.schwendemann@lqpc.com

Dear Mrs. Schwendemann,

Thank you for submitting your question to the Property Tax Division regarding social security number requirements. You have provided the following scenario and question:

Scenario:

- A taxpayer is purchasing property.
- The taxpayer is planning to apply for homestead.
- The taxpayer does not have a Social Security number for religious reasons.
- The county is not familiar with their religion.

Question: How should homestead and an eCRV be reported to the Department of Revenue when a Social Security number (SSN) is not available?

Answer: When a property owner has a religious exemption from obtaining a SSN or an Individual Taxpayer Identification Number (ITIN), homestead *may* be granted without the applicant providing an SSN. The property owner must meet the requirements pursuant to Internal Revenue Code 1402 to be granted this exception and provide evidence from the IRS of having such exemption. Please note that exemption from the Social Security number requirement does not exempt the owner from homestead law. All general homestead requirements must be met; ownership of the property, occupancy the property as primary residence, and the owner must be a Minnesota resident.

The property owner is required to file a homestead application to qualify for homestead and this information must be submitted to the state for the Homestead Files. When a SSN or an ITIN is not available, it is recommended that a unique nine digit number be assigned to this property. Please note that created numbers and ITINs will show up as invalid on the duplicate homestead report, so all duplicate homestead audits of this property type must be completed manually.

For more information on how to report an electronic certificate of sale without a SSN or an ITIN, please email eCRV support at ecrv.support@state.mn.us.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

January 3, 2019

Karl Lindquist
Grant County Assessor
karl.lindquist@co.grant.mn.us

Dear Mr. Lindquist,

Thank you for submitting your question to the Property Tax Division regarding homestead and the December 1 deadline. You have provided the following scenario and question:

Scenario:

- Husband Trust (he is the sole grantor) owns 80 acres that he and his wife occupy as their base parcel.
- Husband Trust also owns 5 other properties that receives 100% homestead because they are linked to the base parcel.
- Husband and wife also own land in their individual names together that receives 50% homestead (linking husbands interest back to the base parcel)
- Wife Trust also owns land that does not receive homestead.
- They are considering changing ownership of all the land to Husband and Wife Trust to be linked together for homestead.

Question:

Can the county make changes to homestead for these properties since the ownership structure has changed after December 1?

Answer:

No, if any part of the homestead has changed such as adding property, subtracting property, change of ownership, etc. homestead requirements (own and occupy) must be met by December 1 and a new homestead application must be completed by December 15. When the land owned by Husband Trust and Wife Trust, where each of them are the sole grantors, would change ownership to Husband and Wife Trust with both spouses as grantors, we are in the opinion this would be considered a significant ownership change.

It would not be appropriate to change homestead benefits in this scenario for the current assessment year because ownership has significantly changed and therefore not meeting the requirement of owning the property prior to the December 1 deadline.

Please note that our opinion is based solely on the facts as provided. If any of the information changes our opinion would be subject to change as well. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6091

January 11, 2023

Dear David,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the follow scenario and question.

Scenario:

- A utility company has historically entered into long term leases for lots located around reservoirs.
- State statute allows the lessees to obtain homestead on the properties.
- The structures are owned and used by the lessees.
- The utility company is selling these leased lots to the owners of the structures and will replat the underlying affected land.

Question One: Once the land is re-platted and purchased by the owner of the homesteaded structure, would a new homestead application be required?

Answer: New homestead applications can be requested at any time as deemed necessary by the assessor. In this case, a change in the ownership of the leased land and the change in statutes that would govern the determination of homestead may be a reason a new application is requested. However, the decision on if a new application is required would be at the discretion of the assessor.

Question Two: If the parcel was classified as seasonal recreational residential (SRR), does the sale of the leased land to the existing tenant “reset” the ownership which would then allow the parcel to qualify for relative homesteaded, if a relative were to occupy?

Answer: No, in our opinion it would not be eligible for relative homestead. Minnesota Statutes 273.124, subdivision 7, paragraph(c) lays out factors for the owner and occupant of residential improvements located on leased land owned by a utility company to qualify for homestead. However, it does not relieve the property of the requirements found in subdivision 1, paragraph (c) which prohibit properties previously classified as SRR from being homesteaded by anyone other than the owners. Although the subsequent sale of the land to the lessee and owner of the homesteaded structure is a change of ownership of the land, the parcel **as a whole** was previously classified as SRR under the current owner of the structure, and therefore would be prohibited from qualifying for a full relative homestead under that owner.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.
Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922



First-Time Homesteads

December 22, 2003

Dawn Klein
Supervisor, Dakota County Assessing Services
Dakota County Government Center
1590 Highway 55
Hastings, MN 55033

Dear Ms. Klein:

Your e-mail regarding a residential homestead for a first-time homeowner with relative financing was forwarded to me for response. You described a situation in which an owner is choosing to apply for a full residential homestead under the provision for first-time homeowners with a relative co-owner required by terms of financing. The person is purchasing the property for the first time as a single person, and the terms of the financing agreement required that a relative be shown as a co-owner on the deed. However, the relative co-owner is not a Minnesota resident. You asked if the first-time homeowner (occupant) is eligible for a full homestead or a 50 percent homestead because the relative co-owner doesn't meet the homestead requirements as he/she isn't a Minnesota resident.

M.S. 273.124, subdivision 1(g) states:

If an individual is purchasing property with the intent of claiming it as a homestead and is required by the terms of the financing agreement to have a relative shown on the deed as a co-owner, the assessor shall allow a full homestead classification. This provision only applies to first-time purchasers, whether married or single, or to a person who had previously been married and is purchasing as a single individual for the first time. The application for homestead benefits must be on a form prescribed by the commissioner and must contain the data necessary for the assessor to determine if full homestead benefits are warranted.

A first-time homeowner who is required, as a condition of the financing agreement, to have a relative shown on the deed as a co-owner should be granted a full homestead, provided that he/she also meets the residency and occupancy requirements for homestead treatment. The statute does not require that the relative co-owner meet the residency requirements.

It should also be noted that persons receiving a homestead under this provision are eligible for the property tax refund.

If you have further questions, please contact me.

Sincerely,

JACQUELYN J. BETZ, Information Officer
Property Tax Division – Information and Education Section
Phone (651) 556-6099
e-mail: Jacquelyn.betz@state.mn.us

2009354

October 12, 2009

Cindy Storlie
Saint Louis County Assessor's Office
County Courthouse Room 212
100 N 5th Ave W
Duluth, MN 55802

Dear Ms. Storlie,

Thank you for your recent questions to the Property Tax Division. You have outlined the following scenario: A father and daughter in your county have applied for homestead. Both names are on the deed as joint tenants, but the father is on the deed for financing purposes only. You have asked how the homestead should be applied, and whether the daughter may apply for the Property Tax Refund.

In answer to your first question, Minnesota Statutes, section 273.124, subdivision 1, paragraph (g) provides:

“If an individual is purchasing property with the intent of claiming it as a homestead and is required by the terms of the financing agreement to have a relative shown on the deed as a co-owner, the assessor shall allow a full homestead classification. This provision only applies to first-time purchasers, whether married or single, or to a person who had previously been married and is purchasing as a single individual for the first time.”

In other words, if the daughter is a first time homebuyer she qualifies for full owner-occupied homestead if her father is listed on the deed for financing terms only. As a homeowner who receives homestead, she is eligible to apply for the property tax refund as a homeowner.

Please make sure that the form “Addendum to Application for Homestead Classification – Relative Co-Owners Required by Terms of Financing Agreement” is completed and submitted along with the application for homestead. We have attached a copy of the form to this letter for your use.

If you have any further questions, please do not hesitate to contact our division at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

Encl: “Addendum to Application for Homestead Classification – Relative Co-Owners Required by Terms of Financing Agreement”

February 6, 2018

Laurie Anderson
Anoka County Assessor's Office
Laurie.anderson@co.anoka.mn.us

Dear Ms. Anderson,

Thank you for submitting your question to the Property Tax Division regarding homestead for first time homebuyers. You have provided the following scenario and question:

Scenario:

- A first time homebuyer was required to have a co-signer by the financing agreement.
- The co-signer was a friend of the homebuyer and not a relative.

Question:

Can a first time homebuyer receive 100% homestead if the co-signer on the financing agreement is not a relative?

Answer:

No. Minnesota Statute 273.124, subd. 1(g) requires that for a first time homebuyer to receive 100% homestead any required co-signer must be a relative of the purchaser. MS 273.124, subd. 1(c) defines a relative as a parent, stepparent, child, grandparent, grandchild, brother, sister, uncle, aunt, nephew, or niece, by blood or marriage. In the scenario you have described, the homebuyer would only be eligible for a 50% homestead if they occupy the property.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

September 17, 2018

Laurie Anderson
Anoka County Assessor's Office
Laurie.Anderson@co.anoka.mn.us

Dear Ms. Anderson,

Thank you for submitting your question to the Property Tax Division regarding homesteads. You have provided the following scenario and question:

Scenario:

- In 2016 dad co-signed for daughter since she was a first-time home buyer.
- Daughter has listed herself as single on her homestead application.
- Daughter received 100% homestead.
- In 2018 Dad co-signed again for daughter.
- Daughter is still listed as single on her new homestead application.

Question: Should daughter get 50% homestead credit being she is not a first-time home buyer?

Answer: Yes, she only qualifies for a 50% homestead. The provision in [Minnesota Statute 273.124](#), subdivision 1(g) specifies that a relative can be listed on a deed for financing purposes only when the buyer is a first-time homebuyer. It appears that the daughter has now purchased her second home and therefore she does not meet the definition of a first-time homebuyer. The dad would need to be removed from the deed as an owner for the daughter to receive a full homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section
Property Tax Division
Phone: 651-556-6091



Life Estates

Property Tax Division

Mail Station 3340
St. Paul, MN 55146-3340

Fax: (651) 297-2166
Phone: (651) 296-0336
e-mail: john.hagen@state.mn.us

April 3, 2002

Montzka Legal Services
PO Box 307
Wyoming, MN 55092

To Whom it May Concern:

In a telephone call today a representative of the Montzka Legal Services firm asked the following question:

An elderly couple in Chisago County want to sell their property to a neighbor on a contract for deed and retain a life estate in the property. Will they be eligible to continue to receive homestead on the property?

In our opinion the answer is yes so long as they continue to occupy the property as required to receive the homestead classification. It has been the long standing position of the Department of Revenue that retention of a life estate interest in a property is a sufficient ownership interest to secure homestead.

We base this opinion largely on an Attorney General opinion that states:

“A life estate is a freehold interest and a life tenant residing in a dwelling house is entitled to have property classified as a homestead.”

Op. Atty. Gen., 1950, No. 217, p. 386.

Although life estates typically exist between family members, they need not be between related individuals. In our opinion, it makes no difference if the parties are related or not.

If the seller retains a life estate and continues to occupy the property for purposes of homestead, the property is eligible to continue to receive homestead for property tax purposes.

Very truly yours,

JOHN F. HAGEN, Manager
Information and Education Section

June 8, 2005

Steve Kuha
Cass County Assessor
Courthouse
4th St. & Minnesota Avenue
P.O. Box 3000
Walker, Minnesota 56484

Dear Steve:

You recently forwarded us a letter you received from an attorney and asked us to review it. In the letter, the attorney stated that three parcels of property located in the same township and in close proximity to each other will be transferred to a family limited liability company (LLC). After the property is transferred to the LLC, the mother will sign a lease (blank copy provided) and occupy the property until her death. The attorney has indicated that a life estate “would not be appropriate in this situation, since...there are some questions as to liens permissible against the life estate even in the event of death.”

As you know, we have said in the past that a life estate provides the holder with enough ownership interest to qualify for homestead as long as they occupy the property as their principle place of residence. However, we have not made that determination in cases of an estate in years or a lease. Therefore, it is our opinion that the lease enclosed with the letter from the attorney, if executed, would not be enough of an interest to grant the mother homestead after ownership of the properties is transferred to the family LLC.

There is, however, a possibility that the mother could qualify for homestead if the new family LLC is approved by the Department of Agriculture to own and farm land under Minnesota Statute 500.24. To qualify for this special ag homestead, the mother would have to be a Minnesota resident, be a qualified person of the authorized entity (member of the family LLC), occupy the property as her principle place of residence, and be actively engaged in farming the property on behalf of the family LLC. It is very important to note that this is only a possibility under a hypothetical situation. Prior to granting this special ag homestead, you, as the assessor, must verify that the mother meets all of the requirements set forth in Minnesota Statute 273.124, subdivision 8(a).

If you have further questions, please contact our division.

Sincerely,

STEPHANIE NYHUS, Principal Appraiser
Information and Education Section
Property Tax Division
Phone: (651) 556-6109 Fax: (651) 556-3128
E-mail: stephanie.nyhus@state.mn.us

July 15, 2008

Bob Hansen
Hubbard County Assessor
301 Court Avenue
Park Rapids MN 56470-1483

Dear Mr. Hansen,

Thank you for your recent inquiry to the property tax division. You have outlined the following scenario: Four sisters have entered into a life estate agreement on a property in your jurisdiction. Each sister has equal rights in the life estate and equal ownership of the property. You are wondering if homestead treatment can be granted in this scenario.

In the past, we have we have said that a life estate provides the holder with enough ownership interest to qualify for homestead as long as the holder occupies the place as the principal residence. Based on the life estate information you have provided, each of the four holders of life estate is eligible to one-fourth homestead (25 percent). Per your information, two of the sisters currently occupy the property as their primary place of residence. Each sister is also eligible for residential homestead based on their relation to the other owners of the property. Each sister is eligible for 25 percent relative homestead. In sum, the property is eligible for full homestead (50 percent owner-occupied and 50 percent relative homestead). Neither occupant may claim homestead elsewhere in Minnesota, and both must be Minnesota residents.

If you have any future questions or concerns, please do not hesitate to contact our division at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

2009441

November 18, 2009

Lorri Houtsma
Isanti County Assessor's Office
555 18th Ave SW
Cambridge MN 55008

Dear Ms. Houtsma,

Thank you for your recent question to the Property Tax Division. In your county, you have come across property transfer scenarios where a property transfers from one party to another, but the grantor of the document has the right to reside at the property until passing. These are similar to life estate documents, but have included the words "Estate for Years". You have asked how homestead should be treated in this scenario.

For property tax purposes, the grantor of a trust or estate document is the owner of the property for homestead purposes. The grantor of the "Estate for Years" may qualify for homestead under Minnesota Statutes, section 273.124, subdivision 21 if the grantor occupies the property as his or her principal place of residence.

It is important to note that if the grantor only had a right to live at the property for a limited time, such as a specified number of years, the answer may change. In short, it is not the label of a document that governs the answer, rather it is the contents.

If you have any further questions or concerns, please do not hesitate to contact our division at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

MINNESOTA • REVENUE

July 29, 2013

Kristen Olson
Office Support Specialist, Sr.
Mower County Assessor's Office
201 1st St., NE
Austin, MN 55912
kristeno@CO.MOWER.MN.US

Dear Ms. Olson:

Thank you for submitting your question to the Property Tax Division regarding homestead.

Scenario: A taxpayer has a life estate on a property. A qualifying relative (daughter) of the person who has a life estate has filed for homestead (the property was transferred to the daughter with the mother retaining life estate).

Question: Does the daughter/owner qualify for relative homestead, or owner-occupied homestead?

Answer: In this situation, it would be appropriate to grant a relative homestead. Under the life estate, the property is treated as though it were still owned by the mother.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, Supervisor
Information and Education Section
Property Tax Division

Property Tax Division
600 North Robert Street
Mail Station 3340
St. Paul, MN 55146

Tel: 651-556-6340
Fax: 651-556-3128
TTY: Call 711 for Minnesota Relay
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www.revenue.state.mn.us

Updated 7/31/2024 - See Disclaimer on Front Cover

MINNESOTA • REVENUE

January 14, 2014

Amanda L. Lee
Mower County Assessor's Office
amandalee@co.mower.mn.us

Dear Ms. Lee:

Thank you for submitting your question to the Property Tax Division regarding homestead for property that is owned under a life estate. You have provided the following scenario and question.

Scenario:

A property was owned by Marvin and Jeanette, and was sold under contract to a bank. However, Marvin and Jeanette maintained a life estate on the property. Now, a relative has applied for relative homestead on the property.

Question:

Does the property qualify for homestead, even though a bank is the contract buyer?

Answer:

In order to answer your question, we must make the assumption that the relative who is applying for homestead is a qualifying relative, and that the relative occupies the property as her/his primary place of residence.

If those assumptions are correct, then the property does qualify for relative homestead. A property owned under a life estate provides the grantors of the life estate with sufficient ownership interest to qualify for homestead as owners of the property. In the scenario you have outlined, a qualifying relative of the owners occupies the property. In that case, the property may qualify for a residential relative homestead, given the relationship between the occupant and the holders of the life estate.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, Supervisor
Information and Education Section
Property Tax Division

Property Tax Division
600 North Robert Street
Mail Station 3340
St. Paul, MN 55146

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Updated 7/31/2024 - See Disclaimer on Front Cover



August 28, 2014

Mark Vagts
Waseca County Assessor's Office
mark.vagts@co.waseca.mn.us

Dear Mr. Vagts:

Thank you for submitting your question to the Property Tax Division regarding agricultural homestead. You have provided the following scenario and question.

Scenario

A primary parcel is owned by a husband and his wife under their life estate, and is occupied by the couple as their homestead. They are considering transferring ownership of a contiguous farmland parcel into a family limited partnership where the husband and wife are shareholders. The partnership owns other non-contiguous farmland within four townships. The husband and wife actively farm all the land.

Question

Can the life estate homestead parcel be linked to the other parcels owned by the limited partnership?

Answer

In the hypothetical situation, the partnership-owned parcels would not receive special agricultural homestead because the individuals who would qualify for agricultural homestead would receive homestead on their individually-owned land under the life estate.

As stated in the Property Tax Administrator's Manual, *Module 4 – Homesteads*: "Properties held by different entities **cannot** be linked together, nor can the homestead be carried over from one entity to another."

The only exceptions to this are limited to:

- A base parcel owned by individual can be linked to a parcel owned by individual and other individuals (no entities)
- A base parcel owned by individual can be linked to a parcel owned by a trust where the same owner is the grantor
- A base parcel owned by one spouse can be linked to a parcel owned by the other spouse (no entities)

Because the situation outlined above is not one of those exceptions, you cannot link the life estate homestead to the land owned by the family limited partnership. The properties cannot be linked because they are not owned by the same ownership.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Emily Hagen, State Program Administrator
Information and Education Section
Property Tax Division

Property Tax Division
600 North Robert Street
Mail Station 3340
St. Paul, MN 55146

Tel: 651-556-6099
Fax: 651-556-3128
TTY: Call 711 for Minnesota Relay
An equal opportunity employer



February 12, 2015

Sherry Steffl
Mahnomen County Assessor's Office
Sherry.Steffl@co.mahnomen.mn.us

Dear Ms. Steffl:

Thank you for submitting your questions to the Property Tax Division regarding homestead and classification. You have provided the following scenario and questions.

Scenario:

- A father quit claim deeded three parcels of land to his two sons.
- The father retains a life estate on one parcel containing ten acres (two acres are tillable, and this is where his home is located).
- Both sons live more than 4 cities or townships from the properties.
- For the remaining 2 parcels: one is 70 acres (45 of which are tillable, and the rest is woods/waste) and the other parcel is 80 acres (29 of which are tillable, and the remainder is woods/waste/wetlands).
- This family has filled out a homestead application listing all 3 parcels and showing the father as the occupant of the property along with an attached rental agreement between the sons (who will pay all crop expenses and receive ½ profit) and the father (who will manage/provide labor and receive ½ profit).

Question 1: Since this is a life estate and the father is living on the first parcel (10 acres) can it be homestead?

Answer 1: Yes; it has been the longstanding position of the Department of Revenue that retention of a life estate interest in a property is sufficient ownership interest to secure homestead. Therefore, since the father does have sufficient ownership he is eligible for homestead on the property where he retains the life estate.

Question 2: How should the 2 parcels owned by the sons be classified, and are they eligible for homestead?

Answer 2: For this situation, we reference the "Determining if property qualifies for the agricultural homestead classification" flowchart provided by the Minnesota Department of Revenue.

To answer your question, we must address the following:

Who Owns?: 2 brothers own the property

Who Occupies?: No one occupies

Is the agricultural property leased to an authorized entity of which the owner is a qualified member?: No.

Do the owners, owner's spouse, or a sibling, child, grandchild, or parent of the owner or owners spouse actively farming the agricultural property either on their own behalf or on behalf of an authorized entity of which they are a qualified person?: The father farms the agricultural property.

The agricultural property is at least 40 acres?: Yes

Do the owners or owners spouse claim another agricultural homestead?: Unknown, however we assume they do not have another agricultural homestead.

Neither the owners nor the person who actively farms the property live within four cities or townships of the agricultural property: No; the owners live further than four cities or townships from the parcels.

From the information provided it appears the property owned by the sons would be split-classified as agricultural non-homestead and rural vacant land.

The sons do not live within 4 cities or townships of the agricultural property. Therefore, homestead cannot be granted because all the requirements listed under Minnesota Statutes 273.124 are not met. Additionally, the property held by the father through his life estate cannot be linked to the property owned by his sons, because they are currently under different ownership.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez
State Program Administrator
Property Tax
Phone: 651-556-4753
Email: proptax.questions@state.mn.us

October 13, 2016

Kim A. Kylander
Pine County Assessors Office
Kim.Kylander@co.pine.mn.us

Dear Kim Kylander,

Thank you for submitting your question to the Property Tax Division regarding homestead involving a life estate. You provided us with the following information.

Scenario

- Owners of a property located in your county retained a life estate and deeded the property to their children.
- The owners have passed away.
- One of the children has moved into the property and applied for homestead.
- No recording to remove the life estate has been completed.

Question: How should the county treat a homestead when a property still has a life estate in effect?

Answer: In a life estate situation, it is the holder of the life estate who has the right to occupy the property until their death. Upon their death, ownership held under a life estate should be immediately transferred to the recipient of the life estate. Therefore, in the situation you provided, since the owners have passed away, the life estate is no longer in effect. Be sure to review the language to determine the terms and conditions of the life estate for homestead purposes.

According to the information you provided, the child occupying the property and applying for homestead may qualify for an owner occupied homestead as long as all other homestead requirements have been met. If this property is owned by multiple owners, you will need to apply the homestead according to ownership and occupancy.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Kristine Moody

State Program Administrator

Property Tax Division
Phone: 651-556-6091



March 3, 2017

Lynette Snare
Kittson County Assessor's Office
lsnare@co.kittson.mn.us

Dear Ms. Snare,

Thank you for submitting your question to the Property Tax Division regarding agricultural homestead for a property owned by a trust. You have provided the following scenario and question:

Scenario:

- An agricultural property owned and occupied by a married couple has been receiving an agricultural homestead since 1998.
- The parcel is less than 10 acres, however the property owners have qualified for agricultural homestead under [Minnesota Statute 273.124, subdivision 14, paragraph a.](#)
- In 2015, the property was transferred to a trust.
- The wife is the grantor of the trust.

Question: Can this parcel continue to receive agricultural homestead now that the ownership has changed?

Answer: Typically, when properties are transferred from individual ownership to trust ownership that is not considered as a "change in ownership" as long as the individual owners of the property are the grantors of the trust. In the situation you provided, it appears that the property went from the married couple owning the property as individuals to the wife trust where the grantor is only the wife and not the married couple. Since both of the spouses are not the grantors of the trust, this would be treated as a change in ownership and the property is no longer eligible to receive agricultural homestead under Minnesota Statute 273.134, subdivision 14(a).

The county will need to review the parcel to determine whether it would qualify for agricultural homestead under the ownership of a trust.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Jessi Glancey

State Program Administrator Coordinator

Property Tax Division

Information & Education

Phone: 651-556-6091

April 25, 2017

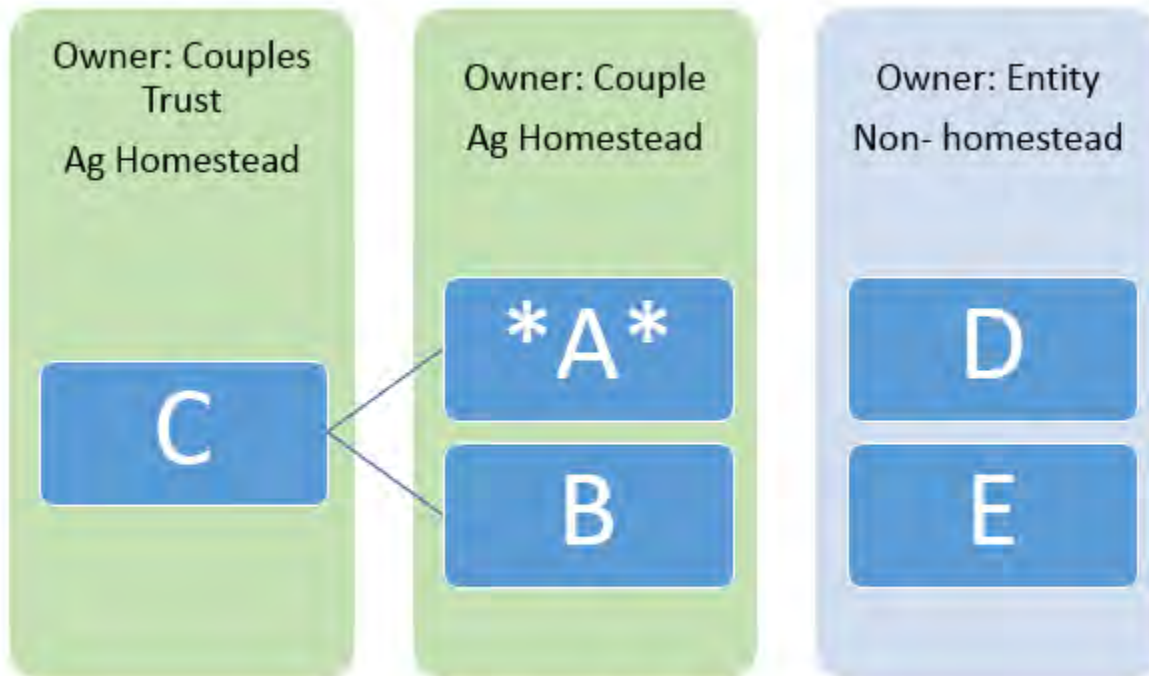
Bonnie Lay
Pope County Assessor's Office
bonnie.lay@co.pope.mn.us

Dear Ms. Lay,

Thank you for submitting your question to the Property Tax Division regarding agricultural homestead qualifications. You have provided the following scenario and question:

Scenario:

- A farmer owns 5 parcels in Pope County.
- The county currently has the 5 parcels classified as follows:
 - Parcel A is owned by the farmer and his wife with a life estate and is the base parcel.
 - Parcel B is owned by the couple with a life estate.
 - Parcel C is owned by the couple's trust which they are both the grantors of.
 - Parcel D and E are owned by an entity and are not included in the life estate.
 - Parcels B, and C are linked to the base parcel and receive agricultural homestead.
 - Parcels D and E are classified as non-homestead.
- Parcels A & B have gone through some estate planning, they are owned by an entity however there is a life estate retained on the two parcels.



* Indicates Base Parcel

Question: Are the parcels classified and linked correctly? Who is considered the owner when a property has a life estate?

Answer: Yes, the county has classified and processed homestead qualifications correctly according to current statute. Properties owned by different entities cannot be linked together, nor can the homestead be carried over from one entity to another. Examples include, but are not limited to:

- Individually-owned property to entity-owned property
- Partnership-owned property to corporation-owned property and
- One partnership to another partnership

The holder of the life estate, not the entity, is regarded as the owner of the property and has the right to occupy the property until their death. At the time of death of the holder of the life estate the entity may have ownership interest and we suggest the homestead status/linkage should be reviewed at that time. In the scenario given, it would not be appropriate to link the entity owned land (parcels D & E) to the base parcel. Linking the couple's trust to the base parcel is appropriate as long as the owners of the individually-owned parcels are the grantors of the trust.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Kristine Moody

State Program Administrator
Property Tax Division
Information & Education
Phone: 651-556-6098

October 2, 2017

Bonnie Lay
Pope County Assessor's Office
bonnie.lay@co.pope.mn.us

Dear Ms. Lay,

Thank you for submitting your question to the Property Tax Division regarding life estates and vested remainder interest. You have provided the following scenario and question:

Scenario:

- There are 5 agricultural parcels in Pope County as follows:
 - Parcel A has a life estate assigned to a married couple and is the base parcel.
 - Parcel B has a life estate assigned to the married couple.
 - Parcel C is owned by the couple's trust of which they are both the grantors.
 - Parcel D and E are owned by an entity and are not included in the life estate.
 - Parcels B and C are linked to the base parcel and receive agricultural homestead.
 - Parcels D and E are classified as non-homestead.

- The entity that owns parcels D and E has a vested remainder interest in parcels A and B.

Question: Should the entity's "vested remainder interest" in parcels A and B be considered as ownership? If so, would that allow parcels D and E to be linked back to the base parcel and receive homestead, per Minnesota Statute section 273.124, subd. 14(d)?

Answer: No. Where a life estate has been created, the holder of the life estate is treated as the owner. It has been the long standing position of the Department of Revenue that retention of a life estate interest in a property is a sufficient ownership interest to secure homestead. We base this opinion largely on an Attorney General opinion that states:

"A life estate is a freehold interest and a life tenant residing in a dwelling house is entitled to have property classified as a homestead." Op. Atty. Gen., 1950, No. 217, p. 386.

In a situation where an agricultural parcel is occupied by the life estate holder, 100% homestead is granted to the occupying life estate holder. After reviewing this question, we determined that Minnesota Statute 273.124 subdivision 14(d) ensures homestead is not denied to a holder of a remainder interest when the remainderman is actively farming the parcel, which implies that the holder of the life estate does not occupy the parcel.

The information you provided would not meet the requirements of Minnesota Statute section 273.124, subd.14(d) and the entity's vested remainder interest would not qualify for linked homestead in this situation. Even if the entity holding the remainder interest could qualify for homestead on parcels A and B under section 273.124, subd. 14(d), these parcels could not be linked to parcels D and E, since parcels A and B are still owned by the couple, under their life estate, and parcel D and E are owned by an entity.

Please note that our opinion is based solely on the facts as provided. If any of the information changes, or if new information comes to light, our opinion would be subject to change as well. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6091

March 30, 2018

Karen McClellan
Kanabec County Assessor's Office
karen.mcclellan@co.kanabec.mn.us

Dear Ms. McClellan,

Thank you for submitting your question to the Property Tax Division regarding agricultural homestead. You have provided the following scenario and question:

Scenario:

- Mr. A is receiving owner-occupied agricultural homestead on 20 acres of agricultural land.
- Mr. A's aunt and uncle deeded two additional agricultural parcels to him, but they retain a life estate on these parcels.
- The two parcels are contiguous to Mr. A's agricultural homestead.
- The two parcels that are held under the life estate are unoccupied.

Question: Is the nephew eligible for a "vested remainder interest" homestead?

Answer: No. Minnesota Statute Section 273.124, subdivision 14, paragraph (d) allows for "vested remainder interest" homestead in the name of the remainder man (Mr. A) when they occupy and farm the property. In the scenario provided, the nephew occupies his own agricultural homestead so the parcels held by a life estate do not qualify for agricultural homestead.

Also, it is not appropriate to link the nephew's owner-occupied agricultural homestead to the parcels held under a life estate in this situation because they are held under different ownership. At the time of death of the holder of the life estate, we suggest the homestead status/linkage should be reviewed at that time.

Please note that our opinion is based solely on the facts as provided. If any of the information changes, or if new information comes to light, our opinion would be subject to change as well.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

May 11, 2018

Debbie Maresch
Carver County Assessor's office
dmaresch@co.carver.mn.us

Dear Ms. Maresch,

Thank you for submitting your question to the Property Tax Division regarding entity ownership and life estates. You have provided the following scenario and question:

Scenario:

- A residential property was owned by a married couple.
- The couple recently deeded the property to a partnership, in which they are the members.
- The couple also reserved a life estate on the property.

Question: Does this property qualify for homestead since it was deeded to a partnership?

Answer: Yes, the property would qualify for homestead since the couple reserved a life estate as individuals. The partnership does own the property, however since the individuals reserved a life estate and occupy the property, then the life estate interest is a sufficient ownership interest to secure homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

October 21, 2021

Dear Joanne,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the following scenario and question:

Scenario:

- Property is owned by a trust
- The grantor is deceased
- The grantor's six kids each have 1/6 interest in the trust
- The grantor deeded a life estate to his ex-wife
- The ex-wife occupies the property with her husband

Question: Can the ex-wife of the grantor qualify for homestead since she was deeded the life estate?

Answer: Based on the information you provided the property could qualify for homestead because the life estate holder (ex-wife) is currently occupying the property.

It has been the long-standing position of the Department of Revenue that retention of a life estate interest in a property is a sufficient ownership interest to secure homestead. We base this opinion largely on an Attorney General opinion that states:

"A life estate is a freehold interest and a life tenant residing in a dwelling house is entitled to have property classified as a homestead." Op. Atty. Gen., 1950, No. 217, p. 386.

The homestead status of the property would need to be reviewed if there is a use change, an occupancy change, or if the holder of the life estate passes away.

Please note that our opinion is based solely on the facts as provided. If any of the information changes, or if new information comes to light, our opinion would be subject to change as well. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922



Military Homesteads

November 2, 2005

Marcia Hetletvedt
Rice County Assessor's Office
Courthouse
320 Third Street NW
Faribault, Minnesota 55021-6100

Dear Ms. Hetletvedt:

Thank you for your email regarding homestead classification. You have stated that due to the husband's active military duty, he and his wife will reside in Minnesota for approximately three years. They purchased a home in Rice County. Although they do not own property in Alaska, the husband and wife claim that they are Alaskan residents and the husband will maintain an Alaskan driver's license. You have asked if they qualify for homestead classification and if military personnel get any special treatment regarding homestead in Minnesota.

In Minnesota, a member of the armed forces who wishes their legal residence requires the following:

- Physical presence in a new locality, and
- Intent to remain there permanently or indefinitely

Actions that express their intent to change residency include:

- Changing legal documents, such as a will or insurance policies to reflect the new legal residence
- Changing state of residence records with the military paymaster
- Applying for homestead status
- Applying for a new driver's license
- Registering a car in the new state of residence
- Registering to vote
- Consistently using new permanent address on records and correspondence

Note that no single factor determines the taxpayer's state of residency, but that all factors must be evaluated together.

Based on the information you provided, the husband and wife claim that they are Alaskan residents and the husband has indicated that he will maintain an Alaskan driver's license. In our opinion, no effort has been made by the couple to obtain residency in Minnesota nor does it sound like the couple intends to remain here permanently or indefinitely. Simply owning and occupying a residence does not satisfy the qualifications for homestead. If they are not Minnesota residents, they cannot qualify for homestead.

Also, the simple fact that he is enlisted in the military does not entitle him to special treatment in regards to homestead. If the couple does not meet the homestead requirements, in this case Minnesota residency, no homestead should be granted.

If you have any further questions, please direct them to the proptax.questions@state.mn.us.

Sincerely,

MELISA REDISKE, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6092 Fax (651) 556-3128
E-mail: melisa.rediske@state.mn.us

June 11, 2009

Karen Baker
Legislative Analyst - Research Department
600 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155

Dear Karen,

Recently you called with a question concerning homestead of a member of the military. We apologize for the delay in response to your question. Special homestead provisions for members of the military are found in Minnesota Statutes, section 273.124, subdivision 12. You asked if the homestead may be retained even if the military member rents his/her homestead residence while deployed.

The answer is yes. If homestead has been granted to a member of the armed forces, it is our understanding that the homestead may not be removed even if the homestead residence is rented out during deployment, so long as the person deployed remains a resident of Minnesota and intends to return to the property following his/her military deployment. A quick review of written material indicates that this has been our policy since at least the 1970's. Many rules relating to homestead eligibility are derived from the Servicemembers' Civil Relief Act (formerly known as the Soldiers and Sailors Relief Act of 1940).

You have also asked if servicemembers who qualify under this homestead provision are allowed to file for property tax refund. While we were unable to find a direct answer to this question, our understanding of the Servicemembers' Civil Relief Act has led us to believe that the property owner should be allowed to file for property tax refund. As the property owner is ultimately liable for taxes paid, we see no reason to disenfranchise the owner in this respect. The U.S. Supreme Court has determined that these rules of the SCRA should "be liberally construed to protect those who have been obliged to drop their own affairs to take up the burdens of the nation" (*Bonne v. Lightner*, 319 U.S. 561,575 (1943)), and "[T]he act must be read with an eye friendly to those who dropped their affairs to answer their country's call" (*LeMaistre v. Leffers*, 333 U.S. 1, 6 (1948)).

The 2009 Form M1PR (application for property tax refund) outlines instructions for military members, and a worksheet for proration of rental income is available on page 12 of that booklet.

If you have any further questions, please do not hesitate to contact our division.

Very sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

2009443

November 18, 2009

Brad Averbeck
Department of Revenue Regional Representative
PO Box 84
Detroit Lakes, MN 56502

Dear Brad,

Recently, you asked the Property Tax Division a question regarding military homestead provisions under Minnesota Statutes, section 273.124, subdivision 12. You have asked if a military member may be granted homestead if he purchases a home but rents it out while away on active duty, even if he never established homestead before his absence due to active duty.

The subdivision states:

“(a) Real estate actually occupied and used for the purpose of a homestead by a person, or by a member of that person's immediate family shall be classified as a homestead even though the person or family is absent if (1) the person or the person's family is absent solely because the person is on active duty with the armed forces of the United States, or is serving as a volunteer under the VISTA or Peace Corps program; (2) the owner intends to return as soon as discharged or relieved from service; and (3) the owner claims it as a homestead. A person who knowingly makes or submits to an assessor an affidavit or other statement that is false in any material matter to obtain or aid another in obtaining a benefit under this subdivision is guilty of a felony.

*(b) In the case of a person who is absent solely because the person is on active duty with the United States armed forces, homestead classification must be granted as provided in this paragraph if the requirements of paragraph (a), clauses (1) to (3), are met, even if the property has not been occupied as a homestead by the person or a member of the person's family. To qualify for this classification, the person who acquires the property must notify the assessor of the acquisition and of the person's absence due to military service. **When the person returns from military service and occupies the property as a homestead, the person shall notify the assessor, who will provide for abatement of the difference between the nonhomestead and homestead taxes for the current and two preceding years, not to exceed the time during which the person owned the property [emphasis added].**”*

We recently discussed this question within our section. Typically, for persons on active service who qualify for homestead under paragraph (a), the property may be rented to another individual during the period of active duty without losing homestead eligibility. We understand that the provisions in paragraph (b) would also apply in the case of a property rented out during active duty. This would require that the member of the military intends to return to the property upon discharge and claims it as his homestead.

(Continued...)

Brad Averbeck
November 18, 2009
Page 2

During the owner's absence due to active military service, the property is appropriately classified as non-homestead. However, upon his return, he may be granted homestead treatment and the assessor may provide abatement of the difference between non-homestead and homestead taxes for the time of the military member's deployment (for up to two years and not to exceed the time during which the property was owned by the military member). If the property owner rents the property to another individual during his deployment, these qualifications upon return would not change.

If you have any further questions, or if you need further clarification, please do not hesitate to contact our division at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

MINNESOTA • REVENUE

June 15, 2012

Jeanne Runge
Martin County Assessor's Office
jeanne.runge@co.martin.mn.us

Dear Ms. Runge,

Thank you for your question concerning homestead. You have asked, if a person is serving in the military in another state, and his/her house in MN is being rented to a non-relative, can he/she still qualify for homestead?

Per the department's *Property Tax Administrator's Manual*, real estate that is actually occupied and used for the purpose of a homestead by a person or by a member of that person's immediate family should remain classified as a homestead even though the person or family is absent due to the person being on active duty with the United States Armed Forces or serving as a volunteer under either the VISTA or Peace Corps programs. The homestead must first be established before being called to active duty or prior to serving as a volunteer under these programs in order to continue receiving homestead during the person or family's absence. The owner must intend to return to the property and claim it as his/her homestead as soon as he/she is discharged or relieved from service. The property may be rented out and still retain the homestead so long as the person or family intends to return.

It should be noted that the military serviceperson or volunteer must maintain his/her Minnesota residency for income tax purposes in order to continue to homestead the property. Any person who knowingly makes or submits to an assessor an affidavit or other statement that is false in any material matter to obtain or aid another in obtaining a benefit under this provision is guilty of a felony.

The department's *Property Tax Administrator's Manual* can be found on our website at:
http://www.revenue.state.mn.us/local_gov/prop_tax_admin/Pages/ptamanual.aspx

If you have any additional questions, please do not hesitate to contact the division via email at proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information Education Section
Property Tax Division

MINNESOTA • REVENUE

December 13, 2012

Rita Trembl
Brown County Assessor's Office
rita.trembl@co.brown.mn.us

Dear Ms. Trembl:

Thank you for your question submitted to the Property Tax Division regarding an active military member who is receiving homestead in your county. You have provided the following: An active military member is receiving homestead on a property that is currently being rented out. According to the Property Tax Administrator's Manual, this is allowed as long as the individual maintains his/her Minnesota residency for income tax purposes. You have asked the following questions, which are answered in turn:

1. In the case of agricultural homestead do we continue to extend to the agricultural land during the individual's absence?

If the property qualifies for homestead under the provisions of Minnesota Statutes, section 273.124, subdivision 12, homestead would be granted as an owner-occupied homestead. Homestead would be granted in the same extent as an owner-occupied homestead on either a residential or agricultural property. If the property is agricultural, then the agricultural land would receive 2a agricultural homestead classification.

2. Whom do we contact to verify they are maintaining their residency by filing a Minnesota tax return?

At the request of an assessor, the Department of Revenue may verify whether an individual who is requesting or receiving a homestead has or has not filed a tax return as a Minnesota resident for the most recent year the information is available as homestead requirements are prescribed in state law. You may send your request for verification to proptax.questions@state.mn.us.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

KELSEY JORISSEN, State Program Administrator
Information and Education Section
Property Tax Division

Property Tax Division
600 North Robert Street
Mail Station 3340
St. Paul, MN 55146

Tel: 651-556-6091
Fax: 651-556-3128
TTY: Call 711 for Minnesota Relay
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www.revenue.state.mn.us

April 26, 2017

Jason McCaslin
Jackson County Assessor's Office
jason.mccaslin@co.jackson.mn.us

Dear Mr. McCaslin,

Thank you for submitting your question to the Property Tax Division regarding homestead qualification of a relocated property owner due to an active duty spouse. You have provided the following scenario and question:

Scenario:

- A taxpayer in Jackson County owns acreage south of Jackson.
- The property received a residential homestead in 2015.
- Homestead was removed in 2016 when an appraiser was informed by a family member that the owner had moved to another state.
- In 2017, the property owner informed the County that she was married in 2015 and moved to another state due to her husband's military service.
- The property owner's husband is now stationed in Minnesota.
- The property owner has always claimed residency in Minnesota and kept her license throughout the residency in another state.

Question: Would the marriage constitute an acquisition of the property? Would the woman leaving Minnesota to be with her husband who was stationed in Colorado meet the criteria to continue homestead?

Answer: Yes, a marriage would constitute an acquisition of the property. No matter how a property is titled, whether in one name or both, a married couple is considered one entity for property tax purposes. A taxpayer that leaves a Minnesota residence to be with a husband stationed in another state would qualify to continue homestead. [Minnesota Statutes, section 273.124](#), subdivision 12 (b).

*(b) In the case of a person who is absent solely because the person is on active duty with the United States armed forces, homestead classification must be granted as provided in this paragraph if the requirements of paragraph (a), clauses (1) to (3), are met, even if the property has not been occupied as a homestead by the person or a member of the person's family. To qualify for this classification, the person who acquires the property **must notify the assessor of the acquisition and of the person's absence due to military service. When the person returns from military service and occupies the property as a homestead, the person shall notify the assessor, who will provide for abatement of the difference between the nonhomestead and homestead taxes for the current and two preceding years, not to exceed the time during which the person owned the property [emphasis added].***

Question: Would an abatement of the tax difference for 2017 and 2016 be appropriate in this case?

Answer: If it is determined that there was sufficient evidence to prove the homesteaded property was the primary residence, and notification was given to the assessor of the acquisition and absence due to military service, then an abatement would be appropriate. The decision to grant an abatement however, is at the discretion of the County, and the burden of proof is on the taxpayer.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Kristine Moody

State Program Administrator
Property Tax Division
Information & Education
Phone: 651-556-6098

July 30, 2018

Julie Greene
Otter Tail County Assessor's Office
jgreene@co.ottertail.mn.us

Dear Ms. Greene,

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- A property owner in your county joined the military in 1998.
- In 2010 he purchased a home while on active duty.
- The property owner did not notify the county that he would be absent due to active duty military service.
- He now plans to retire and occupy the property as his homestead.

Question:

Does the property owner qualify for the abatement per Minnesota Statutes, section 273.124, subdivision 12 (b) for the difference between the homestead and non-homestead taxes for the current year and two prior years?

Answer:

No. To qualify for abatement, M.S. 273.124, subd. 12 (b) requires the property owner to notify the assessor of the property acquisition and his/her absence due to military service. When the owner returns from military service and occupies the property as a homestead, he/she should then notify the assessor who may provide for an abatement for the difference between the homestead and non-homestead taxes for the current and two preceding years – not to exceed the time the person owned the property.

According to the information provided, it appears the required notification was not provided and the property owner would not be eligible for an abatement based on M.S. 273.124, subd. 12(b).

Ultimately, the decision to grant an abatement is at the discretion of the county. An abatement for the current taxes-payable year may be granted for virtually any reason, however abatements for the prior two years should be limited to cases of clerical errors or when the taxpayer has failed to file for a reduction or adjustment due to a hardship, as determined by the county board.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

January 25, 2023

Cindy,

Thank you for contacting the Property Tax Division regarding relative homestead. You provided us with the following scenario and questions.

Scenario:

- A couple own a property in Brown County.
- The owners applied for and received homestead.
- The owners are on active duty with the United States Armed Forces and are currently deployed and stationed in another country.
- The owners of the property have their current location listed as their address.
- The parents of the owners are occupying the property and have submitted a relative homestead application.

Question: Since the couple is stationed in another county, can the property continue to qualify for homestead?

Answer: Yes. Residential property occupied and used for the purpose of a homestead by a member of that person's immediate family shall be classified as a homestead even though the owners are absent due to active duty in the armed forces of the United States. To qualify, the homestead must first be established before being called into active duty and the owner(s) must intend to return to the property and claim it as their homestead as soon as they are discharged and or relieved from service. The property may be rented out and still retain the homestead as long as the owners intend to return.

Question: If the owners allowed a relative to occupy the residence in their absence, and the relative applied for relative homestead, how should homestead be applied?

Answer: As long as the requirements above are met, there is no need for the relative to apply for relative homestead. The classification of the property should remain as residential homestead as if the owners were occupying the property.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

March 5, 2024

Debbie,

Thank you for contacting the Property Tax Division regarding homestead for active-duty military members. You provided us with the follow scenario and question.

Scenario:

- A servicemember in active duty owns and occupies a home in Florida.
- The veteran's spouse and children moved to Minnesota and applied for homestead.

Question: What percent of homestead is the couple eligible to receive?

Answer: Spouses are considered one legal entity for property tax purposes, which means that both spouses must meet the occupancy and residency requirements of homestead to get one full homestead. If the servicemember has not established Minnesota residency, then the property would only be eligible for a 50% owner occupied homestead.

If the active duty servicemember established Minnesota residency prior to the active-duty role, they may qualify for an exception for the occupancy requirement under [Minnesota Statutes 273.124 subd. 12](#), which allows a full homestead *if* the property was homesteaded by the active service member *prior* to their absence. Upon the spouse's return from military service and re-establishing Minnesota residency, the assessor may provide an abatement of the difference between the non-homesteaded and homesteaded taxes for the current year up to a maximum of two preceding years in accordance with [M.S. 273.124 sub 12 \(b\)](#). To do this, the servicemember must notify the assessor of their absence due to military service, and when they return, notify the assessor for a potential abatement of taxes of the difference between the homesteaded and non-homesteaded taxes.

If the servicemember does not qualify under MN Statute [273.124 Subd. 12](#), there are "other personal circumstances" that may qualify the owner/occupant. If the following cause the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes, the applicant may qualify for homestead as outlined in [MN Statute 273.124, subd. 1, paragraph \(e\)](#), which allows for a spouse to qualify for a full homestead despite the other spouse not occupying the property *if*:

- Marriage dissolution proceedings
- Legal separation
- Employment or self-employment in another location
- Other personal circumstances causing the spouses to live separately (restraining order, etc..)

If a property owner occupies a homestead, the property owner's spouse may not claim another property as a homestead unless the property owner and the property owner's spouse file with the assessor an affidavit or other proof required by the assessor stating that the property qualifies as a homestead

under subdivision 1, paragraph (e) of M.S. 273.124. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922



Minors/Minor Relatives

July 15, 2004

Byron Swart
Nobles County Assessor
Courthouse 315 10th Street
P.O. Box 757
Worthington, Minnesota 56187

Dear Mr. Swart:

Thank you for your e-mail regarding a minor and whether he qualifies for homestead on property held in trust for him. Beverly Barrett established a trust for the property located in Worthington, Minnesota. She named two of her children as co-trustees to hold and maintain the property for the benefit of her minor grandchild, Brandon Floyd Barrett. The house and lot (or the proceeds from the sale) will be given to Brandon at age 25. Currently, Brandon, who is approximately four years old, lives in the house with his father, Bryce Barrett. You asked if Brandon can receive homestead on the property. You included a copy of the trust for our review.

Minnesota Statutes 273.124, subdivision 21 (enclosed) allows for homestead on real property held under a trust if:

- the grantor (defined as the person who created or established the trust) or surviving spouse of the grantor occupies and uses the property as a homestead; or
- a relative or surviving relative of the grantor meets the requirements necessary for a relative homestead and occupies and uses the property as a homestead.

Beverly Barrett is the grantor of the trust. If a qualifying relative of the grantor (for residential property, this means a parent, stepparent, child, stepchild, grandparent, grandchild, brother, sister, uncle, aunt, nephew, or niece – by blood or marriage) occupies the property as his/her principal place of residence, it would be appropriate to grant a relative homestead. As a beneficiary of the trust, Brandon is not considered to be the owner of the property.

Parental ownership and residency takes precedence when a property is occupied by both a parent and child. If Bryce is a qualifying relative of Beverly, and he occupies the property as his principal place of residence, we recommend that you grant a relative residential homestead based on his occupancy. However, if Bryce is married and his wife is receiving homestead on another property, he would also have to meet the conditions in Minnesota Statutes, section 273.124, subdivision 1(e) in order for a married couple to receive two homesteads. If Bryce is not a qualifying relative of the grantor, you can grant the relative homestead based upon Brandon's occupancy as long as he lives in the home with his father or another adult and all other provisions of the law are met.

Sincerely,

JACQUELYN BETZ, Appraiser
Information and Education Section
Property Tax Division
Phone: (651) 556-6099
Fax: (651) 556-3128
E-mail: jacquelyn.betz@state.mn.us

Enclosure

November 17, 2009

Laurie Hein
Anoka County Property Support Specialist
2100 3rd Ave
Anoka MN 55303

Dear Ms. Hein,

Thank you for your recent question to the Property Tax Division. You have outlined the following scenario: A property owner has moved out of his home, but is allowing his ex-wife and minor son to occupy it. The property owner is currently living with his parents, but the property occupied by his ex-wife and minor son is owned solely in his name. You have asked if the property occupied by the former wife and child would qualify for homestead.

We have said in the past that, in some cases, minor children may be qualifying relatives for homestead purposes. For example, in the case of a minor child occupying a property with a parent or legal guardian, where that property is owned by the other parent (but the parents are not married), we would consider the minor child a qualifying relative for homestead purposes. In the scenario you have outlined, it appears that the property may be eligible for a residential relative homestead if all other requirements for homestead are met.

You have also asked, if the property owner purchases a new home, would he be eligible for homestead at the new property? The answer is yes. If the property owner purchases a new property which he occupies as his primary place of residence, he may qualify for an owner-occupied homestead. The property occupied by his son would still qualify for a relative homestead.

If you have any further questions, please do not hesitate to contact our division at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division



August 19, 2014

Dean Champine
Lyon County Assessor's Office
DeanChampine@co.lyon.mn.us

Dear Mr. Champine,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the following information.

Scenario:

- A 13 year old girl purchased a home in Tracy, MN where her parents live with her.
- She applied for homestead.
- She has a Social Security number but her parents do not.
- The mom has a green card, and the dad does not.
- The title is in the minor's name, which was deemed legal by the family's lawyer.

Question: Can a homestead be granted to a property when the owner is a minor?

Answer: The property qualifies for full homestead. We have allowed minor children to qualify for residential homestead in very limited cases in the past, such as minor children living with one parent/owner who is divorced from the other parent/owner but both parents maintain ownership of the property jointly.

In this scenario, the property is owned and occupied by the minor and an application has been made to the County Assessor. It is assumed that there is an extenuating circumstance allowing the minor child to be an owner of the property in this case. Therefore, it is the Department of Revenue's opinion that the property may qualify for full homestead

If you have any additional questions or concerns please feel free to contact our division at proptax.questions@state.mn.us

Sincerely,

JESSI GLANCEY, State Program Administrator Senior

Information and Education Section
Property Tax Division

Property Tax Division
600 North Robert Street
Mail Station 3340
St. Paul, MN 55101

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TTY: Call 711 for Minnesota Relay
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Miscellaneous

April 30, 2003

Robin Johnson
Scott County Assessor's Office
Government Center 112
200 – 4th Avenue West
Shakopee, MN 55379-1220

Dear Robin:

Your e-mail dated March 26, 2003, has been referred to me for reply. In your letter you present two scenarios.

First Scenario: A gentleman and his wife buy a house. They homestead it. They sell the house in September of 2001. The sale falls through and the gentleman moves back into the house in November of 2001. He was sent three letters from the county requesting homesteading information and failed to respond to any of the three letters. Should his original homestead be valid and should he receive homestead for taxes payable in 2003?

You provided me with additional information in our telephone conversation on April 25, 2003. There was only a purchase agreement to sell the property. No sale was ever recorded by the county recorder. A divorce degree dated August 1, 2002, was recorded. A Quit Claim Deed was subsequently recorded February 6, 2003, granting ownership to the gentleman and his new girlfriend. They submitted an application for homestead in April, 2003.

Opinion: Because the owner did not submit an application for homestead within 30 days after three requests, you should remove the homestead classification per M.S. 273.124, subdivision 13, paragraph 4. The property owner should not be granted homestead for the 2002 assessment, taxes payable in 2003. He may apply for a homestead abatement as prescribed under M.S. 375.192. Approval of the abatement is at the discretion of the county.

Second Scenario: A couple buys a property in one city and applies for homestead in 1995. In 1997 they move to another city, apply for homestead there and a relative homestead on the first property. In 2001 they move back to the first property and fail to re-apply for the homestead on the first property. Would they also qualify for the 2003 tax payable year?

You provided me with additional information in our telephone conversation on April 25, 2003. They have not provided the county assessor with a new homestead application. The son no longer lives in the first home.

Opinion: Since the owner failed to notify the county assessor within 30 days of the change in occupancy, it is our opinion that both properties in this scenario should lose the homestead classification for the 2001 assessment.

If you have further questions, please contact our division.

Very truly yours,

RHONDA M. THIELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 296-3540
e-mail: Rhonda.Thielen@state.mn.us

October 2, 2003

Troy Stewart
Pine County Courthouse
315 – 6th Street
Pine City, Minnesota 55063

Dear Troy:

Your e-mail dated May 23, 2003, regarding a manufactured home purchased on an unrecorded contract for deed (or title) has been referred to me. In your e-mail you state that a woman is selling the manufactured home to someone else on a contract for deed (or title). She says the document will not be recorded. The certificate of title will not be transferred until the contract is paid off. The purchaser wants to receive homestead on the manufactured home. You have told them homestead cannot be granted to the purchaser because he is not listed on the title as an owner. You are wondering if this is correct. The woman claims she has a similar situation in Stearns County and they are granting homestead to the buyer.

Allowing homestead on unrecorded contract for deeds would, in our opinion, set a dangerous precedent. Because assessments of manufactured homes as personal property are not recorded, the assessor has no way to track the ownership of a property without a certificate of title. If the tax is unpaid, it becomes a lien against the property owner, not the property.

Consequently, in our opinion taxes should be levied against the owner of the manufactured home as listed on the certificate of title. Homestead, if any, would be based on that ownership.

If you have further questions, please contact this division.

Sincerely,

RHONDA M. THIELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 296-3540
e-mail: rhonda.thielen@state.mn.us

November 18, 2004

Lynda Arendt
Arendt@co.goodhue.mn.us
Goodhue County Assessor's Office
509 West 5th Street Room 208
Red Wing, Minnesota 55066

Dear Ms. Arendt:

This letter is in follow-up of the phone conversation between you and John Hagen and your email to him regarding extending homestead to entities not under the exact same ownership.

In the past, we have never advocated being able to extend homestead benefits to properties of different ownership entities. The only variation is trusts. We do consider trusts to be different entities. However, it is appropriate to carryover the homestead to other parcels in the case of trusts if the grantor of the trust is listed as the owner on the other parcel. It does not matter whether the trust is revocable or irrevocable. Note that homestead cannot be extended to property held in trust by a taxpayer's spouse. The taxpayer must have a qualified legal right, under the terms of the trust, to possession of property as a homestead.

Following are the scenarios you had presented in your email to John Hagen:

1. Five properties owned by three brothers. There is additional land owned by a corporation comprised of four shareholders, not under the exact same ownership. You both agreed that homestead could not be extended. **Answer:** That is correct!
2. You confirmed you could extend homestead from a corporation to a non-corporation so long as all of the owners were the same, but if any of the owners were different you could not extend homestead. **Answer:** Since the entities are different, homestead cannot be extended even if all of the owners were the same.
3. You also had asked about property owned entirely under an individual name and that same individual having property held under a corporation (himself being the single owner). In this scenario, it was thought the homestead would apply. **Answer:** This is incorrect. Again, the ownership entities are not under the exact same ownership.

If you have any other questions, please contact our division.

Regards,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114 Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

To: Steve Carlson, Polk County Department of Revenue Correspondence: Homesteads

Thank you for your agricultural homestead question regarding carryover that involves a personal property homestead. We apologize for the lateness of this letter. We have had a backlog and are slowly catching up.

You provided the following information: A taxpayer owns a manufactured home located on land owned by his parents. He lives in the manufactured home and is receiving homestead. The taxpayer owns land contiguous to the land he lives on but does not own.

You ask if he can extend his personal property homestead to a contiguous parcel of land that he owns.

We are of the opinion that homestead cannot be extended to land owned by a person receiving a **personal property homestead**. Minnesota Statutes, Section 273.124, Subdivision 1, states in part:

“(a) Residential real estate (emphasis added) that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a residential homestead...”

“(b) For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property...”

There are no like provisions in statute allowing personal property homestead carryover. Therefore, a personal property homestead should not be extended to additional property owned by the taxpayer even though it is contiguous to the land that he is living on but does not own.

If you have any other questions, please contact our division.

Regards,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
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E-mail: joan.seelen@state.mn.us

January 20, 2005

Ted Mershon
Cook County Assessor
411 2nd Street
P.O. Box 1150
Grand Marais, Minnesota 55604-1150

Dear Mr. Mershon:

Thank you for your classification questions.

You provided the following information: A married couple owns a parcel of land with a house and a real estate business on it. The couple separate and divorce. The ex-wife remarries and moves into a duplex solely owned by her adult son, who occupies the other half of the duplex. The ex-husband continues to occupy the original house that is owned jointly with his ex-wife. The divorced couple also owns the adjoining real estate business that they operate together.

You asked for the correct classifications of the duplex, the home occupied by the ex-husband, and the real estate business.

The duplex should be classified as full homestead because the ex-wife's adult son owns and occupies the property.

The parcel containing the home and the real estate business must be split classed. The real estate business must be classified commercial. To receive a full residential homestead on the home, both owners must own and occupy the property as their primary residence. Since only the ex-husband occupies the property jointly owned with his ex-wife, the correct classification of the residential portion of the property would be one-half residential homestead and one-half residential non-homestead.

If you have any other questions, please contact our division.

Regards,

JOAN SEELEN, Appraiser
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Property Tax Division
Phone (651) 556-6114 Fax (651) 556-3128
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March 22, 2005

Ted Mershon
Cook County Assessor
411 2nd Street
P.O. Box 1150
Grand Marais, Minnesota 55604-1150

Dear Mr. Mershon:

Thank you for your question regarding the homestead classification. You provided the following information: A son purchased his elderly father's home. The son occupies the home as his homestead. A short time later, the father passed away. The son's property adjoins a lot that is still in the father's name. The title to the lot is currently being decided in probate. Due to the fact that this is a probate situation, you asked if the son can extend his homestead to the adjoining lot in the deceased father's name.

In our opinion, the answer is no. Homestead carryovers are only permitted on property having the same ownership name as the base homestead parcel. Therefore, extending the son's homestead to the adjoining lot owned by the father is not permitted.

The law (M.S. 273.124, subd. 1(h)) is very specific in this case describing that the eligibility of the homestead classification is determined by occupancy and use of the property subject to probate. This specific law was intended to protect the homestead of a property in probate when the home is occupied by a child of the deceased owner(s).

If you have any additional questions or concerns, please contact our division.

Sincerely,

MELISA REDISKE, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6092 Fax (651) 556-3128
E-mail: melisa.rediske@state.mn.us

March 22, 2005

Patrick Todd
Supervisor, Real Estate Assessment
Department of Assessor
City of Minneapolis
309 2nd Avenue South – Room 100
Minneapolis, MN 55401-2234

Dear Mr. Todd:

Thank you for your question regarding homestead when property is co-purchased with a limited liability company (LLC) and leased back to the buyer.

You provided literature from a financial lender that has a Declining Balance Co-ownership Program. It is designed for home purchases as well as for the replacement of an existing conventional mortgage. The literature states that in the case of a home purchase, the purchaser's initial share of ownership in the property is determined by their initial investment. For qualified applicants, this down payment may be as little as five percent of the property's value. In this case, the purchaser will start by owning five percent, and the financial lender will own 95 percent. If replacing an existing mortgage, the financial lender will purchase a portion of the purchaser's home and becomes a co-owner with them.

The literature from the Guidance Financial Group defines the Declining Balance Co-ownership Program as "Islamic home acquisition transaction that uses the concept of declining balances to enable Muslims and others to acquire ownership in property in compliance with Sharia and with state and federal requirements – with a co-owner which gives immediate ownership of record to consumer and obligates the consumer to buy out the co-owner."

The literature also states that with an ever-increasing Muslim population, this type of purchasing will increase even more. Sharia, or Islamic law, prohibits interest, but permits profit on a business venture involving a tangible asset, according to Islamic scholars, so more and more Muslims are taking advantage of this alternative when purchasing a home. The financier buys the portion of the property that the consumer can't afford and leases that share to the consumer at going market rates. As the lessee makes regular payments, he or she gradually buys out the financier's share. This is a type of Islam-approved financing, a fast-growing phenomenon that has been common in Muslim nations for years, but is only now catching on in this country.

You asked for our opinion on homesteading property that is co-purchased with an LLC and leased back to the buyer. The buyer's level of ownership is limited to the percentage of the down payment and then increases over time as payments are made.

(Continued...)

Patrick Todd
March 22, 2005
Page 2

As you know, residential properties owned by corporate entities are not eligible for homestead. Therefore, in our opinion, this type of financial arrangement does not qualify for homestead treatment as long as the entity is listed on the deed as an owner of the property.

If you have any further questions, please contact our office.

Sincerely,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114 Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

September 15, 2005

Becky Kotek
Rice County Assessor's Office
Courthouse
320 Third Street NW
Faribault, MN 55021-6100

Dear Becky:

Thank you for your question regarding homesteading cross-county parcels.

You received an email from a property owner who purchased a new home on August 19, 2005. The property is located in two counties and has two property identification numbers – one for the parcel located in Scott County (10.05 acres with home) and one for the parcel located in Rice County (1.9 acres – land only). You also indicated that the deed only had the legal description for the property in Scott County, but that the Certificate of Real Estate Value reflects the full purchase price for the properties in both counties. We assume that the legal description of the parcel located in Rice County is also on the Certificate of Real Estate Value (CRV).

You have asked us if the property owner would also be eligible to receive residential homestead on the parcel located in Rice County.

Assuming the parcels are contiguous and the property owner meets the requirements for homestead, it would be appropriate to grant homestead on both of the parcels.

For homesteading purposes, there is no requirement to put a purchase price on the homestead application. However, if you wish, you may note on the application that the \$418,000 reflects the full purchase price of both Scott and Rice County properties. We believe a copy of the deed and CRV would be adequate documentation for the county assessor to grant the homestead.

If you have any further questions, please direct them to proptax.questions@state.mn.us.

Sincerely,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114
Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

November 2, 2005

A. Keith Albertsen
Douglas County Assessor
Courthouse
305 8th Avenue West
Alexandria, Minnesota 56308

Dear Keith:

Your question regarding homestead on a bed and breakfast establishment that is owned by a limited liability company (LLC) has been forwarded to me for reply.

You have asked if it is appropriate to grant homestead on a bed and breakfast that is owned by the LLC and occupied by a member of the LLC as their principle place of residence.

In our opinion, the answer is no. Typically, homesteads are not granted to properties that are owned by entities rather than individuals. However, specially worded legislation does allow farms (see *Minnesota Statute 273.124, subdivision 8, paragraphs (a) and (b) and subdivision 14, paragraph (g)*), hotels/motels (See *Minnesota Statute 273.124, subdivision 17*), and some resorts (See *Minnesota Statute 273.13, subdivision 22, paragraph (c)*) that are owned by entities to be homesteaded under certain circumstances. Since bed and breakfast establishments are not specifically included in any of these provisions, we believe that you should deny the homestead request.

Furthermore, since the property does not meet the requirements for homestead, the property cannot qualify as a class 4(c)(9) bed and breakfast establishment (See *Minnesota Statute 273.13, subdivision 25, paragraph (d), clause (9)*) for classification purposes. The entire property should be classified as 3a commercial.

The applicable statutes listed above may be viewed at www.leg.state.mn.us/leg/statutes.asp. If you have further questions, please direct them to proptax.questions@state.mn.us.

Sincerely,

STEPHANIE NYHUS, Principal Appraiser
Information and Education Section
Property Tax Division
Phone: (651) 556-6109 Fax: (651) 556-3128
E-mail: stephanie.nyhus@state.mn.us

November 30, 2005

Sandy Vold, Big Stone County Assessor
Courthouse
20 SE 2nd Street
Ortonville, MN 56278

Dear Sandy:

Thank you for your question regarding a homestead in your county. You have outlined the following situation:

- Wife owns and occupies an 8-acre parcel in the city of Ortonville;
- Husband and wife together own a 1.8-acre parcel in Big Stone township that is contiguous to the 8-acre parcel;
- Husband and wife also own a 71.75 acre parcel in Big Stone township that is not contiguous to either of the other two parcels;
- The 71.75 acre parcel was recently put into a trust by the husband and wife;
- Neither the husband or wife farm the 71.75 acre property.

Until recently, all three parcels were classified as agricultural homestead. You have asked if this is correct. You have also asked if it is appropriate to link parcels that are individually owned to parcels that are held in trust.

Ordinarily, parcels of different ownership entities cannot be linked together for homestead purposes. One exception to that rule is in the case of trusts. We have said in the past that in order to link properties that are individually-owned to parcels that are held in trust, the individual owners of the solely-owned parcel must be the grantors the trust that owns the property. For example, Fred and Wilma own and occupy a 600-acre parcel. Later, they decide to split off 300 acres and put it into a trust for their children. Fred and Wilma are the grantors of the trust. Fred continues to farm both the parcel that he and Wilma own and occupy as a married couple and the parcel held in trust for their children. In cases such as this, the parcels may be linked for homestead purposes.

In our opinion, the 8-acre parcel and 1.8 acre parcel should receive a residential homestead as long as the owners/occupants are Minnesota residents and they occupy the property as their principal place of residence.

The 71.75 acre parcel should be classified as agricultural assuming there is enough production to satisfy the requirements set forth in Minnesota Statute 273.13. However, since the property is not farmed by the either the grantors of the trust, or a child or grandchild of the grantors, the property does not qualify for a special agricultural homestead.

I hope I have satisfactorily answered your questions. If you have additional concerns, please direct them to proptax.questions@state.mn.us.

Sincerely,

STEPHANIE NYHUS, Principal Appraiser
Information and Education Section
Property Tax Division
Phone: (651) 556-6109 Fax: (651) 556-3128
E-mail: stephanie.nyhus@state.mn.us

January 30, 2006

A. Keith Albertsen
Douglas County Assessor
Courthouse
305 8th Avenue West
Alexandria, Minnesota 56308

Dear Keith:

Your question has been assigned to me for reply. You have the following situation. A couple has owned a vacant lakeshore parcel since 2000. The property has always been classified as seasonal residential recreational. In 2005, a new home was constructed. They have filed for a relative homestead on the property and have stated that the home is occupied by their daughter. You have asked if the property was prohibited from receiving a relative homestead on the property since the parcel was previously classified as seasonal residential recreational.

As you know, property that has been classified as SRR at any time during which it has been owned by the current owner or their spouse cannot receive a relative homestead. Minnesota Statute 273.124, subdivision 1, paragraph (c) states in part that:

“...Property that has been classified as seasonal residential recreational property at any time during which it has been owned by the current owner or spouse of the current owner will not be reclassified as a homestead unless it is occupied as a homestead by the owner; this prohibition also applies to property that, in the absence of this paragraph, would have been classified as seasonal residential recreational property at the time when the residence was constructed.”

Your situation is complicated by the fact that the property was a lakeshore site that until recently was not improved with a structure. Since unimproved property must be classified according to its most probable, highest and best use according to Minnesota Statute 273.13, subdivision 33, you classified the property as SRR because that was the most probable use of the property. To the best of my knowledge, that classification has not been contested in the five years the current owners have owned the property. If the owners can provide you with evidence that the property has never been used seasonally, now was it ever intended to be used seasonally and the property meets all of the other requirements for relative homestead, you may consider the application. The Certificate of Real Estate value that was filed at the time of sale may be the best indicator of the current owners intended use of the property.

In the absence of such evidence, since the property was classified as Seasonal Residential Recreational prior to construction of the home, it is our opinion that the property is prohibited from receiving a relative homestead under the above cited statute.

This opinion was formed using only the facts provided. If any of the facts differ, our opinion would be subject to change as well. If you have further questions, please direct them to us at proptax.questions@state.mn.us.

Sincerely,

STEPHANIE NYHUS, Principal Appraiser
Information and Education Section
Property Tax Division
Phone: (651) 556-6109 Fax: (651) 556-3128
E-mail: stephanie.nyhus@state.mn.us

February 9, 2006

Cathy Olson
Aitkin County Assessor's Office
Courthouse
209 2nd Street NW
Aitkin, MN 56431

Dear Cathy:

Thank you for your questions on homestead. You have outlined two separate situations. They are summarized below.

Situation #1 – A property is classified as a residential homestead in 1998. During that year, the property was transferred from two individuals to a general partnership with three partners. For the 1999 assessment, the property was classified as Seasonal Residential Recreational (SRR). One of the partners has applied for a relative homestead on the parcel. Can property owned by a partnership receive a homestead?

Answer #1 – Residential property that is owned by a partnership cannot receive a homestead. Only resorts, hotels and farms that are owned by entities may qualify for homestead provided they meet certain specific requirements. Furthermore, Minnesota Statute 273.124, subdivision 1, paragraph (c) prohibits property that has been classified as SRR at any time during the time it has been owned by the current owner from being granted a relative homestead.

Situation #2 – An agricultural property, owned by an individual, was transferred to a limited liability partnership (LLP) on December 29, 2005. The deed states that the individual who previously owned the property has retained a life estate on the entire farm.

Question – Can a limited liability partnership receive a homestead?

Answer - First and foremost, a limited liability company, whether structured as a partnership or a corporation must be authorized to own and farm land under Minnesota Statute 500.24. Entities including corporations, limited partnerships, limited liability companies and trusts must register with the Minnesota Department of Agriculture by filing the Minnesota Corporate Farm Application prior to purchasing or engaging in farming of agricultural land. If they are authorized to own and farm land under this statute, they should be able to provide you with a copy of the letter they received from the Minnesota Department of Agriculture. Assuming the LLP is authorized to own and farm land under Minnesota Statute 500.24, they may be eligible to receive a homestead depending on who occupies the property and/or who farms the property.

However, in situation 2 as described above, the homestead status for the 2006 assessment must be based on the life estate holder's interest. The individual who has retained the life estate should receive a full, owner occupied agricultural homestead assuming that that individual occupies the property. This also assumes that there will still be enough agricultural production for the property to qualify for the ag class. It doesn't matter who farms the property since the life estate holder occupies the farm, but someone must farm it in order to receive the ag class. If there is no production, the property should be classified as a residential homestead.

(Continued...)

Cathy Olson
February 9, 2006
Page 2

Question – Can a property owned by a limited liability partnership receive an agricultural relative homestead?

Answer – No. A limited liability partnership is a legal entity – it cannot have relatives and therefore, cannot receive a relative homestead. However, the limited liability partnership may qualify for homestead under one of the other provisions in law that allow homestead on entity-owned properties.

This advisory opinion has been based solely on the facts provided. If any of the facts were to differ, our opinion would be subject to change as well. If you have further questions, please direct them to us at proptax.questions@state.mn.us.

Sincerely,

STEPHANIE NYHUS, Principal Appraiser
Information and Education Section
Property Tax Division
Phone: (651) 556-6109 Fax: (651) 556-3128
E-mail: stephanie.nyhus@state.mn.us

February 7, 2006

A. Keith Albertsen
Douglas County Assessor
Courthouse
305 8th Avenue West
Alexandria, Minnesota 56308

Dear Keith:

Thank you for your questions regarding property that is held by different entities. You have outlined the following situation. A married couple (as partners in a partnership) own and occupy a farm. Their son owns a doublewide manufactured home that is also located on the property. The parents have put all of their parcels into the partnership except for two vacant 40-acre parcels, which remains in the parents' names. You have asked if these two 40-acre parcels can be linked for homestead purposes to the remainder of the property that is held by the partnership since they are titled differently.

No, the two cannot be linked for homestead purposes. These properties are not merely titled differently. They are owned by different legal entities – a partnership and a married couple. Even though the two married individuals are partners in the partnership, the partnership is still a separate legal entity and must be treated as such.

Assuming that the partnership meets the qualifications set forth in Minnesota Statute 500.24 for one of the forms of partnerships authorized to own and farm land in Minnesota, it is our opinion that the proper way to classify the property is as follows:

- The parents, as members of the partnership, should receive a special agricultural homestead on the property that is owned by the partnership and occupied by the partners/parents. They should complete the CR-AEO-05 special ag homestead form for property that is owned by an authorized entity for the 2005 assessment for taxes payable in 2006. In subsequent years, they may complete the appropriate reapplication form as long as all information provided on the original application remains the same.
- The son should receive an owner-occupied residential homestead on the personal property assessment for the doublewide manufactured home that he owns and occupies but is located on land that is owned by the partnership.
- The two 40-acre parcels are not eligible for homestead treatment. The son cannot receive a special ag homestead on those parcels because the owner (parents) already receives a homestead as partners in the partnership that owns the property occupied by the parents.

Please be advised that we have issued this advisory opinion based solely on the facts provided. If any of the facts were to change, our opinion would be subject to change as well. If you have further questions, please direct them to us at proptax.questions@state.mn.us.

Sincerely,

STEPHANIE NYHUS, Principal Appraiser
Information and Education Section
Property Tax Division
Phone: (651) 556-6109 Fax: (651) 556-3128
E-mail: stephanie.nyhus@state.mn.us

June 22, 2006

Dave Oien
Goodhue County Assessor's Office
509 West 5th Street Room 208
Red Wing, Minnesota 55066

Dear Dave:

Your e-mail has been assigned to me for reply. You stated that you have a taxpayer who is temporarily living in his motor home while his house is being built. As of January 2, 2006, there was a foundation for the new house, a manufactured home that is being used for storage purposes, and the motor home located on the site. The house is scheduled to be completed before October 2006. He has filed for homestead for the 2006 assessment. You asked if granting this homestead is appropriate.

In our opinion, the answer is yes. Minnesota Statute 273.124 only refers to real estate that is occupied by the owner as his or her principal place of residence is considered to be a homestead for property tax purposes. There is no requirement that the owner inhabit a permanent structure. The fact that the owner is temporarily living in his motor home that is parked on the site while he constructs his house does not matter. He is occupying the property as his homestead.

If you have any other questions or concerns, please direct them to proptax.questions@state.mn.us.

Sincerely,

STEPHANIE NYHUS, Principal Appraiser
Information and Education Section
Property Tax Division
Phone: (651) 556-6109
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E-mail: stephanie.nyhus@state.mn.us

August 29, 2006

Lee Brekke
Wadena County Assessor
Courthouse
415 Jefferson Street South
Wadena, Minnesota 56482

Dear Mr. Brekke:

Your e-mail has been assigned to me for reply. You asked if a property that is leased with an option to purchase can be homesteaded by the occupant of the property. You also included a copy of the homestead application and the lease for our review.

Based on the information provided, it appears that the property is leased on a month-to-month basis for an initial period of six months, which was later extended for six additional months. We are not aware of any statute that would allow homestead in this situation. Therefore, it is our opinion that this property does not qualify for homestead because the property is not occupied by the owner of the property and it does not appear to meet the qualifications for a relative homestead.

If you have additional questions or concerns, please direct them to proptax.questions@state.mn.us.

Sincerely,

STEPHANIE NYHUS, SAMA
Principal Appraiser
Information and Education Section
Property Tax Division

September 15, 2006

Sandy Rettig
Jackson County Assessor's Office
Courthouse
413 Fourth Street
Jackson, Minnesota 56143

Dear Sandy:

Thank you for your question regarding homestead. I apologize for the lateness of this response. You provided the following:

- A property occupied as a residential homestead by the owner was foreclosed by the bank on August 31, 2005.
- The owner occupying the property has a six month redemption period from the date of foreclosure.
- As of February 28, 2006, the owners were still living on the property.

You have asked if the homestead should remain on the property as of the January 2, 2006, assessment date.

Since the foreclosure has a six-month redemption period from the date of foreclosure which is August 31, 2005, and the property was still being occupied by the owners as of the January 2, 2006, assessment date, it is our opinion that the property should remain classified as residential homestead for the 2006 assessment year and the homestead should not be removed until the following year.

We have formed this opinion based solely on the facts provided. If any of the facts differ, our opinion would be subject to change.

If you have any further questions, please direct them to us at proptax.questions@state.mn.us.

Sincerely,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114
Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

September 21, 2006

Bryan Eder
Property Systems Coordinator
Property Records & Licensing
151 4th St. SE
Rochester, MN 55904

Dear Bryan:

Thank you for your question regarding homestead. Please accept my apology for the delay in this response. We have experienced an unforeseen shortage of staff the past few months. Your question concerns the following form: “Addendum to Application for Homestead Classification – Relative Co-Owners Required by Terms of Financing Agreement.” You asked if you should code the new owner of a property as a regular full homestead or if you should continue to code them as relative part owners since there is now an addendum available.

Minnesota Statute 273.124, Subd. 1, paragraph (g) states in part:

“If an individual is purchasing property with the intent of claiming it as a homestead and is required by the terms of the financing agreement to have a relative shown on the deed as a co-owner, the assessor shall allow a full homestead classification (emphasis added)...”

We assume you would use the same code as you do for a full owner-occupied homestead classification. For purposes of receiving homestead under these special circumstances, we recommend not coding the co-owner’s interest in the property as relative. This would be inappropriate as the property should receive a full owner-occupied homestead classification (as noted above) with the owner who occupies the property being eligible to apply for a property tax refund on the entire property.

Since we do not know all of the implications that codes may have for your particular computer consortium, we recommend that you contact your computer consortium for assistance regarding the code(s) you should use.

If you have further questions or concerns, please direct them to proptax.questions@state.mn.us.

Sincerely,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114 Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

May 7, 2007

Ms. Lyn Regenauer
Chisago County Assessor's Office
Chisago County Government Center
Room 246
Center City, MN 55012-9663

Dear Ms. Regenauer,

Your April 30 email to Stephanie Nyhus has been referred to me for a response.

You told us that a Chisago County resident purchased a home in Harris, Minnesota, as a single person. She had not been told that the house had been the site of a meth lab. After she learned about the history, she had the house tested and found that the contamination had not been fully removed. She ultimately filed for bankruptcy protection in her attempt to get out of that situation.

This person has now purchased another house in Chisago County but because of the bankruptcy, she needed to have her mother on the deed as an owner in order to get financing for the purchase. She is now filing a homestead application for the new house and has asked you about her future Property Tax Refunds.

As you told me when I called, you intend to grant a partial homestead on 50 percent of the value and a relative homestead on the other 50 percent. Minnesota Statutes, section 273.124, subdivision 1, clause (g), allows for a full homestead in those cases where the financial conditions require the name of a relative on the deed but this clause only applies to first-time purchasers or the first-time purchase after a divorce by a single person. This person, unfortunately, does not qualify pursuant to clause (g).

Section 273.124, subdivision 1, clause (c), allows for the relative homestead but very specifically provides that neither the relative occupant nor the property owner (the mother owning 50 percent) may claim a property tax refund on the portion of the property subject to the relative homestead. As you advised me, the pay 2008 tax statement will show only 50 percent of the tax as a qualifying tax amount.

Based on the facts as we understand them, we agree that the property is eligible for a 50 percent homestead and a 50 percent relative homestead and that the qualifying amount in 2008 will be 50 percent of the total tax.

If you have further questions, please contact us at proptax.questions@state.mn.us.

Sincerely,

DOROTHY A. MCCLUNG
Property Tax Division

March 25, 2008

Allison Lowe
Cook County Assessor's Office
411 2nd Street
Grand Marais, Minnesota 55604-1150

Dear Ms. Lowe,

Thank you for your letter regarding homestead classification. You have asked when it is appropriate to remove the homestead benefits on a home after its owner is deceased. You are wondering whether the homestead should be removed based on the date of an obituary or on the date that you receive a warranty deed conveying title to the personal representative.

If you are satisfied that the property is not in probate and not occupied by a surviving spouse or child of the deceased, in our opinion you should remove the homestead for the first assessment after you received the warranty deed transferring ownership of the property.

If you have any further questions, please do not hesitate to contact us again.

Sincerely,

ANDREA FISH, State Program Administrator
Information and education Section
Property Tax Division

April 15, 2008

Allison Lowe
Technical Clerk/Appraiser
Cook County Assessor's Office
411 2nd Street
Grand Marais, Minnesota 55604-1150

Dear Allison:

Thank you for your recent inquiry; it has been forwarded to me for a reply. In your e-mail, you presented the following information: two separate individuals originally owned three parcels which they combined, then split, into a six-lot plat. Each of these owners now own three parcels – one with their residential homestead, plus two other contiguous vacant lots. You asked if there are any limitations to extending homestead treatment to contiguous parcels within a plat.

As you know, the general rule regarding homestead treatment requires the real estate to be occupied and used for purposes of a homestead by its owner, who must be a Minnesota resident. The homestead treatment can be extended to contiguous property held under the same ownership that is also used for purposes of the homestead. However, Minnesota Statutes, Section 273.124, subdivision 1, clause b provides some special rules applicable to homestead determination. It states, in part, that a homestead purpose “*shall not include vacant land held primarily for future development.*”

In order for you to determine if homestead treatment should be extended to the contiguous vacant lots, you first need to verify that the ownership is identical to the improved homestead property. Then, you need to determine the use of the vacant lots. If the use coincides with the purposes of a homestead, the homestead treatment can be extended. If not, or there is no use and the lots appear to be held awaiting future development (for example, they are for sale), the homestead treatment can not be extended.

If you have further questions or concerns, please direct them to us at proptax.questions@state.mn.us.

Sincerely,

MICHAEL STALBERGER, State Program Administrator
Information and Education Section
Property Tax Division

June 10, 2008

Cheryl Norwood
Crow Wing County Assessor
Courthouse
326 Laurel Street
Brainerd, Minnesota 56401

Dear Ms. Norwood:

Thank you for your question concerning homestead classification. You presented us with the following situation:

A person applying for homestead owns a travel trailer with a current license and tabs. The travel trailer is located in a camping cluster that shuts down on October 15th each year by turning off the electricity and water. The camping cluster is open to those with a pass key, but the roads are not plowed and no one stays there during the winter. The travel trailer is not physically suitable for year round use.

You have asked if the travel trailer is eligible for homestead classification.

Travel trailers displaying a current license and tabs are subject to motor vehicle registration fees and are not taxable for property tax reasons. Therefore, if the trailer is truly a travel trailer and it is properly licensed, it is not eligible for the homestead classification because it should not be subject to property taxes.

Travel trailers that are not conspicuously displaying a license and tabs and that appear to be occupied as a dwelling unit, are subject to property taxes and should be included on the tax rolls.

Please be aware that this opinion is based solely on the information provided. If the trailer you are looking at is larger than 8.5 feet wide, or was not displaying a current license and tabs, our opinion would be subject to change.

If you have any other questions or concerns please direct them to proptax.questions@state.mn.us.

Sincerely,

DREW IMES, State Program Administrator
Information Education Section
Property Tax Division

2009012

January 14, 2009

Farley R. Grunig
Scott County Assessor
Courthouse
Room 112
428 South Holmes
Shakopee, Minnesota 55379

Dear Mr. Grunig:

Thank you for your question concerning homestead and the 2b classification. You have asked the following questions:

1. Does 2b property qualify for homestead when it is part of the same parcel where the owner's residential homestead is located?

Up to 10 acres of residential property can receive the 1a residential homestead classification. Any 2b property located on the same parcel would not receive the homestead classification. It is specifically stated in statute that 2b land that is contiguous to 2a (productive agricultural) land under the same ownership may be part of the same agricultural homestead. The same does not apply to class 1a residential homestead and 2b property.

2. Does 2b property qualify for the homestead classification when it is located on a parcel contiguous to the parcel where the owner's residential homestead is located?

No. 2b property can only receive homestead if it is part of an agricultural homestead. In addition, 2b acres cannot be "borrowed" or used to reach the 10 acre residential homestead maximum. For example: Two five acre parcels are contiguous to one another. One parcel contains a homestead (class 1a). The other parcel is wooded and classified as 2b; it is not used for the purpose of the homestead. It is **not** possible to roll the 5 acres of 2b property into the homestead to reach the 10 acre residential homestead maximum.

Also, please remember that only property used for the purposes of the homestead can receive the homestead classification. Minnesota Statutes 273.124 states that: *"The term 'used for purposes of the homestead' shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development."*

If you have any other questions or concerns please direct them to proptax.questions@state.mn.us.

Sincerely,

DREW IMES, State Program Administrator
Information Education Section
Property Tax Division

July 16, 2009

Gerald Kritzeck
Sherburne County Assessor
13880 Business Center Drive
Elk River MN 55330

Dar Mr. Kritzeck,

Thank you for your recent question regarding the classification of a daycare business. You have outlined the following scenario: A property consists of a daycare business (lower level) and a rented residential space (upper level). The property is not homesteaded. You have asked the correct classification of this property.

Minnesota Statutes, section 273.124, subdivision 1, paragraph (i) states in part:

“If a single-family home, duplex, or triplex classified as either residential homestead or agricultural homestead is also used to provide licensed child care, the portion of the property used for licensed child care must be classified as a part of the homestead property [emphasis added].”

Because the property in question is not used as a homestead, the appropriate classification is a split-class 4b residential non-homestead and class 3a commercial.

If you have any further questions, please do not hesitate to contact our division at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

2009368

October 22, 2009

Steven Skoog
Becker County Assessor
915 Lake Ave PO Box 787
Detroit Lakes, MN 56502

Dear Mr. Skoog,

Thank you for your recent question regarding homestead of a hotel/motel used as a residence by one of the operators. Minnesota Statutes, section 273.124, subdivision 17 allows that portions of a motel can be classified as homestead if the person occupying the motel property and using it as a homestead is part owner and is actively engaged in the operation of the motel business. Homestead treatment applies even if legal title to the property is in the name of a corporation or partnership and not in the name of the person residing in the motel. The homestead is limited to that portion of the motel actually occupied by the person.

In other words, only the portion of the hotel/motel property which is exclusively used as a residential homestead by one of the owner-operators is classified as class 1a property. It does not extend to any common area of the hotel that is accessible to guests. The remaining hotel/motel property remains class 3a and is ineligible for homestead. A person meeting the homestead requirements and desiring to homestead motel property must notify the county assessor in writing to qualify for the homestead classification. Homestead treatment is applicable in the case of a hotel/motel property owned by a limited liability company, which is considered a type of corporation for these purposes.

If you have any further questions or concerns, please do not hesitate to contact our division at proptax.question@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

April 21, 2010

Duane Ebbighausen
duane.ebbighausen@co.beltrami.mn.us

Dear Mr. Ebbighausen:

Thank you for your question concerning the homestead classification. You have presented us with the following scenario:

A property owner owns 40 acres with a mobile home court that has 43 sites. The owner's home is adjacent to the mobile home court. The property owner has inquired as to why he is not entitled to 10 acres of homestead property. You informed him that the mobile home sites that he does not physically occupy cannot receive the homestead classification. He has inquired as to where in statute this is stated.

Minnesota Statute 273.124, subdivision 1 states that:

“Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a residential homestead.”

Therefore, the owner's homestead classification cannot extend to land that is being used for a mobile home court just as the owner of an apartment building cannot extend his/her homestead to all the units of an apartment building.

If you have any other questions or concerns please direct them to proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

July 7, 2010

Lori Clark
Ramsey County Assessor's Office
Homestead/Abatement Unit
lori.clark@co.ramsey.mn.us

Dear Ms. Clark,

Thank you for your recent homestead and classification question. You have outlined the following scenario: There is a property in Ramsey County that contains a house with an attached garage. There is an apartment above the garage that is occupied by the property owner. The home is rented. There is a single entryway for the two residences. You have asked how homestead would be attributed in this scenario.

Minnesota Statutes, section 273.13, subdivision 22 provides

“Except as provided in subdivision 23 and in paragraphs (b) and (c), real estate which is residential and used for homestead purposes is class 1a. In the case of a duplex or triplex in which one of the units is used for homestead purposes, the entire property is deemed to be used for homestead purposes [emphasis added].”

A “duplex” for property tax purposes refers to a single structure used for residential purposes, and consisting of two separate living units. In the case you have outlined, there is a single structure used for residential purposes, even though there are two separate units and one is rented out. Therefore, the property you have described would qualify for full owner-occupied residential homestead as a duplex property.

If you have any further questions, please do not hesitate to contact our division via email at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

November 2, 2010

Edna Coolidge
Anoka County
Edna.Coolidge@co.anoka.mn.us

Dear Ms. Coolidge:

Thank you for your question concerning the homestead classification. You have asked if a manufactured home can be homestead if the proof of ownership is a lease agreement. The lease is for 48 months, the lessees will be paying the taxes, and there is an option to buy. No down payment was made and the manufactured home is located in a manufactured home park.

In our opinion, this manufactured home would not be eligible for homestead. Minnesota Statutes, section 273.124, subdivision 7, states that:

“ For purposes of class 1 determinations, homesteads include:
(a) buildings and appurtenances owned and used by the occupant as a permanent residence which are located upon land the title to which is vested in a person or entity other than the occupant;
(b) all buildings and appurtenances located upon land owned by the occupant and used for the purposes of a homestead together with the land upon which they are located, if all of the following criteria are met:
(1) the occupant is using the property as a permanent residence;
(2) the occupant is paying the property taxes and any special assessments levied against the property;
(3) the occupant has signed a lease which has an option to purchase the buildings and appurtenances;
(4) the term of the lease is at least five years; and
(5) the occupant has made a down payment of at least \$5,000 in cash if the property was purchased by means of a contract for deed or subject to a mortgage...”

In the scenario that you have presented, the manufactured home does not meet the necessary provisions above. The occupant of the manufactured home does not own the land and does not own the manufactured home. Therefore, there is no possibility of receiving the homestead classification on the manufactured home.

If you have any other questions or concerns please direct them to proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information Education Section
Property Tax Division

MINNESOTA • REVENUE

January 6, 2011

Allison Lowe
Cook County Assessor's Office
411 W 2nd Street
Grand Marais, MN 55604

Dear Ms. Lowe:

Your recent e-mail to the Information and Education Section has been assigned to me for response. In your e-mail you indicated you happened upon a vacation rental listing for a property which is currently homesteaded in your county. In following up with the owners of the property, they indicated the following:

- The property has not been rented yet;
- The owners are requiring that any prospective rentals must be for a period of at least 7 days; and
- It is unclear if the owners will allow rentals throughout the year or just during one or two weeks during the year.

You have asked the following questions which are answered individually below.

- 1. Does the Department of Revenue have an opinion as to a specific length of time a homestead may be rented?** Answer: The law does not provide for a specific occupancy requirement. Rather, Minnesota Statutes, section 273.124, subdivision 1, paragraph (a), simply states in part that:

“Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a residential homestead...”

In past opinions, including a January 9, 2007 letter referenced in your e-mail, we have stated the property must be the taxpayer's principal place of residence and be available to the taxpayer at all times. The January 2007 letter was written in response to a specific situation where the taxpayer was registered to vote in another county and rented out the property she claimed homestead on for approximately 21 of 52 weeks per year.

In this case, the facts appear to be different. In our opinion, the *occasional* rental or use of the home by others would not jeopardize the homestead classification as it would likely be determined to be an incidental use of the property. For example, when major events, such as the US Open Golf Championship are held in the Twin Cities, homeowners on the golf course will often rent their homes for the week the tournament is in town. This use is incidental when compared to the overall use of the property.

However, at some point, the continuous advertisement and use of a property as a vacation rental must be recognized since the property may not be available to the taxpayers at all times as their principal place of residence. It likely indicates more of a seasonal residential use. We recommend you monitor the situation to determine the actual use of the property.

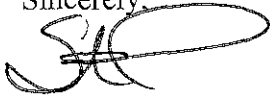
Paragraph (a) of section 273.124 further allows that *“the assessor shall require proof, as provided in subdivision 13, of the facts upon which classification as a homestead may be determined... the assessor may at any time require a homestead application to be filed in order to verify that any property classified as a homestead continues to be eligible for homestead status.”*

2. **Does it make a difference if they leave for the winters and rent out their property during the time they are gone? Answer:** Again, the premise of the homestead classification is that it is the taxpayer’s principal place of residence. Taxpayers are allowed to be away from their property for a reasonable length of time without losing their homestead, but the property must be available to them upon their return at any time. In our opinion, it is unlikely that a property could be rented for any significant length of time, such as a number of months, and still retain the homestead status.

3. **The property has a detached garage with finished living space. Would a homestead still apply if during the times the house is rented, the owners stay in the garage living space? Answer:** Occupying the living space above the garage does count as occupying the property and should not cause the property to lose the homestead status. Again, the incidental occupancy of the house by transient guests would not likely cause the property to be split-classed. However, if the home were to be rented on a weekly basis during the summer, for example, it is very likely the property would require a split class to recognize the change in use.

We hope we have provided some guidance for you in making your decisions. If you have any additional questions or concerns, please direct them to proptax.quesitons@state.mn.us.

Sincerely,



Stephanie L. Nyhus, SAMA
Principal Appraiser
Information and Education Section

MINNESOTA • REVENUE

January 10, 2011

Stephen Behrenbrinker
City Assessor
City of St. Cloud
400 2nd Street South
St. Cloud, MN 56301

Dear Mr. Behrenbrinker:

Thank you for your recent e-mail regarding properties owned by Habitat for Humanity which has been assigned to me for response. You have asked for confirmation of the circumstances under which such properties may qualify for exemption or homestead.

As you know, generally to achieve exemption from property tax, there must first be a concurrence of ownership by an exempt entity, use of the property for an exempt purpose by that entity, and it must be reasonably necessary for the entity to own that property to further the stated purpose of the organization.

As you are also aware, there is no specific exemption for properties owned by Habitat for Humanity. Therefore, they must attempt to qualify under one of the other provisions, the most likely being as an institution of purely public charity. To achieve exemption as an institution of purely public charity, the organization must meet the requirements outlined in section 272.02, subdivision 7:

“(a) Institutions of purely public charity that are exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code are exempt if they meet the requirements of this subdivision. In determining whether real property is exempt under this subdivision, the following factors must be considered:

(1) whether the stated purpose of the undertaking is to be helpful to others without immediate expectation of material reward;

(2) whether the institution of public charity is supported by material donations, gifts, or government grants for services to the public in whole or in part;

(3) whether a material number of the recipients of the charity receive benefits or services at reduced or no cost, or whether the organization provides services to the public that alleviate burdens or responsibilities that would otherwise be borne by the government;

(4) whether the income received, including material gifts and donations, produces a profit to the charitable institution that is not distributed to private interests;

(5) whether the beneficiaries of the charity are restricted or unrestricted, and, if restricted, whether the class of persons to whom the charity is made available is one having a reasonable relationship to the charitable objectives; and

(6) whether dividends, in form or substance, or assets upon dissolution, are not available to private interests.

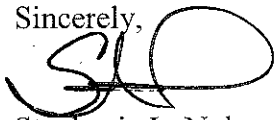
A charitable organization must satisfy the factors in clauses (1) to (6) for its property to be exempt under this subdivision, unless there is a reasonable justification for failing to meet the factors in clause (2), (3), or (5), and the organization provides to the assessor the factual basis for that justification. If there is reasonable justification for failing to meet the factors in clause (2), (3), or (5), an organization is a purely public charity under this subdivision without meeting those factors. After an exemption is properly granted under this subdivision, it will remain in effect unless there is a material change in facts..."

That being said, below is a summary of our opinion of the tax status and classification of the different types of properties Habitat for Humanity typically owns.

Vacant Lots	May qualify for exemption upon application. These properties should be given a reasonable amount of time to be used for the stated purpose of the organization.
Property Under Construction	May qualify for exemption upon application until title is transferred. If transferred to private owner after July 1, property will become taxable for the following assessment pursuant to Minnesota Statutes, section 272.02, subdivision 38.
Property Under Renovation	May be classified as class 1a property pursuant to Minnesota Statutes, section 273.124, subdivision 18 if all other requirements are met.

We hope this provides you with the guidance you were seeking. If you have additional questions or concerns, please direct them to proptax.questions@state.mn.us.

Sincerely,



Stephanie L. Nyhus, SAMA
Principal Appraiser
Information and Education Section

MINNESOTA • REVENUE

June 13, 2011

Kimberly Karch
Otter Tail County Assessor's Office
kkarch@co.ottertail.mn.us

Dear Ms. Karch,

Your question regarding homestead on a property that is owned by a limited liability company (LLC) has been forwarded to me for reply.

You have asked if it is appropriate to grant homestead on the basement portion of a restaurant that is owned by an LLC and occupied by the members of the LLC as their principle place of residence.

In our opinion, the answer is no. Typically, homesteads are not granted to properties that are owned by entities rather than individuals. There are some very specific situations in which homestead is allowed for farms (see Minnesota Statute 273.124, subdivision 8, paragraphs (a) and (b) and subdivision 14, paragraph (g)), hotels/motels (See Minnesota Statute 273.124, subdivision 17), and some resorts (See Minnesota Statute 273.13, subdivision 22, paragraph (c)) that are owned by entities to be homesteaded under certain circumstances.

However, the situation you have outlined does not qualify for homestead as it is owned by an LLC. Therefore in our opinion, we believe that you should deny the homestead request.

If you have any other questions or concerns please direct them to proptax.questions@state.mn.us.

Sincerely,

JESSI GLANCEY, State Program Administrator
Information and Education Section
Property Tax Division



June 28, 2011

Kim Karch
Otter Tail County Assessor's Office
KKarch@co.ottertail.mn.us

Dear Ms. Karch,

Thank you for your recent question to the Property Tax Division. You have provided us with the following scenario and questions:

Scenario:

A 160-acre parcel consists of class 2a agricultural land, class 2b rural vacant land, and two residences. The owner (Kristian) purchased the property on a contract for deed from his grandparents. His grandparents retain a life estate on one house with four acres. The other house is not under life estate, and is under Kristian's ownership. Kristian is in the military, and is currently deployed to Iraq. He purchased this home while he was in Iraq and has not had an opportunity to establish homestead prior to his deployment. Kristian's house is currently rented out. You clarified with us that the 160-acre parcel is one tax parcel.

Questions:

Is it possible for him to claim homestead now on his house and the agricultural land? Or, can his grandparents claim relative agricultural homestead on the farmland? The farmland is contiguous to the four-acre parcel containing a residence that they retained a life estate on.

I will approach your questions as if there were two separate tax parcels for the purpose of making the answers clear. This is because Kristian no longer has fee simple interest on the portion held under life estate, and the portion owned under life estate is therefore treated separately from the remaining real estate.

The grandparents would qualify for an owner-occupied homestead as the grantors of the trust on the four-acre parcel they own (as grantors) and occupy. They would not be eligible for an agricultural homestead because they no longer have the same ownership interest in the land that would allow them to qualify for an agricultural homestead.

As for the remaining acres owned by Kristian, during his absence due to active military service, the property is appropriately classified as non-homestead. However, upon his return, he may be granted homestead treatment and your office may provide abatement of the difference between non-homestead and homestead taxes for the time of deployment (for up to two years and not to exceed the time during which the property was owned by the military member). If the property owner rents the property to another individual during his deployment, these qualifications upon return would not change.

If you have any other questions or concerns please direct them to proptax.questions@state.mn.us.

Sincerely,

JESSI GLANCEY, State Program Administrator
Information and Education Section
Property Tax Division

Property Tax Division
Mail Station 3340
600 North Robert Street
Saint Paul, Minnesota 55146-3340

Updated 7/31/2024 - See Disclaimer on Front Cover

Tel: (651) 556-6104
Fax: (651) 556-3128

An equal opportunity employer

August 1, 2011

Franci Gleason
Otter Tail County
FGleason@co.ottertail.mn.us

Dear Ms. Gleason:

Thank you for your question concerning homestead. You have asked if a residential home is put into a LLC and the LLC is part of a Family Trust can the LLC then be granted a homestead?

In our opinion, residential property that is held by a trust and put under the name of a LLC is not eligible for homestead. There is a provision in law which, under certain circumstances, allows this type of property to receive an agricultural homestead if necessary requirements are met. However, this is not agricultural property and therefore it is our opinion that homestead is not appropriate.

If you have any other questions or concerns please direct them to proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

September 8, 2011

Kim Karch
Otter Tail County Assessor Department
505 Fir Avenue West
Fergus Falls, MN 56537
KKarch@co.ottertail.mn.us

Dear Ms. Karch,

Thank you for your recent question to the Property Tax Division regarding homestead eligibility for properties on land owned by the Swan Lake Club. The Swan Lake Club is a non-profit organization that owns land in your county. Members of the club are allowed to build upon the land. Each member is allowed the use (but not the title of) the lot that the member builds upon. You have asked how homestead should be extended in these cases.

Minnesota Statutes, section 273.124, subdivision 7, paragraph (a), provides the following:

*“For purposes of class 1 determinations, homesteads include:
(a) buildings and appurtenances owned and used by the occupant as a permanent residence which are located upon land the title to which is vested in a person or entity other than the occupant...”*

Therefore, the buildings and appurtenances owned and used by a club member as his or her permanent residence may qualify as class 1 homestead property. The land, however, is not granted homestead in this case and is assessed to the club that owns the property.

If you have any additional questions, please do not hesitate to contact our division via email at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

MINNESOTA ■ REVENUE

November 1, 2011

Laurie Hein
Anoka County Assessor's Office
Laurie.Hein@co.anoka.mn.us

Dear Ms. Hein,

Thank you for your recent question to the Property Tax Division regarding homesteads. You have outlined the following scenario: A property was owned by a married couple. The couple has since divorced. The property is owned solely by the ex-wife, but occupied by the ex-husband. You have asked if there is any eligibility for homestead.

In our opinion, there is no eligibility for homestead in this scenario. The property is not occupied by an owner. The appropriate classification is likely residential non-homestead. If you have additional questions, please contact our division via email at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

December 20, 2011

Kevin Scheidecker
Otter Tail County Assessor's Office
Government Services Center
118 North Main Street
New York Mills, MN 56567
kscheide@co.ottertail.mn.us

Dear Mr. Scheidecker,

Thank you for your recent question to the Property Tax Division. You have asked for assistance in classifying a property in your county. Based on the facts you have provided, the question pertains to two adjacent parcels of property that are owned by the same individual. Each parcel has a residence on it. One of the residences is used by the owner as the owner's primary residence; while the other home on the second parcel is used as a guest house (visiting individuals spend short periods of time there). You have asked if the guest house property should be classified as seasonal, or if it is linked to the homestead parcel and classified as 1a residential homestead.

The Property Tax Division's policy on homestead accretion, as stated in the Property Tax Administrator's Manual, *Module 4 – Homesteads*, is that "A second residential structure, located on a separate parcel, cannot be used in conjunction with a homestead." Because the second residential structure is located on a separate parcel, it does not qualify for treatment as the owner's homestead property. Based on the information you have provided, a non-commercial seasonal residential recreational classification [4c(12)] would appear appropriate.

If you have any additional questions, please do not hesitate to contact our division via email at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

February 1, 2012 *Edited July 2021 due to law change*

Michael Stalberger
Blue Earth County Assessor
Michael.Stalberger@co.blue-earth.mn.us

Dear Mr. Stalberger:

Thank you for your question concerning homestead. You have provided us with the following scenario:

A person has a 5-acre property with a house that was residential homestead for the 2011 assessment and in June of 2011 the person purchased another 10 acres that are contiguous to the homestead and are all tilled (and classified as agricultural non-homestead at the time of purchase). Is it appropriate to change the property (both the base parcel and the newly-acquired parcel) to an agricultural homestead for the 2011 assessment, or should the change be made for the 2012 assessment?

It is the department's opinion that the classification to agricultural homestead can be made during the current assessment year (i.e. the year of acquisition). Provided that ownership and occupancy qualified the property for an agricultural homestead by December 31, and that application was made by December 31, both the residential homestead parcel and the newly-acquired ten acres that are also used for a homestead would be granted the 2a agricultural homestead classification. Therefore, in the scenario outlined above, we recommend changing the classification to an agricultural homestead for the 2011 assessment year, for taxes payable in 2012.

If you have any other questions or concerns please direct them to proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

March 29, 2012

Dave Sipila
St. Louis County Assessor
sipilad@stlouiscountymn.gov

Dear Mr. Sipila,

Thank you for your recent questions regarding classification of storage buildings. Your email to Larry Austin, Property Tax Compliance Officer, was forwarded to the Information and Education Section for research and response. You have asked two questions related to scenarios that exist in St. Louis County, and have asked our opinion on the appropriate classification in these cases. Each of your questions are addressed below.

1. An individual who has a homestead property in St. Louis County owns a second residential structure located on a separate tax parcel. The second residence is not used for occupancy, but is used for the storage of the individual's personal items. Can this be linked to the homestead?

From the Property Tax Administrator's Manual, *Module 4 – Homesteads*, which is available on the Department of Revenue website:

“Sometimes property owners will own additional parcels of non-contiguous property that may or may not qualify to be linked to their base parcel, which is occupied, for homestead purposes. Some examples may include a vacant lot with a garden that is located down the street from a taxpayer's home, a garage located on a site within close proximity to the taxpayer's home, or a storage shed that is located down the block from a taxpayer's home. If such uses are in close proximity to the taxpayer's home, are used in conjunction with the homestead, and the taxpayer makes proper application to the assessor, homestead may be extended in such cases [emphasis added].”

Additionally, the recent memo that we sent regarding the proper classification of storage units provides the following guidance:

“For units that are owned by individuals and used for personal storage, we recommended a residential classification. For units that are owned by businesses and used for commercial purposes, the proper classification would be commercial. In some instances, the unit may be used in conjunction with the owner's homestead property and located in the immediate proximity of the homestead. In those cases, if the owner makes application, the homestead may be extended to the unit [emphasis from original document].”

Minnesota Statutes, section 273.124, subdivision 1, paragraph (b) provides:

“For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term ‘used for purposes of the

Continued on page 2

Continued from page 1

homestead' shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner must use the property for the purposes of the homestead, and must apply to the assessor..."

In other words, if the unit is owned by an individual and is used for personal storage purposes, a residential classification would be appropriate. Whether or not it is considered part of the homestead would be a matter of proximity to the actual homestead residence, and whether the property owner has applied for homestead on this unit.

2. An individual with a homestead residence in St. Louis County owns a second residential structure located on a separate tax parcel. The residence on the second parcel is rented. However, the property owner uses the garage on that parcel for storage of personal items. Can the garage portion of the second parcel be linked to the main homestead? Is it appropriate to split-class in this situation?

As with the situation above, the classification of this garage is likely residential. Whether it is considered a part of the owner's homestead is a matter of proximity to the actual homestead residence and whether the property owner has applied for homestead on this unit. Additionally, Minnesota Statutes, section 290A.03 (definitions for Property Tax Refund) describes a homestead as including:

"the dwelling occupied as the claimant's principal residence and so much of the land surrounding it, not exceeding ten acres, as is reasonably necessary for use of the dwelling as a home and any other property used for purposes of a homestead as defined in section 273.13, subdivision 22 [emphasis added]."

Homestead is a fact situation, and if the facts do not clearly warrant a homestead classification on this non-contiguous property, then the appropriate classification would be residential non-homestead. It may be difficult to verify that the garage portion of this parcel is used exclusively for homestead purposes and not part of a rental agreement or non-homestead use, but if the facts of the situation verify homestead applicability, than it may be warranted.

The Property Tax Administrator's Manual is available on line via the following link: http://taxes.state.mn.us/property_tax_administrators/pages/other_supporting_content_propertytaxadministratorsmanual.aspx. If you have any additional questions, you may contact our division via email at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

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June 8, 2012 *Edited July 2021 due to law change*

Nancy Gunderson
Moorhead City Assessor's Office
nancy.gunderson@ci.moorhead.mn.us

Dear Ms. Gunderson,

Thank you for your recent question to the Property Tax Division. You have provided us with the following information:

You were recently notified that the city of Moorhead has a mobile home co-op that surpassed 50% occupancy of lots by shareholders in late November 2011. The co-op is asking for an abatement for taxes payable in 2012. You have asked, will they qualify for this abatement or would it be a classification change for assessment 2013? You are also asking our opinion on whether you need to verify the 50% occupancy by requesting mobile home homestead applications from the parties noted prior to changing the classification for 2012, pay 2013.

Our suggestion would be to treat this as a homestead situation. Since the co-op surpassed 50% occupancy of lots by shareholders before December 31, 2011 those shareholders would qualify for a mid-year homestead. While this question also results in a classification change for the mobile home co-op, we would still recommend changing the classification after the assessment date, as may also be done for other properties that experience a classification change due to granting homestead (e.g. 4b to 1a, 1a to 1b, 4c to 1c, etc.). Since the mid-year homestead was not granted in 2011 then the abatement for pay 2012 should be granted.

We would strongly recommend that you request homestead applications from the co-op shareholders so that you can make a determination that the park co-op is eligible for homestead treatment and the resultant 4c(5)(ii) classification. As the assessor you have the right to request documentation from the shareholders to prove they are eligible for the homestead treatment.

If you have any additional questions or concerns please feel free to contact our division us at proptax.questions@state.mn.us

Sincerely,

JESSI GLANCEY, State Program Administrator
Information and Education Section
Property Tax Division

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June 29, 2012

Kelly Schroeder
Pine County Assessor's Office
kelly.schroeder@co.pine.mn.us

Dear Ms. Schroeder,

Thank you for your recent email to the Property Tax Division regarding contiguous property for an agricultural homestead. You provided us with the following information:

There is a property in your county that has 160 acres and it is being farmed. One-half mile down the road, the owner has an additional 80 acres that is not being farmed. The owner believes his 80 acres should be part of his agricultural homestead. You pointed out to him that Minnesota Statutes, section 273.13 subdivision 23 (a), states that the property must be contiguous in order to extend the agricultural homestead. He cited section 273.124, subdivision 1, paragraph (b): "*For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property [emphasis added].*" The owner says the ½ mile worth of property in between his parcels is "other similar intervening property." You are asking for the department's definition of "other similar intervening property."

You also provided an aerial map of the property as well as a map from the plat book for the area around the property in question. Finally, you did provide us with the information that the property in question does not have any agricultural use at this time.

The Department of Revenue does not have a formal definition of "other similar intervening property" but we refer to the word "similar" when making a determination regarding contiguous property. As stated in MN Statute 273.124, subdivision 1 (b):

*"For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a **road, street, lot, waterway, or other similar intervening property**. The term "used for purposes of the homestead" shall **include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development...**"*

The statute lists examples of property that might separate property such as a road, street, etc. After reviewing the maps that you provided we have come to the conclusion that the 80 acres should not qualify for an agricultural homestead because the property is ½ mile down the road and it is not equivalent or "similar" to the examples that are listed in the statute.

We also advise that when you are determining whether two properties are contiguous to ask the question, "Are the two properties within 'immediate proximity' of each other?" In our opinion, the 80 acres that you are questioning are not within "immediate proximity" since the two properties are ½ mile away from each other.

Please note that our opinion is based solely on the information provided. If any of the facts are misinterpreted, or if any of the facts change, our opinion is subject to change as well. If you have any additional questions or concerns please feel free to contact our division us at proptax.questions@state.mn.us

Sincerely,

JESSI GLANCEY, State Program Administrator
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September 18, 2012

Linda Rooney
Ramsey County Assessor's Office
linda.rooney@co.ramsey.mn.us

Dear Ms. Rooney,

Thank you for your recent email regarding homestead status. In your email you asked two separate questions which will be answered individually:

Situation 1: Your county has had several instances where the only occupant of a property moved into an assisted living facility with no intent to return to the property. Should they be allowed to homestead the property?

Answer: Minnesota Statute 273.124, subdivision 1, paragraph (f) states:

“The assessor must not deny homestead treatment in whole or in part if: (1) in the case of a property owner who is not married, the owner is absent due to residence in a nursing home, boarding care facility, or an elderly assisted living facility property as defined in section 273.13, subdivision 25a, and the property is not otherwise occupied; or (2) in the case of a property owner who is married, the owner or the owner's spouse or both are absent due to residence in a nursing home, boarding care facility, or an elderly assisted living facility property as defined in section 273.13, subdivision 25a, and the property is not occupied or is occupied only by the owner's spouse.”

In other words, an elderly assisted living facility is not reason to remove homestead. The intent to return to the property is not a factor that is considered when determining homestead for someone that is receiving elderly assisted living care. We recommend that the homestead is not removed until the property is sold or transferred. You can find additional information regarding this question in the *Property Tax Administrator's Manual, Module 4, Homestead* available online at:

http://www.revenue.state.mn.us/local_gov/prop_tax_admin/Pages/ptamanual.aspx.

Situation 2: An individual who is receiving the Veterans Market Value Exclusion will not be returning to the property due to being in a nursing home/assisted living facility. Do the same Nursing Home/Assisted Living rules apply?

Answer: Traditionally, we have not denied homestead and or homestead benefits to persons requiring assisted living. If the qualifying veteran is an owner of the home, no one else occupies the home or claims homestead on it, and the property is not rented to anyone else, it may still receive homestead and be eligible for market value exclusion.

If you have any additional questions or concerns please feel free to contact our division us at proptax.questions@state.mn.us

Sincerely,

JESSI GLANCEY, State Program Administrator
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September 18, 2012

Jody Moran
Washington County Assessor's Office
jody.moran@co.washington.mn.us

Dear Ms. Moran,

Thank you for your recent email regarding homestead eligibility. You provided us with the following information:

In your county, you have an owner of a residential property that recently transferred his property into an LLC and his parents occupy the property. The homestead has been removed for the 2013 assessment. He is questioning the homestead eligibility and wants to know where this is specifically identified in statute that the property would not be eligible for a relative homestead.

Residential property owned by a business entity such as an LLC or a corporation is not eligible for a homestead. As you are aware, only agricultural, resort, and hotel/motel properties which are owned by business entities are eligible for homestead treatment due to specific provisions granted in law. (See Minnesota Statutes, sections 273.124, subdivisions 8, 14, 17, and 273.13, subdivision 22, paragraph (c)). Further, business entities are not allowed relative homesteads as they cannot have relatives.

You can also find this information in the *Property Tax Administrator's Manual, module 4 Homesteads*, on page 20. You can find the manual on the DOR website at:
http://www.revenue.state.mn.us/local_gov/prop_tax_admin/Pages/ptamanual.aspx.

The manual states:

"Properties owned by an entity (corporation, partnership, limited partnership, LLC, LLP, etc.) cannot qualify for a relative homestead – since they are non-human entities, they cannot have relatives."

If you have any additional questions or concerns please feel free to contact our division us at
proptax.questions@state.mn.us

Sincerely,

JESSI GLANCEY, State Program Administrator
Information and Education Section
Property Tax Division

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January 23, 2013

Kimberly Karch
Ottertail County Assessor's Office
kkarch@co.ottertail.mn.us

Dear Ms. Karch:

Thank you for your question submitted to the Property Tax Division regarding handling heirs of deceased property owners. You have provided the following:

I would like to get clarification/opinion on how to handle a couple of homestead situations when a taxpayer dies. Minnesota Statutes 273.124, subd. 1(h), refers to homestead of a child of a deceased owner. My question is, are you aware of any other statute directing how to handle other heirs of a deceased property owner?

Example:

Two brothers own several hundred acres of farm land in their individual names as joint tenants. They both live in separate houses on separate farms, which is also titled in both individual names. Neither brother is married, nor do either of them have children. Older brother dies in the spring of the year, is it appropriate to pull the homestead for his one-half interest on January 2nd of the following year if it is in probate and not yet settled?

The term 'heir' is most often used during the probate process. This term is not typically used for property tax purposes because this title can be given to any person who is granted the ownership rights of property through the probate process. For property tax purposes, the terms relative and spouse are more commonly used to determine qualification for homestead benefits or other property tax benefits. You are correct that Minnesota Statutes 273.124, subd. 1(h), refers to the child of a deceased property owner:

"If residential or agricultural real estate is occupied and used for purposes of a homestead by a child of a deceased owner and the property is subject to jurisdiction of probate court, the child shall receive relative homestead classification under paragraph (c) or (d) to the same extent they would be entitled to it if the owner was still living, until the probate is completed. For purposes of this paragraph, "child" includes a relationship by blood or by marriage."

Other than the above statute, we are not aware of another property tax statute that refers to any other 'heirs' of a deceased property owner and any rights that they have until probate is settled. To answer your question, "...is it appropriate to pull the homestead for his one-half interest on January 2nd of the following year if it is in probate and not yet settled?", yes, it is appropriate to pull the taxpayer's one-half interest on January 2nd of the following year if probate is not yet settled, because the owner of the property is not occupying the property and is no longer considered a Minnesota resident as he is deceased.

You have also provided another example along with a question:

A man owns real estate and has established a homestead. The man later gets married, and does not put the wife's name on the real estate. The man dies and our records show we do not have his widow's social security number on file for homestead purposes. Is there a recommendation or statute that addresses giving the heirs of the deceased time to get through the probate process?

For taxing purposes, spouses are considered one entity. If one spouse dies, the other spouse may continue to receive full homestead on a property. In the above situation, the wife will need to reapply for homestead and

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supply her social security number in order to receive the homestead. If upon settling of the probate process, the wife is no longer the owner of the property; the homestead status must be reconsidered.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

KELSEY JORISSEN, State Program Administrator
Information and Education Section
Property Tax Division

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February 5, 2013

Linda Rooney
Ramsey County Assessor's Office
Linda.Rooney@CO.RAMSEY.MN.US

Dear Ms. Rooney,

Thank you for your recent email regarding homestead. You have provided the following information:

- You have a property in your county that has two owners.
- Both owners are teachers and in August 2012 they took a sabbatical leave from their teaching jobs to travel and teach abroad.
- They are members of Schools of America and will be traveling to many places.
- They changed their mailing address and all mail is being sent to the father of one of the owners.
- The property is being occupied by another teacher while they are gone. This is not a relative of the owners.
- They plan on maintaining this property as their primary residence.
- The father has power of attorney for them.

You are asking if this property qualifies for homestead while the teachers are teaching abroad. You have also asked if this would qualify under Minnesota Statute 273.124 subdivision 12 since the situation is somewhat similar.

As you know, when granting homestead there are three factors to verify: ownership, occupancy and MN residency. In the situation you have provided the property is owned by Minnesota residents that are currently traveling abroad to teach. The home is occupied by a non-relative while the owners are away. Since the property is being occupied by a non-relative while the owners are away it is our opinion that there is no eligibility for homestead in this scenario. The appropriate classification is likely residential non-homestead.

Minnesota statutes 273.124 subdivision 12 is strictly for members of the United States armed forces and/or volunteers under the Peace Corps and VISTA programs. Therefore, even though the situation is similar, the property does not qualify for homestead benefits.

Please note that our opinion is based solely on the information provided. If any of the facts are misinterpreted, or if any of the facts change, our opinion is subject to change as well. If you have any additional questions or concerns please feel free to contact our division us at proptax.questions@state.mn.us.

Sincerely,

JESSI GLANCEY, State Program Administrator
Information and Education Section
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April 15, 2013

Cynthia Blagsvedt
Fillmore County Assessor's office
cblagsvedt@co.fillmore.mn.us

Dear Ms. Blagsvedt:

Thank you for submitting your question to the Property Tax Division regarding an agricultural homestead situation in your county. You have provided the following:

As of 01/02/12 Farmer 1 has an agricultural homestead on parcel A. The parcel is linked to bare land parcels B, C, and D. In 2012 Farmer 1 built a house on parcel C, then moved into his new house on 12/01/12 and applied for homestead by 12/15/12. During 2012 Farmer 1 sold parcel A to Farmer 2. Farmer 2 moved in by 12/01/12 and applied for homestead by 12/15/12. Farmer 1's linkage on parcels A, B, C, D remained for the 2012 assessment and was adjusted accordingly for the 2013 assessment.

You would like to know if Farmer 1 should have received a mid-year homestead on parcel C for the 2012 assessment without any house, garage, and 1 acre (HGA) value, and had the linked parcels readjusted to parcel C as the primary homestead. In such case, the agricultural credit for 2013 payable would be applied to parcel C.

In the situation outlined above it would not be appropriate for Farmer 1 to receive homestead on parcel A for 2012 assessment, taxes payable 2013. Once parcel A was sold to Farmer 2 and a homestead granted on the newly acquired property, parcels owned by Farmer 1 (B, C, D) should no longer have been linked to parcel A.

The correct application would be for Farmer 1 to receive the agriculture homestead credit for parcels C, B, and D for assessment year 2012, excluding any value for the HGA because it was built after the assessment date of January 2, 2012. Farmer 2 would receive the agricultural homestead credit for parcel A for assessment year 2012.

Please note that our opinion is based solely on the information provided. If any of the facts are misinterpreted, or if any of the facts change, our opinion is subject to change as well. If you have any additional questions or concerns please feel free to contact our division at proptax.questions@state.mn.us

Sincerely,

Ricardo Perez, State Program Administrator
Information and Education Section
Property Tax Division

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May 8, 2013

Dave Sipila
St. Louis County Assessor's Office
sipilad@stlouiscountymn.gov

Dear Mr. Sipila:

Thank you for your question concerning the classification and homestead designation of a residential building owned by a cooperative association in St. Louis County.

You have asked the following questions:

1. Can units within a residential property owned by a cooperative association receive homestead?
2. How should the building and the units within be classified?
3. How should the taxes be assessed to the building and the units within?

When a property is owned by a corporation or association that is organized under Chapter 308A (Cooperatives), and each person who owns a share or shares in the corporation or association is entitled to occupy a building on the property or a unit within a building on the property, the corporation or association may claim homestead treatment for each dwelling or on each unit occupied by a shareholder. Each building or unit must have its own legal description or number.

The unit(s) occupied by a shareholder would receive a 1a residential homestead classification. The common interest areas of cooperative properties are eligible for homestead benefits in the same manner of the unit(s) they are attributed to, and are appropriately classified with the unit(s), e.g. as 1a residential homestead property. The value for a portion of the common interest area should be appropriated to each unit in the cooperative. Unoccupied and non-shareholder occupied units should be classified to the appropriate use. In many instances there is no perfect classification for unoccupied and non-shareholder occupied units, but the most likely "best" default classification should be 4a apartment. However, residential non-homestead and seasonal residential recreation may be appropriate depending on the specific use.

For convenience purposes, the law directs assessors to offer individual tax statements to the occupants of individual cooperative units and allows homestead on each unit. However, the tax is a real estate tax to the owner of the property (land and building), which is the cooperative itself. Ultimately, it is the cooperative that is responsible for the taxes being paid.

If you have any further questions, please contact our division at proptax.question@state.mn.us.

Sincerely,

Ricardo Perez, State Program Administrator
Information and Education Section
Property Tax Division

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May 9, 2013

Laura Hacker
Sibley County Assessor's Office
lauraw@co.sibley.mn.us

Dear Ms. Hacker:

Thank you for submitting your question to the Property Tax Division regarding residential homestead. You have provided the following:

In your county a single-family residential property has been deeded to the "Giesen Family Investment LLC", a Minnesota Limited Liability Company. The members of this company consist of 14 siblings. One of the members lives at the single-family residential property and is requesting the property to be classified as homestead.

You would like to know if this property is eligible for homestead.

Residential property owned by a business entity such as an LLC or a corporation is not eligible for a homestead. Only agricultural, resort, and hotel/motel properties which are owned by business entities are eligible for homestead treatment due to specific provisions granted in law. [See Minnesota Statutes, sections 273.124, subdivisions 8, 14, 17, and 273.13, subdivision 22, paragraph (c).]

In the situation outlined above, it is the opinion of the Minnesota Department of Revenue to treat this particular property as non-homestead because properties owned by an entity (corporation, partnership, limited partnership, LLC, LLP, etc.) statutorily do not qualify for a residential homestead.

Please note that our opinion is based solely on the information provided. If any of the facts are misinterpreted, or if any of the facts change, our opinion is subject to change as well. If you have any additional questions or concerns please feel free to contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez, State Program Administrator
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June 13, 2013

Mike Busick
St. Louis County Assessor's Office
busickm@stlouiscountymn.gov

Dear Mr. Busick:

Thank you for submitting your question to the Property Tax Division regarding a homestead issue in your county. You have provided the following:

A member of the U.S. Navy from Wisconsin is stationed in Duluth, Minnesota. The sailor bought a house in Minnesota and is living in that house. The armed service member is still claiming his residence in Wisconsin and filing his income taxes as a Wisconsin resident. The sailor meets all of the requirements for homestead classification except being a Minnesota resident.

You would like to know if there is an exception to being a Minnesota resident for military personnel regarding homestead eligibility.

In the situation outlined above, it would be inappropriate to grant the non-Minnesota resident homestead. As you are aware, occupancy, residency and ownership are some of the requirements for a property to qualify as a homestead. The service member is a Wisconsin resident and not a Minnesota resident. Therefore, the service member does not meet the requirements for homestead. Furthermore, there is no provision in Minnesota statute allowing a service member a residency exception to receive homestead. If the service member was to change his or her residency status to a Minnesota resident, then it appears the service member would meet the requirements for homestead.

If you have any further questions, please contact our division at proptax.question@state.mn.us. Thank you.

Sincerely,

Ricardo Perez, State Program Administrator
Information and Education Section
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June 19, 2013

Margaret Dunsmore
St. Louis County Assessor's office
dunsmorem@stlouiscountymn.gov

Dear Ms. Dunsmore:

Thank you for submitting your question to the Property Tax Division regarding manufactured homes. You have asked, if a homestead application for property assessed as personal property is received after the due date (May 29th) because the manufactured home owner does not return to Minnesota until after the due date, can the owner still qualify for homestead?

In the case of manufactured homes assessed as personal property, the homestead must be established and application must be made by May 29 of the assessment year. If a taxpayer is unable to establish and complete a homestead application by the due date, it would be inappropriate to grant homestead because they have not met the requirements. However, if a taxpayer establishes homestead in Minnesota (including filing an application prior to May 29), but is absent for a portion of the year, it is appropriate to continue the homestead on the manufactured home. This is assuming the taxpayer still meets all of the other requirements for homestead in Minnesota.

If you have any further questions, please contact our division at proptax.question@state.mn.us.

Sincerely,

Ricardo Perez, State Program Administrator
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June 20, 2013

Bruce Sandberg
City of Hibbing Assessor
bsandberg@ci.hibbing.mn.us

Dear Mr. Sandberg:

Thank you for submitting your question to the Property Tax Division regarding homesteads in a residential cooperative association.

Scenario: You have reviewed our letter to the St. Louis County Assessor dated November 29, 2012 concerning homestead status when classifying a cooperative association. The letter stated that the common interest areas of cooperative properties are eligible for homestead benefits in the same manner of the unit(s) they are attributed to, and are appropriately classified with the unit(s), e.g. as 1a residential homestead property.

Question: Does the homestead include any or all of the land the property includes?

Answer: If a cooperative or condominium property has units or buildings that qualify for homestead, then the net tax capacity of each unit or building can include no more than ½ acre of land if platted, or no more than 80 acres of land if unplatted. The total net tax capacity for the entire property is the sum of the net tax capacities of each of the respective units or buildings that make up the property, including the net tax capacity of each unit's or building's proportionate share of the land. (Minnesota State 273.124, subdivision 3.)

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information and Education Section
Property Tax Division

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July 23, 2013

Ashley Lund
Polk County Taxpayers Service Center
ashley.lund@co.polk.mn.us

Dear Ms. Lund:

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following information:

Scenario:

In your county, a property owner has filed for homestead. This man has a Minnesota Driver's License but is not able to send a voter registration due to not being a full U.S. Citizen.

Question:

Can you grant the property homestead, or will you have to deny his application?

Answer:

To be eligible to homestead property, Minnesota Statutes, section 273.124 does not require U.S. Citizenship. Eligible property owners must have Social Security numbers and must be Minnesota residents, but individuals who have citizenship in a different country are still eligible for homestead. If you are able to verify that the home is his primary place of residence, it may be granted homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, Supervisor
Information and Education Section
Property Tax Division

Property Tax Division
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MINNESOTA • REVENUE

August 21, 2013

Linda Rooney
Ramsey County Assessor's Office
Linda.Rooney@CO.RAMSEY.MN.US

Dear Ms. Rooney:

Thank you for submitting your question to the Property Tax Division regarding homestead.

Scenario: Marianne was the sole owner and occupant of a property. Marianne died in April 2013. By decree, the property will go to her son (age 27) and daughter (age 14). By further decree, the son will deed his portion to his sister. The property is or will be occupied by the daughter (age 14) and her father. The mother and father were divorced. The daughter will own and occupy the property as her primary residence.

Question: Would she be allowed to homestead the property even though she is a minor?

Answer: In the scenario you have outlined, the minor is actually the owner of the property and occupies it as a homestead. We see no reason that would prohibit her, as the owner and occupant, to receive homestead benefits. Therefore, it is our opinion that homestead may be granted in the case.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information and Education Section
Property Tax Division

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MINNESOTA • REVENUE

November 6, 2013

Karl Lindquist
Grant County Assessor
karl.lindquist@co.grant.mn.us

Dear Mr. Lindquist:

Thank you for submitting your question to the Property Tax Division regarding agricultural homestead.

Scenario: You have received a special agricultural homestead application from a woman that lives at her mother's home for medical reasons. She owns 40 acres of agricultural land that is within 4 cities/townships and is farmed by her brother.

Question: Does the agricultural parcel qualify for homestead? If so, what is it linked to?

Answer: If the brother that is actively farming the land also lives within 4 cities/townships of the agricultural property, then it is our opinion that that this property likely qualifies for special agricultural homestead (using form CR-SAH). As we understand the situation, there is not a base parcel to "link" the agricultural land to, because the owner of the agricultural land lives in a property that is owned by her mother. Therefore, the agricultural parcel qualifies for homestead on its own.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information and Education Section
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December 6, 2013

Lee Brekke
Wadena County Assessor's Office
Lee.Brekke@co.wadena.mn.us

Dear Mr. Brekke,

Thank you for submitting your question to the Property Tax Division regarding homestead eligibility.

Scenario:

There is a residential property within your county that is owned by an LLC. There is only one member of the LLC, and that member lives at the property.

Question:

Can this property qualify for homestead since the only member of the LLC occupies the property?

Answer:

Residential property owned by a business entity such as an LLC or a corporation is not eligible for a homestead. It does not matter if the entity has one member or multiple members; if a residential property is owned by an LLC, it does not qualify for homestead. Only agricultural, resort, and hotel/motel properties that are owned by business entities are eligible for homestead treatment due to specific provisions granted in law. (See Minnesota Statutes, section 273.124, subdivisions 8, 14, 17; and section 273.13, subdivision 22, paragraph (c)).

You can also find this information in the Property Tax Administrator's Manual, *Module 4- Homesteads*. You can find the manual on the Department of Revenue website at:

http://www.revenue.state.mn.us/local_gov/prop_tax_admin/Pages/ptamanual.aspx

The manual states:

*"Properties owned by an entity (corporation, partnership, limited partnership, LLC, LLP, etc.) cannot qualify for a relative homestead – since they are **non-human entities**, they cannot have relatives."*

If you have any additional questions or concerns please feel free to contact our division us at proptax.questions@state.mn.us. Thank you.

Sincerely,

JESSI GLANCEY,
State Program Administrator Senior
Information and Education Section
Property Tax Division

Property Tax Division
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December 9, 2013

Debbie DeLange
Ramsey County Assessor's Office
Debbie.DeLange@CO.RAMSEY.MN.US

Dear Ms. DeLange,

Thank you for submitting your question to the Property Tax Division regarding homestead eligibility for a home that is rented.

Scenario:

- There is a residential property located within your county that is the owner's primary place of residence.
- The owners have been living in Kansas City since 2011 due to a temporary assignment for church-related activities.
- They currently rent in Kansas City and do not claim another homestead in Kansas City and/or MN.
- The owners are still registered to vote in MN, one of the owners is employed by a company located in MN (but works remotely from Kansas City), they file taxes in MN, the owners still maintain MN Drivers' Licenses, and they intend to return to MN and live in their home once they complete their work.
- They have been told that the assignment they are on will last another 6 – 8 months and then they will return to MN.
- They are renting out the property to a non-relative and receiving a rent payment on a monthly basis.

Question:

Can this property continue to qualify for homestead since it is being rented out?

Answer:

No, the property may not be homestead. There are general rules that must always be used when trying to determine whether a property qualifies for homestead. An assessor should always approach a property with these general rules in mind, but should also know that there are exceptions to the general rules in certain circumstances. To qualify for a homestead, a property must be both owned and occupied by the owner or a qualified relative of the owner as a primary place of residence. In most cases, an owner cannot rent out their property to another person and still retain homestead status. There are some special provisions in law that allows for exceptions to the homestead requirements. For example, a member of the United States Armed Forces, Peace Corps, or VISTA may continue to receive homestead while absent from the home due to an active duty assignment.

Since this property is not occupied by the owner or a qualified relative and it does not fit into any of the special provisions in law, it is our recommendation that the property be classified as a residential non-homestead.

Please note that our opinion is based solely on the information provided. If any of the facts are misinterpreted, or if any of the facts change, our opinion is subject to change as well. If you have any additional questions or concerns please feel free to contact our division us at proptax.questions@state.mn.us

Sincerely,

JESSI GLANCEY, State Program Administrator
Information and Education Section
Property Tax Division

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MINNESOTA • REVENUE

May 27, 2014

Becky Kotek
Rice County Assessor's Office
bkotek@co.rice.mn.us

Dear Ms. Kotek:

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question.

Scenario: A married couple purchased a townhome in May of 2013, after selling their homestead property which they owned and occupied for many years. Prior to moving into the townhome, the husband moved into a Minnesota Veterans Home (nursing home). When his wife filed for homestead on the property, she stated that her husband would not be residing in the townhome. At that time she was granted a fractional homestead. If the husband is released from the nursing home he would live with his wife in the townhome, and all of his belongings are located in the townhome except for a few small personal items that he can have at the nursing home.

Question: Is the property in Rice County eligible for full homestead if the spouse has moved into the Minnesota Veterans Home?

Answer: Yes, the property is eligible for full homestead as indicated in Minnesota Statutes 273.124 subdivision 1, clause (f) reads in part:

*“(f) The assessor must not deny homestead treatment in whole or in part if: ...
(2) in the case of a property owner who is married, the owner or the owner's spouse or both are absent due to residence in a nursing home, boarding care facility, or an elderly assisted living facility property as defined in section 273.13, subdivision 25a, and the property is not occupied or is occupied only by the owner's spouse.”*

The Department of Revenue is in the opinion that full homestead should be granted under these circumstances. It does not matter that the spouse who is in nursing care did not yet physically occupy the property, as it appears if he were able to do so he would claim his homestead at that residence.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez, State Program Administrator
Information and Education Section
Property Tax Division

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July 11, 2014

Cindy Cresswell
Houston County Assessor's Office
Cindy.Cresswell@co.houston.mn.us

Dear Ms. Cresswell,

Thank you for contacting the Property Tax Division regarding residential homestead. You provided us with the following information.

Scenario:

- A land owner had changed the ownership of his residential home to an LLC of which he is the sole owner.
- Once the ownership changed, the residential homestead classification was removed.
- The property owner is requesting information that shows that an LLC does not qualify for residential homestead classification.

Question: Why doesn't an LLC qualify for residential homestead?

Answer: Residential property owned by a business entity such as an LLC or a corporation is not eligible for a homestead. Only agricultural, resort, and hotel/motel properties which are owned by business entities are eligible for homestead treatment due to specific provisions granted in law. (See Minnesota Statutes, sections 273.124, subdivisions 8, 14, 17, and 273.13, subdivision 22, paragraph (c)). In other words, only individuals are eligible for homestead unless statute specifically allows a homestead property to be owned by a corporation or other entity. Currently, Minnesota Statute allows homestead on entity-owned lands for agricultural homesteads, resorts, and hotels/motels **only**.

You can also find this information in the [Property Tax Administrator's manual](#), module 4-*Homesteads*.

If you have any additional questions or concerns please feel free to contact our division at proptax.questions@state.mn.us

Sincerely,

JESSI GLANCEY, State Program Administrator Senior
Information and Education Section
Property Tax Division

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August 4, 2014

Doreen Pehrson
Nicollet County Assessor's Office
dpehrson@co.nicollet.mn.us

Dear Ms. Pehrson,

Thank you for contacting the Property Tax Division regarding classification of a property located within your county. You provided us with the following information.

Scenario:

- A six-acre parcel located in a township in Nicollet County has been classified as 4c(12) – Non-Commercial Seasonal Residential Recreational - since 1998.
- The current owner's parents may become residents of the property.

Question: Is there any scenario where the classification can be changed from SRR to residential and the property be eligible for a relative homestead, if the property remains in the same ownership?

Answer: Property that has been classified as seasonal residential recreational property at any time while it has been owned by the current owner cannot be reclassified as a homestead unless it is occupied as a **homestead by the owner**. Therefore, since the owner of the property will not be living in the cabin, the property's classification cannot be changed to residential and therefore cannot qualify for a relative homestead. The property also cannot be reclassified as class 4bb residential non-homestead. Minnesota Statutes, section 273.13, subdivision 25(c) is the statute that supports this.

If the owner's parents were to move into the property and use it as their principal place of residence the property may qualify for the 4b(1) Residential non-homestead classification with the 1.25% class rate.

You can find additional information regarding this topic in the [Property Tax Administrator's Manual](#), Module 3 - *Classification* and Module 4 - *Homestead*. If you have any additional questions or concerns please feel free to contact our section at proptax.questions@state.mn.us.

Sincerely,

JESSI GLANCEY, State Program Administrator Senior
Information and Education Section
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MINNESOTA • REVENUE

August 18, 2014 *Edited July 2021 due to law change*

Joy Lindquist
Lake of the Woods County Assessor's Office
joy_l@co.lake-of-the-woods.mn.us

Dear Ms. Lindquist:

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question.

Scenario:

A property classed as Seasonal Residential Recreational (SRR) had a manufactured home on it without a sewer or water prior to being purchased in July. In August, the new owner removed the manufactured home and is planning to install a septic tank, well, and a different manufactured home that his son will live in.

Question:

Will the son qualify for a relative homestead under the new ownership and not using the property seasonally?

Answer:

Yes, if the use of the property has changed to another use other than class 4c(12) SRR, the classification of the property may be subject to change under the new ownership. For the property to qualify for relative homestead the son must occupy the property as his primary residence by no later than December 31 and the application must be made by December 31, 2014 to be eligible for relative homestead for taxes payable in 2015.

Keep in mind that Minnesota Statutes, section 273.124, subdivision 1, paragraph (c), which outlines residential relative homesteads, states:

*"...Property that has been classified as seasonal residential recreational property at any time during which it has been owned by the **current owner or spouse of the current owner** will not be reclassified as a homestead unless it is occupied as a homestead by the owner; emphasis added]..."*

Therefore, if homestead is not established on the property prior to December 31, 2014 and the property stays classified as SRR under the new ownership for taxes payable in 2015, then the property would be prohibited from being classified as a relative homestead going forward under the current ownership.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Emily Hagen, State Program Administrator
Information and Education Section
Property Tax Division

Property Tax Division
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MINNESOTA • REVENUE

October 15, 2014 *Edited July 2021 due to law change*

Monica Sanford
Wadena County Assessor's Office
Monica.Sanford@co.wadena.mn.us

Dear Ms. Sanford:

Thank you for submitting your question to the Property Tax Division regarding agricultural homestead. You have provided the following scenario and question.

Scenario

A property owner owns 19.12 acres and has a residential homestead. On May 15, 2014 he bought the adjoining 135.18 acres which were previously classified agricultural & rural vacant land homestead from the previous owner.

Question

Can the new owner get an agricultural homestead on the entire 154.3 acres for the 2014 assessment?

Answer

It is the department's opinion that the classification to agricultural homestead can be made during the current assessment year (i.e. the year of acquisition). Provided that ownership and occupancy will qualify the property for an agricultural homestead by December 31, and that application is made by December 31, both the residential homestead parcel and the newly-acquired 135.18 acres that are also used for a homestead would be granted the 2a agricultural homestead classification. Therefore, in the scenario outlined above, we recommend changing the classification to an agricultural homestead for the 2014 assessment year, for taxes payable in 2015.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Emily Hagen, State Program Administrator
Information and Education Section
Property Tax Division

Property Tax Division
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MINNESOTA • REVENUE

January 8, 2015

Peggy Trebil
Goodhue County Assessor's Office
Peggy.Trebil@co.goodhue.mn.us

Dear Ms. Trebil:

Thank you for submitting your question to the Property Tax Division regarding residential homestead. You have provided the following scenario and question.

Scenario:

- An LLC owns a commercial hotel business located on two contiguous parcels.
- A husband, wife, son, and daughter are all members of the LLC.
- Husband and wife live above the hotel on one parcel and the son and daughter live above the hotel on the other parcel.

Question:

Can the property qualify for residential homestead?

Answer:

Yes, hotel properties which are owned by business entities are eligible for homestead treatment due to specific provisions granted in law. (See [Minnesota Statutes, section 273.124](#), subdivision 17.) Homestead benefits may be granted to owner-occupied hotel property if the person who is residing at the hotel is using that property as a homestead, is part-owner of the hotel and is actively engaged in the operation of the hotel business. The homestead is limited to the portion of the motel actually occupied by the person (no common area).

Question:

Would both properties occupied by members of the LLC qualify for two separate homesteads?

Answer:

No they would not qualify for two separate homesteads. The owner, the LLC, is entitled to only one homestead. There are no specific provisions for multiple homesteads for each member/occupant of the LLC. The owners/members will need to submit an application identifying the one unit that will receive homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Emily Hagen
State Program Administrator
Information and Education Section
Property Tax Division
Phone: 651-556-6091
Email: proptax.questions@state.mn.us



January 20, 2015

Joe Udermann
Meeker County Assessor
Joe.Udermann@co.meeker.mn.us

Dear Mr. Udermann:

Thank you for submitting your questions to the Property Tax Division regarding homestead and personal/ real property. You have provided the following scenario and question.

Scenario:

- A home is owned and occupied by an individual.
- A different individual owns the land.
- The homeowner is not leasing the land on which the house is located.

Question 1: If the homeowner wanted homestead, would this create a situation where the landowner would show up as receiving multiple homesteads?

Answer 1: No; the owner of the home would not be eligible for homestead. The homestead would be granted to the landowner if applicable. Since the owner of the land is not occupying the property, and the land is not occupied by a qualifying relative, this property would not be eligible for homestead.

Question 2: Should a separate parcel be made for the house and taxed as personal property?

Answer 2: No, a separate parcel should not be created nor should the house be taxed as personal property. The property is not exempt land and should be taxed as real estate to the owner of the land. The landowner would be responsible for the taxes, and could pass them onto the homeowner if there is an agreement (lease), but the owner of the real estate is technically responsible for the taxes.

In short, there is no reason to separate the real estate (land and buildings). Minnesota law describes real property as the land and any buildings or improvements on it. Even if the building is owned by someone other than the land, it is treated as part of the real estate unless it is one of the specific exceptions identified in law (e.g. certain leasehold cooperatives, common-interest elements, privately-owned improvements on federal property, etc.).

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez
State Program Administrator
Property Tax
Phone: 651-556-4753
Email: proptax.questions@state.mn.us

MINNESOTA • REVENUE

April 16, 2015

Ginger Woodrum
Hubbard County Assessor's Office
glwoodrum@co.hubbard.mn.us

Dear Ms. Woodrum,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the following information.

Scenario:

- A taxpayer in your county owns three homes, one of which he homesteads.
- He also rents out all three of the homes as VRBO (Vacation Rental by Owner).
- When he rents out the house that he homesteads, he locks designated closets and moves to one of his other homes for the period of time the persons rent his homesteaded home.

Question: Should he be receiving the homestead classification on his property if he rents it and moves out for periods of time?

Answer: In our opinion, the occasional rental or use of the home by others would not jeopardize the homestead classification as it would likely be determined to be an incidental use of the property. However, at some point, the continuous advertisement and use of a property as a vacation rental must be recognized since the property may not be available to the taxpayers at all times as their principal place of residence. It likely indicates more of a seasonal residential or commercial use. We recommend you monitor the situation to determine the actual use of the property.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

JESSI GLANCEY
State Program Administrator Principal
Property Tax Division
Phone: 651-556-6091
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November 12, 2015

Wendy Iverson
Dodge County Assessor's Office
wendy.iverson@co.dodge.mn.us

Dear Ms. Iverson:

Thank you for submitting your question to the Property Tax Division regarding mid-year homesteads. You have provided the following scenario and question.

Scenario:

- In Dodge County there is a property that is currently classified as commercial.
- The structure is no longer being used for a commercial business and has been converted into a living area.
- There is no commercial use on the property.
- The owner of the property has a qualifying relative living there.

Question: Is it appropriate to change the classification on this parcel from commercial to residential homestead for the 2015 assessment year?

Answer: As you know, property is classified according to its use on January 2 of a given year. Typically, that classification stays the same through the assessment year. However, in some circumstances, the classification may be subject to change.

In the scenario you have outlined, it is possible for the property owner to apply for mid-year homestead. As homestead cannot be granted to commercial property, it would be advisable to change the property from commercial to a relative residential homestead since it appears the full use of the property is for residential purposes.

We do not recommend changing the classification before receiving a homestead application. The homestead application will serve as verification that use of the property has changed from commercial to residential.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez
State Program Administrator
Property Tax
Phone: 651-556-4753
Email: proptax.questions@state.mn.us

December 22, 2015

Brenda Shoemaker
Otter Tail County Assessor's Office
BShoemak@co.ottertail.mn.us

Dear Ms. Shoemaker:

Thank you for submitting your question to the Property Tax Division regarding homestead qualification. You have submitted the following scenario and question:

Scenario:

- A city owns and leases out an agricultural parcel to an individual
- The individual farms the land and lives on the land

Question: Does this parcel qualify for residential or agricultural homestead?

Answer: Yes; this parcel may qualify for agricultural homestead. When a tax-exempt entity such as a city leases land to a lessee, the lessee is treated as the land owner and he/she pays the property taxes (as personal property taxes).

Because of this, and because the individual lives on the agricultural land, this parcel appears to qualify for agricultural homestead. Additional information to clarify this can be found in [Module 4 – Homesteads](#) of the Property Tax Administrator's Manual.

Please note that our opinion is subject to change if any of the facts that you outlined were to change.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Jeff Holtz
Senior State Program Administrator
Property Tax Division
Phone: 651-556-4861
Email: proptax.questions@state.mn.us



January 4, 2016

Cindy Marti
Brown County Assessor's Office
Cindy.Marti@co.brown.mn.us

Dear Ms. Marti:

Thank you for submitting your question to the Property Tax Division regarding residential homestead. You have provided the following scenario and question:

Scenario:

- A non-homestead property was purchased by David on 01/12/2015.
- David occupied the home on the same day and applied for homestead.
- David's homestead application was approved and he was granted a mid-year homestead for the 2015 assessment.
- On 12/07/2015 David sold his property to a new owner.
- The new owner applied for homestead and his application states that he moved in on 12/07/2015.

Question: Should David's mid-year homestead be removed for assessment 2015?

Answer: No, the mid-year homestead should not be removed. The law requires homestead compliance on January 2 or December 1 to prevent people from applying on multiple properties at different times throughout the year. From the information provided, David owned and occupied his home until he sold it on December 7th 2015.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez
State Program Administrator
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MINNESOTA • REVENUE

January 20, 2016 *Edited July 2021 due to law change*

Tom Houselog
Rock County Land Records Director
tom.houselog@co.rock.mn.us

Dear Mr. Houselog:

Thank you for submitting your question to the Property Tax Division regarding homesteads. You outlined the following hypothetical scenarios and have asked for our advice.

Scenario/Question 1: What happens when an unmarried homeowner who had been homesteading a property dies on January 1st? Has s/he met the necessary occupancy requirement for that assessment year?

Answer 1: Because we typically allow a reasonable period of time to pass before removing homestead after the death of a property owner, the property may stay as homestead during that assessment year while the property is in probate.

Scenario/Question 2: An unmarried property owner moves out of his/her home on January 2nd. Does that property owner need to be occupying that property at 11:59 p.m. of January 2nd to meet the occupancy requirement?

Answer 2: If homestead has been granted for that assessment year, it would remain on the property. Logically, there is no way for the assessor to know the specific hours/times an individual occupies a property on a given day.

Scenario/Question 3: A property owner purchases a property on January 3rd that was non-homestead. S/he moves in on January 3rd and applies for a mid-year homestead on that date. The property owner moves out on November 30. Is that property owner eligible for mid-year homestead for that assessment year without occupying the property on December 31st?

Answer 3: Homestead would be granted on January 3 for the assessment year based on the facts at the time of the application. Once homestead has been granted, it is not removed during the assessment year.

It is our understanding that these are hypothetical scenarios. If you have instances that match these in fact, please let us know and we can issue more detailed responses. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Andrea Fish
Supervisor, Information & Education Section
Property Tax Division
Phone: (651) 556-6091
Email: proptax.questions@state.mn.us

MINNESOTA • REVENUE

March 8, 2016 *Edited July 2021 due to law change*

Tom Houselog
Rock County Land Records Director
tom.houselog@co.rock.mn.us

Dear Mr. Houselog:

Thank you for submitting your follow-up questions from a response letter we provided to you on January 20, 2016 regarding homesteads and mid-year homesteads.

Scenario:

- A full-year homestead is granted to a property that is occupied by its owner on January 2 of the assessment year for taxes payable the following year.
- A “mid-year” homestead is granted to property that is occupied by its owner after January 2 and on December 31 of the assessment year for taxes payable the following year.

Question 1: The date of occupancy that assessors have always followed is January 2 of each assessment year. If an unmarried homeowner dies on January 1st, or moves out on January 1st, how can the homestead classification be granted since the owner must occupy on January 2?

Answer 1: “Occupancy” is based not just on whether someone is physically present in a home. As you know, assessors are tasked with verifying someone’s principal residence by reviewing where the individual receives mail, where the individual is registered to vote, the address on the driver’s license, etc. Given the homeowner has not applied for homestead on a new property, it would be difficult to have sufficient information to verify that the person did not have the home as a primary residence on January 2.

Additionally, we have always said a reasonable amount of time should be given for a property to transfer ownership before removing homestead in the case of someone who passes away. If someone passed away on January 2, we would expect a reasonable amount of time to pass before removing homestead from the property while the property is in probate.

Question 2: You are still unclear as to whether an individual must reside in the dwelling at 12:01 AM or at the end of January 2 (11:59 PM). Many times homeowners tell you they moved out on January 2nd. Would those homes qualify for homestead or not?

Answer 2: It is unreasonable to assume that every assessor knows whether someone is physically in occupancy of a property on 12:01 a.m. on the date of the assessment. There is no such requirement in statute, either.

If a homeowner tells you that a property was not the primary place of residence on January 2, you may change the classification. If not, it would be difficult to have proof whether someone was physically present at any time on January 2.

Question 3: It is your understanding that an owner must occupy the residence on December 31st to qualify for a mid-year homestead. Is this a departure from previous teachings?

Answer 3: No; there is no departure. “Occupancy” should not be construed over-strictly. “Snowbirds” (individuals who live in a southern state during the winter months) are allowed homesteads in Minnesota, even though they don’t *physically* occupy their homesteads on either December 31 or January 2.

*“Homestead established after assessment date. Any property that was not used for the purpose of a homestead on the assessment date, but which was **used for the purpose of a homestead** on December 31 of a year, constitutes class 1 or class 2a.”*

“Used for the purpose of a homestead” does not have to mean that someone is physically in the house on exactly December 31 of the assessment year.

We recommend continuing to use the guidelines in the manual for determining whether a property is someone’s primary place of residence, and we caution against being over-literal in the interpretation of what “occupancy” means, as it would be impossible for an assessor to uniformly apply such stringent guidelines to all residences in a county.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Andrea Fish
Supervisor, Information & Education Section
Property Tax Division
Phone: (651) 556-6340
Email: proptax.questions@state.mn.us

March 23, 2016

Cathy Olson
Aitkin County Assessor's Office
cathy.olson@co.aitkin.mn.us

Dear Ms. Olson:

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following the additional scenario and question.

Scenario:

- A residential property has two houses on it.
- One is occupied by the owner of the property.
- The other is occupied by a relative of the owner.

Question:

Can there be a residential owner-occupied homestead and a relative residential homestead on the property?

Answer:

Yes, a parcel may have two structures treated as homestead, one owner-occupied and one with a relative homestead, so long as all other requirements for homestead are met.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Emily Anderson
State Program Administrator
Information and Education Section
Property Tax Division
Phone: 651-556-6099
Email: proptax.questions@state.mn.us



April 8, 2016

Patrick Todd
City of Minneapolis Assessor's Office
Patrick.Todd@minneapolismn.gov

Dear Mr. Todd:

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- An individual (Mr. S) purchased a single family home from a bail bonds company on a quit claim deed for \$200.00 and assumed \$20,000 in delinquent property taxes.
- The individual does not have the money to pay the delinquent property taxes and is unsure when he will be able to.
- Hennepin County shows the corporation as the owner and the taxpayer as Mr. S
- The individual has provided a copy of his quit claim deed from the bail bonds company but does not plan to record the deed any time soon.
- The driver's license for Mr. S does match the quit claim deed address.

Question: Has the individual met the requirements for homestead or is an unrecorded quit claim deed invalid until it's recorded?

Answer: Yes, as long as all other requirements for granting homestead have been met, it appears this property could qualify for homestead. Deeds and contracts for deed are not required to be recorded to be eligible for homestead. While there are laws/rules governing the recording of deeds, they are separate and distinct from the homestead requirements for property tax purposes. Additionally, as stated in the *Property Tax Administrator's Manual*, the assessor should examine the deed or contract for deed to determine whether it is a bona fide purchase and keep a copy of the document attached to the application for homestead if possible.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez
State Program Administrator
Property Tax
Phone: 651-556-4753
Email: proptax.questions@state.mn.us

September 29, 2016

Brian Kieser
City of Minneapolis
Brian.kieser@minneapolismn.gov

Dear Mr. Kieser:

Thank you for submitting your question to the Property Tax Division regarding the application of a mid-year homestead. You provided the following information:

Scenario:

- A property was classified as commercial use on the assessment date due to there being an office located on the property.
- The property was purchased and converted to a residential use prior to December 1.
- The property is now the purchaser's primary residence.

Question: Can a property that is classified as commercial use on the assessment date have a mid-year homestead applied to the property?

Answer: In the scenario you have outlined, it is possible for the owner to apply for the mid-year homestead. Typically, classification stays the same through the assessment year, however, a homestead cannot be granted to commercial property so we recommend changing the classification to residential if the application for homestead is accepted. In order for the property to qualify for the mid-year homestead, the new owner will need to have owned and occupied the property as their homestead on December 1st as stated in [MN Statute, section 237.124, sub 9](#). We do not recommend changing the classification before receiving a homestead application. The homestead application will serve as verification that use of the property has changed from commercial to residential.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Gary Martin
State Program Administrator, Information & Education Section
Property Tax Division
Phone: 651-556-6773
Email: proptax.questions@state.mn.us

December 12th, 2016

Jeffery D. Johnson
Stearns County
jeff.johnson@co.stearns.mn.us

Dear Mr. Johnson:

Thank you for submitting your question to the Property Tax Division regarding taxable status of a mobile home cooperative. You have provided the following scenario and question:

Scenario:

- A mobile home park is being organized into a non-profit cooperative under Minnesota Statute 317A.
- It is assumed that:
 - the occupants of the cooperative corporation or associate are paying property taxes and any special assessments levied against the land and structures.
 - the corporation or association organized under chapter 308A or 308B is wholly owned by persons having a right to occupy a lot owned by the corporation or association.
- A mobile home park listed as a charitable corporation, granted by the IRS 501(c)(3) tax-exempt status, qualifies for homestead treatment.

Question 1: If the non-profit organization is organized under Minnesota Statute 317A and receives the 501(c)(3) designation, is it entitled to homestead treatment?

Answer: Yes, according to Minnesota Statute 273.124, subdivision 3, paragraph (a), a charitable corporation that is organized under the laws of Minnesota, with no outstanding stock, can qualify for homestead treatment with respect to member residents of the buildings or dwelling units who have purchased and hold residential participation warrants entitling them to occupy a lot in the manufactured home park. This is assuming that the general rules and guidelines are met.

The language affecting homestead treatment for manufactured home parks provides that an entire manufactured home park may qualify for homestead treatment, except that “homestead treatment” in this context only means the class rates established (by article 1, section 15) under M.S. 273.13, subdivision 25, paragraph (d). (Homestead treatment does not include homestead market value credit, or taxes payable for rent paid under 290A.03.)

To determine if any or the entire park cooperative is eligible for homestead treatment, the assessor must work with the representatives of the cooperative association to determine how many lots are on the plan and how the cooperative association laid out the lots.

Question 2: Does a 317A non-profit organization with a 501(c)(3) charitable purpose and status qualify for PILT tax treatment?

Answer: No, we are not aware of any payment in lieu of taxes program that would apply to manufactured home parks or manufactured home cooperatives at this time.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

February 13, 2018

Debbie Maresch
Carver County Assessor's Office
dmaresch@co.carver.mn.us

Dear Ms. Maresch,

Thank you for submitting your question to the Property Tax Division regarding residential homestead. You have provided the following scenario and question:

Scenario:

- Property owned by residents of Carver County had been receiving a residential homestead.
- The property owners transferred ownership of the property to an entity for estate planning purposes.

Question: Can entity owned property receive a residential homestead?

Answer: No. A partnership is considered a legal entity separate and distinct from the entity partners. Entities are not eligible for residential homestead. The only exceptions are for entity-owned agricultural, resort, and hotel/motel properties which are eligible for homestead treatment due to specific provisions granted in law. (See Minnesota Statutes, sections 273.124, subdivisions 8, 14, 17, and 273.13, subdivision 22, paragraph (c)). Only individuals are eligible for homestead unless statute specifically allows a homestead property to be owned by a corporation or other entity.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

August 21, 2018

Laurie Anderson
Anoka County Assessor's Office
Laurie.Anderson@co.anoka.mn.us

Dear Ms. Anderson,

Thank you for submitting your question to the Property Tax Division regarding residential homestead. You have provided the following scenario and question:

Scenario:

- The owner of an apartment had been receiving homestead on the property.
- On December 23, 2017, the apartment was sold to an LLC the owner had created.
- The prior apartment owner then entered into a contract for deed with the LLC.

Question 1: Can the former owner who entered into a contract for deed qualify for homestead on the property?

Answer: Yes. In accordance with prior written guidance and the Minnesota Property Tax Administrator's Manual Module 4, when a buyer enters into a contract for deed their interest is sufficient to meet the ownership requirement. Earnest money contracts or purchase agreements do not typically constitute an ownership for homestead purposes.

In order to grant homestead, the county must have the most accurate homestead application on file. With any change of ownership of a property, the homestead in this scenario should have been removed when the ownership of the property changed. Although the individual is the originator of the LLC, a sale of the property to the LLC would have been enough of a change of ownership to trigger the removal of homestead. A new application is required for the individual entering into the contract for deed with the LLC to obtain homestead. Such procedures help to ensure the accuracy of property information and that the most up to date application is on file.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

September 24, 2018

Beverly Johnson
Polk County Assessor's Office
Beverly.johnson@co.polk.mn.us

Dear Ms. Johnson,

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- A candidate for mayor wishes to establish residency in city A.
- The candidate and his wife have an established homestead in a nearby township that is less than 50 miles away from city A.

Question 1: Is the candidate able to run for mayor without a homestead in city A?

Answer: The requirements for local office are not related to the administration of property tax, and therefore the Department of Revenue is unable to provide an opinion concerning this question. The candidate and relevant authorities should consult the city's charter or other governing documents to determine what requirements the candidate must meet.

Question 2: Is the candidate's property within city A eligible for homestead?

Answer: A married couple is considered as one entity for property tax purposes, and is therefore only able to receive one full homestead. [Minnesota Statutes, section 273.124, subdivision 1, clause \(e\)](#) does allow two full homesteads in specific situations when spouses are living apart, however this situation does not appear to qualify for any of the exceptions described by statute. To qualify for a full homestead on the property in city A, both spouses would need to be occupying the property as their primary place of residency and their property in the nearby township would no longer qualify for homestead. If the mayoral candidate wishes to move to city A but their spouse stays at their current homestead, both properties should receive 50% owner-occupied homesteads.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

December 19, 2018

Ginger Woodrum
Hubbard County Assessor's Office
glwoodrum@co.hubbard.mn.us

Dear Mrs. Woodrum,

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- A taxpayer purchased a tax forfeited parcel in the spring of 2018 from the county.
- A deed was recorded transferring property ownership.
- A Proceeding special hearing must be held before the new owner may be added to the certificate of title by the recorder's office.
- The certificate of title remain in the name of the forfeited owner.

Question: Does the taxpayer have enough ownership interest in the parcel to receive homestead?

Answer: Yes, the state deed conveys all of the state's rights in the property (except mineral rights), thereby providing the grantee with sufficient interest in the property to receive homestead treatment on the property (assuming all other conditions for homestead are met). The assessor should examine the deed to determine whether it is a bona fide purchase and keep a copy of the document attached to the application for homestead. For property that is valued at \$1,000 or more, a Certificate of Real Estate Value must be filed even if the deed is not recorded to receive homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

January 25, 2019

Sharon Robinson
Stearns County Assessor's Office
Sharon.robinson@co.stearns.mn.us

Dear Ms. Robinson,

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- A deed dated 12/1/2017 transferred ownership of a parcel to a traditional IRA and a ROTH IRA.
- The property is classified 4c(12), seasonal recreational residential.
- In June of 2018 the owner of the IRAs applied for homestead and the Disabled Veteran's Homestead Market Value Exclusion.
- On 12/21/2018 a plat was processed splitting the land into two parcels.
- After the split, both parcels were still owned by the two IRAs.

Question: Does property owned by an IRA qualify for homestead?

Answer: No. Homestead requires both ownership and occupancy. An IRA is an entity that is distinct from an individual. Since the ownership of the parcel is under the two IRAs and not in the name of the occupant it would not qualify. In general, entities do not qualify for residential homesteads, unless specifically authorized by statute, as in the case with certain trusts. An IRA is not recognized by statute as a qualifying ownership type for homestead and is not interchangeable with a trust.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

May 27, 2021

Mark,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the follow scenario and question.

Scenario:

- In 2002, a contract for deed was created between a grandmother and her grandchild.
- The grandmother occupied the property and received homestead.
- In 2019, the contract for deed was fulfilled and the property was transferred to the grandchild and their spouse through a warranty deed.
- The language in the warranty deed grants the grandmother a “right to reside” at the property throughout her natural life.
- The grandmother, grandchild, and their spouse all occupy the property.

Question: Is a right to reside similar to a life estate in regard to ownership interest in the property?

Answer: No, a right to reside does not grant the same level of ownership interest as a life estate. Unlike a life estate, a “right to reside” only grants the beneficiary an entitlement to occupy a property, it does not create any other rights of ownership such as the right to rent the property or to use it for any purpose other than a residential use.

Based on the information provided, the new owners of the property have full ownership rights and could qualify for a homestead if an application is submitted. If the grandmother still occupies the property, the county should not grant a relative homestead nor grant any sort of fractional homestead to the grandmother because she does not have ownership rights.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

December 7, 2021

Dear Mark,

Thank you for contacting the Property Tax Division regarding homestead status of a property when the owner lives in a nursing home.

Scenario:

- An agricultural property is owned by an individual who has moved to a nursing home.
- A qualifying relative moved into the property and is currently receiving a relative homestead benefit.
- The qualifying relative is moving out of the home.
- The home will remain vacant since the owner is still living in the nursing home.

Question: Does the owner need to reapply to qualify for homestead?

Answer: Yes, the owner will need to reapply for homestead since the original homestead was removed and a relative homestead was granted. [Minnesota Statute 273.124, subdivision 1\(f\)](#) allows the assessor to grant the homestead when the owner is absent due to residing in a nursing home, therefore upon approval of the homestead application, the property could qualify even though the owner does not occupy the property.

If at any time the property is sold or occupied by someone other than the owner, the homestead should be removed immediately. If a relative were to occupy the property, a relative homestead application must be submitted for the property to qualify for a relative homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

June 2, 2022

Dear Andrea,

Thank you for contacting the Property Tax Division regarding homestead and tax records. You provided us with the follow scenario and question.

Scenario:

- West Central Minnesota Communities Action (WCMCA) built a home on land owned by WCMCA
- A warranty deed was submitted for buildings and improvements to a new owner
- WCMCA retains ownership of the land

Question: Should a split record be created in this situation, one for the land and one for the improvements? How should homestead be applied to the land and improvements if an application is received?

Answer: The improvements and land should be included on one tax parcel, together as real estate. For property tax purposes, the land and structure(s) cannot be separated, and the county should not create separate records/PID's. The land and improvements are taxable to owner of the real property (in this case, WCMCA). How the taxes are divided and paid is the concern of the property owners. Your office may send each owner a copy of the tax statement as a matter of convenience, or you can send one tax statement to WCMCA for the tax parcel.

Regarding the homestead, the improvements owned and used by the homeowner as the primary residence may qualify as homestead property under Minnesota Statute, section 273.124, subdivision 7. If WCMCA is operating as a community land trust, Minnesota Statute, section 273.11, subdivision 12 may allow the land to be assessed at the same classification rate if all requirements found in statute, specifically the income qualifications for the owner of the improvements, are met. Otherwise, the residential homestead classification would apply only to the structure, assuming homestead requirements are met.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

February 7, 2023

Dear Lisa,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the following information.

Scenario:

- Four sisters own two contiguous residential parcels.
- There are two houses on the main parcel; each house is occupied by one of the owners.
- Each occupant has submitted a homestead application.

Question: How should these parcels be classified?

Answer: Classification is based on use, therefore since it appears that the main parcel is being used for residential purposes, then it would be appropriate to classify as residential. If the contiguous parcel is also used as part of or in conjunction with the residential property, then you can also classify that parcel as residential. If the contiguous parcel is bare and unused, but its highest and best use is residential then that would be the appropriate classification.

Question 2: How should homestead be administered on these two parcels?

Answer: Since there are four owners, each owner needs to establish their percentage of homestead. Each house on the main parcel is eligible to qualify for a full homestead if all requirements are met. Each house is occupied by an owner and a relative of the other owners, therefore house A would qualify for a 25% owner occupied and a 75% relative homestead, all tied to the owner who is occupying that house. House B would be the same, 25% owner occupied and a 75% relative homestead, all tied to the owner who is occupying house B.

If the contiguous parcel is used as part of the residential property and classified residential, then it would be appropriate to extend the homestead from the main parcel to the contiguous parcel.

Sincerely,

Information & Education Section

Property Tax Division

Minnesota Department of Revenue

Phone: 651-556-6922



March 27, 2023

Dear Anne,

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- A property is owned by an LLC and contains three separate living units
- One is occupied by a member of the LLC, while the other two are used for short-term rentals
- The property is currently classified as residential non-homestead
- The property owner has applied for homestead, citing provisions allowing owners of a motel to qualify for homestead even if the property is owned by an LLC and provisions allowing owners of a duplex to qualify for homestead on the whole building

Question: Does this property qualify for residential homestead?

Answer: From the information provided, this property would not qualify for homestead. Residential properties owned by an entity such as an LLC cannot qualify for residential homestead. The exception under [Minnesota Statute 273.124, subdivision 17](#) motel exception does not apply in this situation because the two additional units are currently being used as short-term rentals rather than as a motel, and are subsequently receiving the 4(b)(1) classification. If the property owner were to provide information to the assessor that they meet the definition a motel as per chapter 157, the portion of the property used as a homestead by the member of the LLC could be eligible for homestead, but the rest of the property would then be classified as 3a commercial. The provision under [Minnesota Statute 273.13, subdivision 22 \(a\)](#) allowing a full duplex or triplex to qualify for homestead also does not apply in this situation, as one of the units must qualify for homestead for the rest of the property to also receive homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

April 04, 2023

Ryan,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the follow scenario and question.

Scenario:

- A property owner is receiving an agricultural homestead.
- Roughly two years ago the owner moved into a nursing home.
- The property remained empty and continued to qualify for homestead under Minnesota Statute 273.124 subdivision 1(f).
- Last year the property was destroyed in a fire.
- The owner does not plan to rebuild.

Question: Can the owner, originally qualifying for homestead while in a nursing home, continue to receive homestead if the physical residence was destroyed in a fire?

Answer: No. Homestead must be established prior to extending special rules to an owner living in a nursing home, boarding care, or elderly assisted living care facility. To continue qualifying for homestead under MN Statute 273.124 subdivision 1(f), the residence must be maintained as if the owner was occupying the property. This would also extend to property that is being held for future development if the owner was able to rebuild the structure.

A property owner cannot occupy a property as their primary residence (or intend to return to a primary residence) if there is nothing to occupy.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

September 13, 2023

Dear Mary Beth,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the follow scenarios and questions.

Scenario 1:

- A married couple own a manufactured home and the land it is located on.
- The manufactured home is owned in the name of spouse 1 and currently is taxed as personal property.
- The land is owned in the name of spouse 2 and is taxed as real property.

Question: Can the manufactured home be assessed as real property since it is located on land owned by the spouse?

Answer: Yes. A married couple living together in a home owned by either or both of them, no matter how a property is titled, would qualify for a full homestead. A married couple is considered one entity for property tax purposes. In this case it would appropriate to treat the manufactured home as real property, remove the personal property account, and add the manufactured home to the real property record.

Scenario 2:

- A manufactured home is owned and occupied by an individual and located on land owned by a non-relative.
- The owner of the manufactured home also owns and actively farms 200 acres of agricultural land.

Question: How should homestead be administered in this situation?

Answer: A personal property tax account should be created for the owner of the manufactured home. From the information provided it would appear to qualify for a residential homestead. A personal property homestead cannot be linked to the underlying parcel or the non-contiguous agricultural property. However, assuming all requirements are met, the 200-acre agricultural parcel may be eligible for special agricultural homestead.

Scenario 3:

- A manufactured home is owned and occupied by an individual and located on land owned by a qualifying relative.

Question: How should homestead be administered in this situation?

Answer: A personal property tax account should be created for the owner of the manufactured home. From the information provided it would appear to qualify for a residential homestead. The land is entitled to a relative homestead provided it meets all criteria set forth in Minnesota Statute 273.124, subdivision 1. However, it should be noted that only one homestead market value exclusion should be applied in this situation. The special status of how manufactured homes are treated should not create a situation where the homestead exclusion is effectively doubled. How the exclusion is allocated to each would be up to the county's policies and procedures.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.
Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

September 5, 2023

Dear Anne,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the follow scenario and question.

Scenario 1:

- Mom and Dad have an owner-occupied agricultural homestead.
- Mom moved to a nursing home.
- Dad remained on the farm for a short period of time before moving in with his son on a separate property.
- Dad lived with his son for part of assessment year 2022 before he also moved into the nursing home.
- The original agricultural homestead remains vacant.

Question: How should homestead be administered in this situation?

Answer: Minnesota Statutes 273.124 sub. 1 (f) allows homestead to remain on the property after an owner, their spouse, or both do not occupy the property due to residence in a nursing home. Effectively, this provision waives the occupancy requirement that is normally required for homestead. Therefore, when mom moved from the farm to the nursing home, the property would still be eligible for a full homestead despite her not occupying the property. For dad's occupancy, from the information provided, dad did not live with his son long enough for the assessor to remove the full homestead from the agricultural property due to not occupying the property. Therefore, homestead should not be removed from the property due to dad's residency in a nursing home and the property would receive a full homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.
Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

October 11, 2023

Dear Mark,

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- A person owns a residential parcel in your county.
- The property owner also owns a home in another state.
- The property owner's mail is delivered to that address.
- The property owner has stated he will maintain the residence in the other state until he retires and stay there when he is in that state.
- The property owner has a Minnesota driver's license listing the address in your county.
- The property owner has filed for homestead in previous years.
- Prior homestead applications have been denied due to not filing an income tax return in Minnesota.
- The property owner filed an income tax return as a non-resident in Minnesota for 2022.
- The property owner has stated this was done due to his profession as a truck driver where he has earned income in other states and the majority of his income was from the state where his other residential property is located.
- The property owner recently purchased the agricultural parcels contiguous to his residential property from a family member. The combined parcels would qualify for agricultural homestead if all other requirements were met.
- The property owner has submitted a new homestead application.

Question: Can homestead be granted if the taxpayer has filed income taxes as a non-resident in the prior year or is this an automatic denial?

Answer: If the property owner had not previously filed taxes in Minnesota while owning the residential parcel and has now in the most recent taxable year filed as a non-resident it would not appear he would qualify for homestead. Minnesota Statutes 273.124 states:

*The assessor shall require proof, as provided in subdivision 13, of the facts upon which classification as a homestead may be determined. Notwithstanding any other law, the assessor may at any time require a homestead application to be filed in order to verify that any property classified as a homestead continues to be eligible for homestead status. Notwithstanding any other law to the contrary, the Department of Revenue may, upon request from an assessor, verify whether an individual who is requesting or receiving homestead classification **has filed a Minnesota income tax return as a resident for the most recent taxable year** for which the information is available.*

Homestead is determined by ownership, occupancy, and status as a Minnesota resident. There are situations where the prior year tax return itself would not automatically lead to a denial of homestead. Verification of

income tax returns is one factor that can be used to assure the assessor that a property owner is a Minnesota resident. If a property owner has moved to and made the property in your county their primary place of residency, and can demonstrate that through other means, it may be appropriate to grant homestead. However, based on the information provided, it is not clear this is the primary place of residency, and the non-resident tax return is a factor in that determination. We would recommend the denial of the newest homestead application until such time as the property owner can demonstrate that the home in your county is their primary place of occupancy. This could include where the mail is delivered as well as having a tax return filed as a resident or a part-time resident. If the taxes continue to be filed as a non-resident, homestead should not be granted.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

November 2, 2023

Dear Faye,

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- A married couple purchased a home that had been receiving a full homestead.
- One spouse will live in the house the first year.
- The new owners applied for homestead during the current assessment year that will result in a fractional homestead.

Question: When should the homestead be changed when going from a full homestead to a fractional homestead?

Answer: In this case, since the property was previously receiving homestead, this would not be a mid-year homestead. Minnesota Statutes 273.124 Subd. 9 makes reference to properties that were not used for the purpose of a homestead on the assessment date, and properties that were partially homesteaded as being eligible for a full homestead if all requirements are met. The statute does not contemplate the reverse. Therefore, the fractional homestead would be applied on the next assessment date.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

January 17, 2024

Dear Brady,

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- A mother has lived with her daughter and the daughter's husband in their house for the last few years.
- That daughter's house is classified as residential homestead.
- The mother owns her own house about three blocks away.
- The mother's house is getting residential homestead as well.
- She is not renting it out and no other person occupies this property.
- The mother keeps some belongings at her own house, parks her car there, goes there daily in the summertime to do some chores. But she does not stay overnight there.
- The mother's mail and bills are delivered to her own house (water, electricity, gas, etc.).
- The family uses the mother's kitchen to cook when they have large family gatherings.

Question: Is the mother's home considered occupied and qualify for homestead?

Answer: There are several factors outlined in the Property Tax Administrators Manual that can be used to assist with making homestead determinations. The following may be used to assist with determining both residency and occupancy:

- Where is the taxpayer's mail delivered?
- Where is the taxpayer registered to vote?
- Does the taxpayer have another residence in Minnesota for which they can or do claim homestead?
- What is the taxpayer's address on the taxpayer's motor vehicle registration?
- What is the taxpayer's address on their driver's license? (Per Minnesota Statutes, section 171.11, all licensed drivers must change their driver's license within 30 days of an address or name change.)

In the situation you have outlined, it would be up to the assessor to determine if the mother has permanently moved into the daughter's residence and no longer occupies her property, or if this is- or could be- a temporary situation. If you determine her permanent occupancy is no longer at the home she owns, despite those factors above that she currently meets, the homestead should be removed.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922



February 1, 2024

Dear Nancy,

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- A property owner has homestead on a property in your county.
- The property owner is away for the winter months, November through March.
- The property owner is thinking about renting their home while they are away.

Question: Is the property owner able to maintain their homestead if they rent their property while they are away?

Answer: Based on the information provided, it is unlikely that this property could be rented for any significant length of time, such as a number of months, and still retain the homestead status. Minnesota Statutes, section 273.124, subd. 1, paragraph (a), states: *“Residential real estate that is occupied and used for the purposes of homestead by its owner, who must be a Minnesota resident, is a residential homestead.”* Taxpayers are allowed to be away from their property for a reasonable length of time without losing their homestead, but the property must still be available to them upon their return at any time. The occasional rental or use of the home by others would not jeopardize the homestead classification as it would likely be determined to be an incidental use of the property.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922



Homestead - Absence Due to Prison

December 21, 2005

Jackie Wegwerth, County Assessor's Office
Department of Property Records & Revenue
Valuation Division - Administration
50 W. Kellogg Blvd., Suite 840
Saint Paul, Minnesota 55102-1695

Dear Ms. Wegwerth,

On November 2, 2005, we responded to your email dated October 18, 2005, regarding homestead. The situation was that the wife purchased and occupied a home that is titled in her name only. Her husband is absent due to the fact that he is serving a prison sentence. You had asked if the property qualified for full homestead.

Our original response stated that the property only qualified for 50 percent homestead since the property was titled only in the wife's name and the husband did not establish the property as his homestead prior to entering prison.

However, upon further review, we have concluded that our earlier response was incorrect.

The husband's absence due to serving a prison sentence is due to "other personal circumstance". Therefore, the property fulfills the requirement as stated under Minnesota Statute 273.124, subd. 1(e), clause 4. If the wife meets the homestead requirements (i.e. own, occupy, and is a Minnesota resident), the property qualifies for full homestead.

We apologize for any inconvenience our original letter may have caused you.

Sincerely,

MELISA REDISKE, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6092
Fax (651) 556-3128
E-mail: melisa.rediske@state.mn.us

September 7, 2006

Keith Albertsen
Douglas County Assessor
Douglas County Courthouse
305 8th Ave W
Alexandria, MN 56308

Dear Mr. Albertsen,

Your e-mail has been assigned to me for reply. You outlined the following situation: A property is owned by a mother and her son lives with her. The son is later sent to prison. While the son is in prison, he inherits the property after her death. You asked whether or not the son can receive homestead on the property while he is in prison or if it should be classified as non-homestead until he is released and returns to the property.

In our opinion, the son does not qualify for homestead because he has never occupied the property as an owner. Consequently he falls short of the occupy requirement required to receive a homestead.

If you have further questions or concerns, please direct them to proptax.questions@state.mn.us.

Very truly yours,

LEANNA V. SARTIN, State Program Administrator
Information and Education Section
Property Tax Division
Phone: (651) 556-6084
leanna.sartin@state.mn.us

November 2, 2006

Carol M. Schutz
Chippewa County Assessor
629 North 111th St.
Montevideo, MN 56265

Dear Carol M. Schutz,

Your e-mail has been assigned to me for reply. You outlined the following situation. A woman is married to an incarcerated man. He will serve a total of 144 months in prison. The man has now served 24 months of his sentence. The wife has bought a home. The home is in her name only. The wife wants to make application for homestead on the property.

In our opinion, the wife can qualify for full homestead, as long as all the other requirements are met. The husband's absence is due to the fact that he is incarcerated. In our opinion, this meets the definition of the "other personal circumstance" provision provided for in Minnesota Statute section 273.124 subdivision 1(e), paragraph 4.

If you have further questions or concerns, please direct them to proptax.questions@state.mn.us.

Very truly yours,

LEANNA V. SARTIN, State Program Administrator
Information and Education Section
Property Tax Division
Phone: (651) 556-6084
leanna.sartin@state.mn.us

September 24, 2007

Ms. Lyn Regenauer
Chisago County Assessor's Office
Chisago County Government Center
313 N. Main St., Room 246
Center City, MN 55012-9663

Dear Ms. Regenauer,

I am responding to your recent inquiry regarding the application of homestead benefits if one spouse is incarcerated.

Generally, husband and wife must be living together in the same home to qualify for a full homestead. If one of them is not residing in the home, except for specific circumstances, the property can only receive a partial homestead.

Minnesota Statutes, section 273.124, subdivision 1, outlines the general rules for granting homestead benefits. Clause (e) provides the four exceptions for spouses living apart. Clause (e) says that the assessor shall not withhold homestead benefits if the spouses:

1. have begun marriage dissolution proceedings,
2. are legally separated,
3. are employed more than 50 miles apart, or
4. are living separately because of other personal circumstances.

The Department has advised assessors in the past to grant a full homestead if the spouses had separate homesteads and did not live together because of spousal abuse and we based that advice on the "other personal circumstances" clause. We believe that in your case, if one spouse is absent because of a lengthy prison sentence, the situation qualifies as an exception for spouses living apart because of other personal circumstances.

If you have further questions, please contact us at proptax.questions@state.mn.us.

Sincerely,

Dorothy A. McClung
Property Tax Division



February 19, 2015 *Edited July 2021 due to law change*

Rena Simon
Ottertail County Assessor's Office
ssimon@co.ottertail.mn.us

Dear Ms. Simon,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the following information.

Scenario: The owner of a property located within your county has been incarcerated since 2014

- The owner is scheduled to be released from prison in March of 2015
- The daughter of the owner has been occupying the house on the property
- The owner was occupying a mobile home located on the property before going to prison
- A relative homestead application was sent out in 2014 but not returned by the 12/15/14 deadline
- The property is currently classified as residential homestead

Question: How should the county classify this property and who should receive the homestead?

Answer: As long as the county has the correct applications on file, this property should be split classed as a relative homestead on the property that is being occupied by the daughter and a residential homestead on the property that would be occupied by the owner. If the relative does not provide a homestead application, her portion of the property would be non-homestead.

According to the information you provided, it appears that the property owner was occupying the property on January 2, 2014 and is expected to return to the property before December 31, 2015. If that is the case, we would recommend that the homestead remain on his portion the property. If the property owner does not return to the property by December 31, 2015, the homestead should be removed.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

JESSI GLANCEY
State Program Administrator Senior
Property Tax Division
Phone: 651-556-6091
Email: proptax.questions@state.mn.us

Sincerely,

Kristine Moody
Property Tax Division
Phone: (651) 556-6091





Relative Homesteads

February 3, 2003

Judy.friesen@co.brown.mn.us

Dear Judy,

The email that you sent to John Hagen regarding trusts and the possibility of relative homesteads was referred to me for reply.

In that email, you indicated that during a recent region meeting the issue arose if a relative homestead was possible on property held under a trust. You felt that it was possible and cited an April 6, 1995, letter from our office to Nobles County that stated in part “the transfer of property to a trust does not necessarily negate the relative homestead law.” Others at the meeting disagreed with you.

You then asked if a more recent letter supporting this position had been written or what the current policy is, given that so much time has passed (as well as a few laws) since the 1995 letter.

One statutory change that has taken place since that 1995 letter involved Minnesota Statutes, 273.124, subdivision 21 (which I am attaching as a Word document) relating to homesteads on property held under a trust.

That subdivision allows for homestead on real property held under a trust if:

- the grantor (defined as the person who created or established the trust) or surviving spouse of the grantor occupies and uses the property as a homestead OR
- a relative or surviving relative of the grantor meets the requirements necessary for a relative homestead (differing depending on whether the property is residential or agricultural) and occupies and uses the property as a homestead.

While it is true that a person cannot be related to a trust, this law change specifically allows for homestead in situations where a qualified relative of the grantor occupies property held under a trust.

Please let me know if you have any further questions.

Sincerely,

Maureen Arnold
State Program Administrator, Senior

April 30, 2003

David Armstrong
LeSueur County Assessor
Courthouse
88 So. Park Avenue
LeCenter, MN 56057

Dear David Armstrong:

Your e-mail dated April 14, 2003, has been referred to me for reply. In your e-mail you ask if the son can get homestead on property that was owned by his deceased mother. The mother died in 2001 but it is still in her name. The son lives in the house on the property. He, his sister, and sister-in-law are to inherit property according to the son and sister. You have not seen the will. The deed has not been recorded yet to transfer the property to the new owners.

Until a judgment for probate is docketed in district court, the property does qualify for relative homestead. M.S 273.124, subd. 1(h) states:

“if residential or agricultural real estate is occupied and used for purposes of a homestead by a child of a deceased owner and the property is subject to jurisdiction of probate court, the child shall receive relative homestead classification under paragraph (c) or (d) to the same extent they would be entitled to it if the owner was still living, until the probate is completed. For purposes of this paragraph, “child” includes a relationship by blood or by marriage.”

If you are satisfied that probate action is in process and the son is acting in good faith, we would recommend you continue to grant homestead pursuant to M.S. 273.124, subd.1(h). All necessary homestead application requirements should be met for relative homestead. Once the deed is recorded, the homestead status should be changed accordingly. Be aware that most probate actions are resolved within a couple of years so this should be for a short time. It is recommended that you make a note to yourself to monitor this homestead annually.

If you have further questions, please contact our division again.

Very truly yours,

RHONDA M. THIELEN, Appraiser
Information and Education Section
Property Tax Division
Phone: (651) 296-3540
E-mail: Rhonda.Thielen@state.mn.us

June 13, 2003

Marilyn Klick
Marilynnn.klick@co.cass.mn.us
Courthouse
PO Box 3000
4th Street & Minnesota
Walker, Minnesota 56484

Dear Marilyn:

This is in reply to your e-mail dated May 19, 2003. Your question pertains to a property which is owned by an "individual". The owner's father retains a life estate interest in the property, but lives on an adjacent property. The property is owned and occupied by a daughter. You have asked if there can be a relative homestead on a life estate property.

The answer is yes. If the father chooses to not occupy the property, his daughter is eligible to receive a relative homestead.

If you have further questions, please contact our division.

Sincerely,

RHONDA M. THIELEN, Appraiser
Information and Education Section
Property Tax Division

Mail Station 3340
St. Paul, MN 55146-3340

Fax: (651) 297-2166
Phone (651) 296-3540
e-mail: rhonda.thielen@state.mn.us

April 14, 2004

Karen McClellan
Kanabec County Assessor's Office
Courthouse
18 North Vine Street
Mora, Minnesota 55051

Dear Karen:

Your email to John Hagen has been forwarded to me to reply. Your email is regarding a relative homestead on contiguously co-owned parcels. Your email states:

“George owns his own residential house and land. He also owns three connecting pieces of land with two brothers. Since he owns his own house out right, can he residential relative the brothers share of the connecting lots; or is he limited to 1/3 homestead on those lots?”

The base property on which the homestead is established determines the carryover potential on contiguous homestead property. In the above instance, the base property is established as an owner occupied homestead. Only property owned by the same owner used in conjunction with their homestead would qualify for a carryover homestead. Therefore, if the contiguous properties in question are used in conjunction with the existing homestead, then the contiguous properties qualify for 1/3 carryover homestead or George's ownership interest.

Please let me know if you have any further questions.

Sincerely,

MELISA REDISKE, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6092
Fax (651) 556-3128
E-mail: melisa.rediske@state.mn.us

January 31, 2005

Linda Rooney, Ramsey County
Department of Property Records & Revenue
Valuation Division - Administration
50 W. Kellogg Blvd., Suite 840
Saint Paul, Minnesota 55102-1695

Dear Ms. Rooney:

Thank you for your email regarding a relative homestead.

You have a property that is owned by two individuals and neither of them occupies the property. A qualifying relative is occupying the property and has completed a relative homestead application. You indicated that the relative does not have a Social Security number and you are not sure if the qualifying relative is a Minnesota resident. You also indicated that the applicant wrote "apply for card" in the Social Security number space on the homestead application. The applicant provided a copy of a document that states "Employment authorization." You asked if this individual is eligible for a relative homestead.

To qualify for a relative homestead, an individual must occupy the property as their primary residence, be a qualifying relative to one of the owners of the property, and be a Minnesota resident. The qualifying relative also must provide his/her Social Security number. If the applicant does not have a Social Security number and cannot prove Minnesota residency for homestead purposes, you should deny the relative homestead application.

If you have any further questions, please contact our office.

Regards,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114
Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

April 18, 2005

Linda Rooney
Department of Property Records & Revenue
Ramsey County Homestead
50 W. Kellogg Blvd., Suite 840
Saint Paul, Minnesota 55102-1695

Dear Ms. Rooney:

Thank you for your question regarding a relative homestead.

You have outlined the following situation. A property owner has requested a relative homestead application for a property she owns. The owner states that her daughter attends school in Germany, but keeps personal items at the home and comes home for holidays.

As you know, a daughter is a qualifying relative for the residential relative homestead classification. However, in our opinion, the owner's daughter is not entitled to receive a relative homestead classification in this case since the daughter had not established the property as her primary place of residence prior to her departure for Germany. The daughter would have had to establish occupancy prior to her attending school in Germany to qualify for relative homestead. Occupying the property on holidays is not enough to satisfy the homestead requirements.

If you have further questions, please do not hesitate to contact me.

Sincerely,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114 Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

May 12, 2005

Patrick Todd
Supervisor, Real Estate Assessment
309 2nd Avenue South – Room 100
Minneapolis, MN 55401-2234

Dear Mr. Todd:

Thank you for your question regarding a relative homestead.

You ask if a step-niece of the owner of a property can qualify for a relative homestead. In this situation, the relative is the step-daughter of the brother of the owner of the property.

In our opinion, the answer is yes. If a qualifying relative of the owner (for residential property, this means a parent, stepparent, child, stepchild, grandparent, grandchild, brother, sister, uncle, aunt, nephew, or niece – by blood or marriage) occupies the property as his/her principal place of residence, it would be appropriate to grant a relative homestead.

If you have any additional questions, please contact our division.

Sincerely,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114 Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

February 13, 2006

Bryan Eder
Olmsted County Assessor's Office
1st Floor, Government Center
151 4th Street SE
Rochester, Minnesota 55904-3716

Dear Mr. Eder:

Thank you for your email regarding classification. First of all, please accept my apology for the time it has taken me to respond. You outlined a situation where a person owns a property that consists of a single building with a commercial business on the main level and three apartments on the upper level. The property owner's niece is renting one of the apartment units and is receiving a relative homestead classification on that unit. The other two units are vacant. You have asked if the property is eligible for homestead since the owner charges his niece rent.

No, the fact that rent is paid by the relative of the owner, does not disqualify them from receiving a relative homestead. However, neither the owner nor the relative may claim a property tax refund for the property.

You have also asked if the three rental units should be considered the same as a triplex and as such, should all units receive homestead treatment.

Based on the information provided, in our opinion, the property in question should be split classed 3a commercial for the portion of the property that is used for the commercial business, class 1a residential relative homestead for the unit that is occupied as a homestead by the owner's relative; and class 4b(1) residential non-homestead for the two vacant rental units.

This advisory opinion is based solely on the information provided. If any of the facts were to change, our opinion would be subject to change as well. Final decisions on the classification must be made by the county assessor. If the taxpayer disagrees with the decision, they may follow their avenues of appeal.

If you have any further questions, please direct them to us at proptax.questions@state.mn.us.

Sincerely,

MELISA REDISKE, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6092
Fax (651) 556-3128
E-mail: melisa.rediske@state.mn.us

04/10/2006 04:16 PM

Marci.Moreland@co.carlton.mn.us

Subject Relative Homestead

Dear Marci,

Thank you for your question regarding relative homesteads. You asked us to verify that property classed as seasonal residential recreational cannot receive a relative homestead under current ownership.

This statement is correct – property that has been classified as seasonal residential recreational at any time during which it has been owned by the current owner or his/her spouse cannot receive a relative homestead. Minnesota Statutes, Section 273.124, subdivision 1, paragraph c states in part that:

“...Property that has been classified as seasonal residential recreational property at any time during which it has been owned by the current owner or spouse of the current owner will not be reclassified as a homestead unless it is occupied as a homestead by the owner...”

If you have further questions, please direct them to us at proptax.questions@state.mn.us.

Jacque Betz, Appraiser
Minnesota Department of Revenue
Property Tax Division
Phone: 651-556-6099
Fax: 651-556-3128
e-mail: jacquelyn.betz@state.mn.us

May 1, 2006

Judith Friesen
Brown County Assessor
Courthouse Square
P.O. Box 248
New Ulm, Minnesota 56073

Dear Judy:

Thank you for your question regarding relative homesteads.

You have asked if a great niece is a qualifying relative for homestead purposes.

Minnesota Statutes, Section 273.124, Subd. 1, paragraph (c) states in part:

“... For purposes of this paragraph and paragraph (g), "relative" means a parent, stepparent, child, stepchild, grandparent, grandchild, brother, sister, uncle, aunt, nephew, or niece. This relationship may be by blood or marriage...”

Therefore, the answer is no. A great niece does not meet the requirement of a qualifying relative. A relative homestead classification should not be granted in this situation.

If you have further questions, please direct them to us at proptax.questions@state.mn.us.

Sincerely,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114
Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

June 12, 2006

Marci Moreland
Carlton County Assessor's Office
Courthouse
P.O. Box 440
Carlton, MN 55718

Dear Marci:

Thank you for your e-mail. You outlined the following situation. A parcel of vacant lakeshore was classified as part of an agricultural homestead. In 2003, the owner built a cabin. That portion of the property was reclassified as Seasonal Residential Recreational. Since then, the owner's grandson has lived at the property during the summer when he was home from college. The grandson recently graduated from college and the owner would like him to occupy the property year round and receive a relative homestead. You have asked us if this is appropriate.

In our opinion, based on the information provided, this property cannot receive a relative homestead. Minnesota Statute 273.124, subdivision 1, paragraph (c) states in part that:

"Property that has been classified as seasonal residential recreational property at any time during which it has been owned by the current owner or spouse of the current owner will not be reclassified as a homestead unless it is occupied as a homestead by the owner; this prohibition also applies to property that, in the absence of this paragraph, would have been classified as seasonal residential recreational property at the time when the residence was constructed."

The grandson used the property seasonally after the structure was constructed and the property was classified as SRR for the 2004, 2005 and 2006 assessments. To the best of our knowledge, that classification was never challenged by the property owner. The statute above clearly states that once the property is classified as SRR under the current owner, the property cannot qualify for a relative homestead. The only person who can homestead the property is the owner if they occupy it as his/her principle place of residence.

If you have further questions, please direct them to proptax.questions@state.mn.us.

Sincerely,

Stephanie L. Nyhus, SAMA
Principal Appraiser
Information and Education Section
Property Tax Division
Phone: 651-556-6109
E-Mail: stephanie.nyhus@state.mn.us

July 5, 2006

A. Keith Albertsen
Douglas County Assessor
Courthouse
305 8th Avenue West
Alexandria, Minnesota 56308

Dear Keith:

Your e-mail has been assigned to me for reply. You state that an individual in your county currently owns a lake home that is classified as seasonal residential recreational (SRR). The owner has informed you that he is considering moving into the property to establish homestead. He subsequently asked how long he has to occupy it before he can move a relative into the property and apply for a relative homestead.

In our opinion, the property can never receive a relative homestead because the property was classified as SRR under the current ownership. Minnesota Statute 273.124, subdivision 1, paragraph (c) is very clear. It states, in part, that:

“Property that has been classified as seasonal residential recreational property at any time during which it has been owned by the current owner or spouse of the current owner will not be reclassified as a homestead unless it is occupied as a homestead by the owner; this prohibition also applies to property that, in the absence of this paragraph, would have been classified as seasonal residential recreational property at the time when the residence was constructed.”

Therefore, even if the property was occupied as a homestead by the owner in the interim, the fact that it was previously classified as SRR under the current owner prohibits that property from being classified as a relative homestead.

If you have further questions, please direct them to proptax.questions@state.mn.us.

Sincerely,

STEPHANIE NYHUS, Principal Appraiser
Information and Education Section
Property Tax Division
Phone: (651) 556-6109 Fax: (651) 556-3128
E-mail: stephanie.nyhus@state.mn.us

March 28, 2007

Becky Kotek
Rice County Assessor's Office
Government Services Building
320 Third Street NW, Suite 4
Faribault, Minnesota 55021-6100

Dear Becky:

Thank you for your question regarding a classification issue. I sincerely apologize for the delay in answering your question.

You provided the following: You have a family farm consisting of 40 acres. The father has deeded the property to his son and daughter and continues to occupy the house. The father is unable to farm the land so the land is rented out. The son has an apartment in Red Wing and the daughter owns and occupies a residential property in Harmony. You currently have the property split classified as Residential/Agricultural. You asked if the relative homestead can be applied to both classes.

In our opinion, based on the facts provided, the entire property should qualify for an agricultural relative homestead under Minnesota Statutes 273.124, subd. 1, paragraph (d) since the father is a qualifying relative for an agricultural homestead, and all other requirements are met: 1) Neither the father nor his spouse claims another ag homestead in Minnesota; and 2) Only one relative ag homestead per family. Additionally, the proper homestead application must be filed with the county assessor's office.

Please understand that this opinion is based solely on the facts provided. If any of the facts of the situation were to change, our opinion would be subject to change as well. If you have further questions or concerns, please direct them to proptax.questions@state.mn.us.

Sincerely,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114
Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

June 1, 2007

John Gellatly
Assessor, City of Duluth
411 West First Street
108 City Hall
Duluth, MN 55802-1187

Dear John:

Your question to Gary Amundson regarding property tax refund (PTR) has been forwarded to me for reply. You provided the following information.

A married couple along with their daughter are co-owners of a home. The married couple occupies the home and the daughter lives elsewhere. In a phone conversation with Gary Amundson, Regional Representative, it was confirmed that you have correctly classified the property as 50 percent owner occupied homestead and 50 percent relative homestead. The MCIS tax system employed by the city of Duluth's Assessor's Office describes the classification of the property as "Owner/Relative Full Homestead." Because the tax statement for this property has the word "relative" in the classification text, the co-owners occupying the property have been denied a PTR. You spoke to a person at the Minnesota Department of Revenue (DOR) who processes PTRs and this person indicated to you that they do not process any Minnesota PTR applications that are classified as relative homestead. You state that this person also said that you are classifying the property incorrectly since the owner is an owner occupant. The property owner has appeared before the Local Board of Appeal and Equalization (LBAE) appealing the classification and also plans on appealing to the County Board of Appeal and Equalization (CBAE) and then plans on filing in tax court. You were asked by the LBAE to inquire as to the processing of form M1PR (Minnesota property tax refund return), specifically, does a homestead classified as 50 percent owner-occupied homestead and 50 percent relative homestead qualify for PTR?

In our opinion, the property, as classified, qualifies for PTR which should be calculated on 100 percent of the total taxable market value (TMV) of the residential property. In this situation, the owner/occupant has a fractional residential homestead based upon the ownership interest in the property and a fractional residential relative homestead based upon the relationship between the occupying and non-occupying owners. In the case of fractional residential homesteads, the qualifying tax amount (QTA) for the PTR is calculated using the total TMV on both the residential homestead and residential relative class rates up to a maximum of ten acres. This is an exception to the general rule for calculating the QTA. For fractional homesteads only, the QTA is calculated using the total TMV of the house, garage and first acre (HGA) on agricultural homesteads and the total TMV of the residential portion of the property up to the ten-acre maximum limitation on residential homesteads. The decision to allow full QTA on any residence that is occupied by an owner, even if they are only a fractional owner was made many years ago. For fractional homesteads, the QTA is not fractionalized. Also, the words "relative homestead" should not be shown on the tax statement.

(Continued...)

John Gellatly
June 1, 2007
Page 2

Therefore, in this situation, the property co-owners occupying the home are entitled to a PTR on 100 percent of the total taxable market value (TMV) on both the owner occupied and relative homestead classification.

This opinion is based solely on the facts provided. If any of the facts of the situation were to differ, our opinion would be subject to change as well. If you have additional questions or concerns, please direct them to us at proptax.questions@state.mn.us.

Sincerely,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114
Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

cc Richard Lundstrom
Mel Hintz, St. Louis County Assessor
Larry Johnson, MCIS

June 4, 2007

Ms. Cathy Olson
 Aitkin County Assessor's Office
 209 2nd St. NW, Room 111
 Aitkin, MN 56431

Dear Ms. Olson:

Thank you for your recent inquiry; it has been forwarded to me for a reply. In your e-mail, you presented information about a property. I have summarized it in the timeline below.

Assessment Year(s)	Prior to 2002	2002 - 2004	2005	2006 - 2007		2008
Applicable Date	N/A	N/A	5/16/2005	N/A	5/14/2007	N/A
Notes	Property was owner-occupied	Owners move out; Property becomes Seasonal Residential Recreational (SRR)	Owners occupy the property again	Owners continue to occupy the property	Owners deed property to children but will continue to occupy the property	Previous owners continue to occupy property after deeding it to their children
Homestead Status	Full-Year, Owner-Occupied Residential Homestead	None	Mid-Year, Owner-Occupied Residential Homestead	Full-Year, Owner-Occupied Residential Homestead	Full-Year, Owner-Occupied Residential Homestead (continues)	Full-Year, Relative Residential Homestead

You asked if the property would qualify for a relative residential homestead.

In our opinion, the property is eligible for relative residential homestead treatment for the 2008 assessment provided proper and timely application is made. For more information, please review Minnesota Statute 273.124, subdivision 1, paragraph (c). This portion of the statute excludes property that was once classified Seasonal Residential Recreational from being reclassified as homestead unless it is occupied by that owner. This does not apply to your example, however, because there is new ownership. These new owners are eligible for homestead (and relative homestead) treatment as long as the property has not been classified Seasonal Residential Recreational under their ownership.

If you have any further questions or concerns, please direct them to us at proptax.questions@state.mn.us.

Sincerely,

MICHAEL STALBERGER
 State Program Administrator
 Information and Education Section

April 22, 2008

Cindy Blagsvedt
Fillmore County Assessor
Fillmore County Assessor's Office
PO Box 67
Preston, Minnesota 55965

Dear Cindy:

Thank you for your recent inquiry; it has been forwarded to me for a reply. In your e-mail, you asked if the agricultural homestead for a property going through probate should be continued under the deceased parent (as regular homestead) or be changed to a relative homestead. I also appreciate the additional information you provided in a follow-up email.

Minnesota Statutes, Section 273.124, subdivision 1, paragraph (h) provides the applicable direction for extending homestead treatment to property subject to the jurisdiction of probate court. It states,

"If residential or agricultural real estate is occupied and used for purposes of a homestead by a child of a deceased owner and the property is subject to jurisdiction of probate court, the child shall receive relative homestead classification under paragraph (c) or (d) to the same extent they would be entitled to it if the owner was still living, until the probate is completed. For purposes of this paragraph, "child" includes a relationship by blood or by marriage."

The references to paragraphs (c) or (d) explain the requirements for qualifying for the residential relative homestead and the agricultural relative homestead, respectively.

Based on statute, the property's homestead treatment should be changed to an agricultural relative homestead, provided it meets all applicable requirements. Please note the property must be in the process of probate in order to qualify for this homestead provision. At a very minimum, an attorney should be hired and be proceeding with the probate. Depending on the complexity of the estate being probated, the action may not be completed in one assessment year. On the other hand, we cannot imagine a probate action taking more than two years. This adds additional credence to our common advice to verify relative homesteads annually.

If you have further questions or concerns, please direct them to us at proptax.questions@state.mn.us.

Sincerely,

MICHAEL STALBERGER, State Program Administrator
Information and Education Section
Property Tax Division

November 13, 2008

Sylvia Schreifels
Washington County Assessor's Office
Washington County Govt Center
14900 61st Street North
Stillwater, Minnesota 55082

Dear Ms. Schreifels,

Thank you for your recent question concerning relative homesteads. You have outlined the following situation: A property owner is a U.S. citizen but resides in Canada. Her son occupies a property which she owns in your county. You have asked if the son qualifies for residential relative homestead.

Yes, the son is eligible for residential relative homestead so long as all other requirements for homestead have been met. Minnesota Statutes, section 273.124, subdivision 1, paragraph (c) states:

“Residential real estate that is occupied and used for purposes of a homestead by a relative of the owner is a homestead but only to the extent of the homestead treatment that would be provided if the related owner occupied the property.”

Since this is a residential homestead, it does not matter that the owner is not a resident of Minnesota. Only the occupant needs to be a Minnesota resident. If this were an agricultural property however, both the owner and the occupant would need to be Minnesota residents for the property to qualify for agricultural relative homestead.

If you have any further questions or concerns, please do not hesitate to contact our division at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

December 18, 2008

Kristie Olson
Lead Assessment Specialist
Anoka County Government Center
2100 3rd Ave, Room 160
Anoka MN 55303

Dear Ms. Olson,

Thank you for your recent question concerning relative homestead provision. You have outlined the following scenario: A property owner lives in Michigan, and her property in Minnesota is being occupied as a homestead by her mother. The mother's husband lives in another city.

You have asked the following questions:

1. Would this property qualify for one-half or a full homestead?

Answer: In terms of relative homestead, Minnesota Statutes, section 273.124, subdivision 1, paragraph (c) states:

“Residential real estate that is occupied and used for purposes of a homestead by a relative of the owner is a homestead but only to the extent of the homestead treatment that would be provided if the related owner occupied the property.”

In other words, homestead shall be granted as though the qualifying relative (the mother in this case) is the owner of the property. Therefore, if the qualifying relative's spouse occupies a separate property, and the spouses do not qualify for two separate homesteads under Minnesota Statutes, section 273.124, subdivision 1, paragraph (e), the relative is eligible for 50 percent relative homestead.

2. Does the non-occupying spouse of the qualifying relative need to supply his social security number?

Answer: Minnesota Statutes, section 273.124, subdivision 13, paragraph (d) provides:

“If residential real estate is occupied and used for purposes of a homestead by a relative of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for the property to receive homestead status, a homestead application must be filed with the assessor. The Social Security number of each relative and spouse of a relative occupying the property shall be required on the homestead application filed under this subdivision.”

This means that only the occupying relative (the mother) needs to provide a social security number.

If you have further questions, please do not hesitate to contact our division at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

July 16, 2009

Cathy Olson, Secretary
Aitkin County Assessor's Office
209 2nd St NW Room 111
Aitkin MN 56431

Dear Ms. Olson,

Thank you for your recent question regarding relative homestead. You have outlined the following scenario: A property was classified as seasonal residential recreational as of the January 2, 2009 assessment. In March of 2009, the ownership of this property was transferred to the daughter of the owners. The original owners have since applied for relative homestead on the property (which is now owned by their daughter). You have asked if they would qualify.

Minnesota Statutes, section 273.124, subdivision 1, paragraph (c) states in part:

“Property that has been classified as seasonal residential recreational property at any time during which it has been owned by the current owner or spouse of the current owner will not be reclassified as a homestead unless it is occupied as a homestead by the owner...[emphasis added].”

If you believe the transfer is a legitimate transfer of the property, and that the occupants apply and meet all of the qualifications for mid-year homestead (e.g. they are not claiming homestead in another state, are Minnesota residents, etc.), they are eligible for the relative homestead classification, because the property has not been classified as SRR under current ownership (the daughter). Rather, it was classified as SRR under the previous owner as of January 2, 2009. However, since relative homestead situations tend to change frequently, we would recommend that you monitor the situation annually to verify that the property and its occupants continue to meet the requirements for a residential relative homestead.

If you have any further questions or concerns, please do not hesitate to contact our division at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

June 29, 2010

Laurie Hein
Anoka County
Laurie.Hein@co.anoka.mn.us

Dear Ms. Hein:

Thank you for your homestead question. You have a situation in which a man is applying for a relative homestead in Anoka County. He has moved to Anoka County due to his employment. His wife has remained in St. Peter (Nicollet County) at their original homestead. You have asked if the wife also needs to fill out the relative homestead application in order for her husband to receive a relative homestead in Anoka County.

Minnesota Statutes, section 273.124, subdivision 13, paragraph (d) provides:

“If residential real estate is occupied and used for purposes of a homestead by a relative of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for the property to receive homestead status, a homestead application must be filed with the assessor. The Social Security number of each relative and spouse of a relative occupying the property shall be required on the homestead application filed under this subdivision.” [Emphasis added.]

This means that only the occupying relative (husband) needs to complete the relative homestead application and provide a social security number.

If the spouses qualify for two separate homesteads under Minnesota Statutes, section 273.124, subdivision 1, paragraph (e), the husband would be eligible for a full relative homestead. If not, the husband would be eligible for a 50 percent relative homestead.

Please be aware that this opinion is based solely on the information provided. If any of the facts of the situation were to change, our opinion would be subject to change as well.

If you have any other questions or concerns please direct them to proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

August 11, 2010

Jody Moran
Washington County Assessor's Office
jody.moran@co.washington.mn.us

Dear Ms. Moran,

Thank you for your recent residential relative homestead question that you have submitted to the Property Tax Division. Your office has received an application for residential relative homestead from the great-granddaughter of the property owner. You have asked if a great-grandchild is a qualifying relative for homestead purposes.

Qualifying relatives for residential homestead are listed in Minnesota Statutes, section 273.124, subdivision 1, paragraph (c), which states in part:

“Residential real estate that is occupied and used for purposes of a homestead by a relative of the owner is a homestead but only to the extent of the homestead treatment that would be provided if the related owner occupied the property. For purposes of this paragraph and paragraph (g), "relative" means a parent, stepparent, child, stepchild, grandparent, grandchild, brother, sister, uncle, aunt, nephew, or niece. This relationship may be by blood or marriage.”

As you can see, a great grandchild is not a qualifying relative for homestead purposes. Therefore, the application for residential relative homestead should be denied.

If you have any further questions, please do not hesitate to contact our division via proptax.questions@state.mn.us.

Very sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

August 24, 2010

Laurie Hein
Property Support Specialist
2100 3rd Ave
Anoka MN 55303

Dear Ms. Hein,

Thank you for your recent question regarding homestead eligibility. You have outlined the following scenario: Four children inherited their parents' home after the parents passed away. Three of the siblings own and occupy their own homes, and the fourth sibling occupies the parents' house (which is in the ownership of all four siblings). You have asked how homestead should be attributed.

The property which is owned by four siblings and occupied by one of the four would be eligible for 25% residential owner-occupied homestead and 75% residential relative homestead. The other siblings maintain their individual owner-occupied homesteads.

We highly recommend our newly-revised Property Tax Administrator's Manual as an excellent resource for questions such as this, as well as the database of letters we maintain on the MAAO database, if anyone in your office has access to that website. The Property Tax Administrator's Manual is available online via the following link:

http://taxes.state.mn.us/property_tax_administrators/pages/other_supporting_content_propertytaxadministratorsmanual.aspx

If you have any further questions, please contact our division via proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

February 8, 2011

Laurie Hein
Anoka County Assessor's Office
Laurie.Hein@co.anoka.mn.us

Dear Ms. Hein

Thank you for your question regarding homestead credit. You have outlined the following scenario:

John, Sally, and Kim inherited their parents' home after the parents passed away in 2009 (all 3 are siblings). Sally and Kim occupy the property (all 3 siblings are still on title as owners) and are homesteading their inherited property. Do Sally and Kim qualify for 100% homestead? Further, John lives in Mille Lacs County and has an owner-occupied homestead on his property there, which he purchased with his wife in 1973. Do John and his wife still qualify for 100% homestead in Mille Lacs County?

You verified with us that the property is a residential property which would qualify Sally and Kim for the 100% homestead. The homestead would be distributed as 2/3 owner-occupied homestead plus 1/3 residential relative homestead as they are qualifying relatives of the third owner, John. Also, John and his wife do still qualify for 100% homestead on their owner-occupied property in Mille Lacs County.

If you have additional questions or concerns, please contact our division by email at proptax.questions@state.mn.us.

Sincerely,

Jessi Glancey
State Program Administrator
Information and Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

July 27, 2011

Lyn Regenauer
Chisago County Assessor's Office
ljregen@co.chisago.mn.us

Dear Ms. Regenauer,

Thank you for your recent question regarding homestead eligibility. You have outlined the following scenario: An agricultural property in Chisago County was sold by the owner to her children on a Contract for Deed. The seller/owner continues to occupy the property and has asked if she may continue homestead. One of the children who purchased the property on a contract for deed has an agricultural homestead nearby. You have asked if the property would be considered a relative homestead or an owner-occupied homestead.

Typically, the provisions of a contract for deed grant enough ownership interest to the purchasers for the purchasers to qualify for homestead if they were to occupy the property. Therefore, in this case, the occupant (mother) would qualify for a residential relative homestead on the house, garage, and first acre of land. As you correctly surmised in follow-up conversations, the property would not qualify for an agricultural relative homestead because one of the owners already receives an agricultural homestead.

If you have any additional questions, please do not hesitate to contact our division via email at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

August 23, 2011

Laurie Hein
Anoka County Assessor's Office
Laurie.Hein@co.anoka.mn.us

Dear Ms. Hein,

Thank you for your recent question to the Property Tax Division regarding homestead eligibility. You have outlined the following scenario: A property in your county was quit-claimed from the owner ("Senior") to his son ("Junior") with the owner (Senior) retaining life estate. Senior continues to occupy the property. However, Junior has been advised by an attorney that he should apply for homestead on this property, which he also occupies. You have asked how homestead should be applied.

It is our opinion that the property, which currently qualifies as the homestead of Senior, should not be changed unless Senior's status materially changes. That is, if Senior no longer occupied the property as his principal place of residence or no longer qualified for homestead as the grantor of the life estate. As it is, the property currently qualifies for an owner-occupied homestead based on Senior's ownership interest as the grantor of the life estate. Therefore, a relative homestead for Junior would not apply.

If you have any additional questions, please do not hesitate to contact our division via email at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division



May 22, 2012

Kelly Schroeder
Pine County Assessor's Office
Kelly.schroeder@co.pine.mn.us

Dear Ms. Schroeder,

Thank you for your recent question to the Property Tax Division regarding agricultural homestead qualifications. You have provided us with the following information:

There is an agricultural property in your county that is owned by a brother and a sister. The brother lives on the property and the sister is not a Minnesota resident. You are asking for our opinion on how to grant homestead for this property.

There are two possible options for this property. The type of homestead that the property receives will depend on which homestead application the property owner submits to your office. In our opinion, the two options for homesteading this property are:

1. It can be residential homestead on the residential house, garage, and one acre (one-half owner-occupied and one-half relative homestead) and all of the agricultural land would be non-homestead; **or**
2. It can be one-half agricultural owner-occupied homestead on the entire property, including the HGA and the agricultural land.

The property cannot receive both a residential homestead on the HGA and an agricultural homestead (even a fractional agricultural homestead) on the land; only one homestead is applicable to the property.

Please note that our opinion is based solely on the information provided. If any of the facts are misinterpreted, or if any of the facts change, our opinion is subject to change as well. If you have any additional questions or concerns please feel free to contact our division us at proptax.questions@state.mn.us

Sincerely,

JESSI GLANCEY, State Program Administrator
Information and Education Section
Property Tax Division

Property Tax Division
600 North Robert Street
Mail Station 3340
St. Paul, MN 55101

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TTY: Call 711 for Minnesota Relay
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May 28, 2013

LuAnn Trobec
luann.trobec@mcis.cog.mn.us

Dear Ms. Trobec:

Thank you for submitting your question to the Property Tax Division regarding relative homesteads. A county your organization serves recently brought to your attention the following scenario:

John owns a five-acre parcel. His son Paul owns a manufactured home and has it on the property. The county is giving the land a relative homestead.

You have questioned if the son can also receive a homestead on the manufactured home.

In this case, the manufactured home must be assessed as personal property since the owner of the land is different from the owner of the manufactured home. Paul is the owner of the manufactured home and may qualify for a residential homestead on the manufactured home if he is occupying it as his homestead. Homestead on manufactured homes must be done by May 29 of the assessment year as per Minnesota Statute 273.124, subdivision 9. The land is entitled to a relative homestead provided it meets *all* criteria set forth in Minnesota Statute 273.124, subdivision 1.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information and Education Section
Property Tax Division

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Updated 7/31/2024 - See Disclaimer on Front Cover



September 12, 2013

Mike Dangers
Aitkin County Assessor
mike.dangers@co.aitkin.mn.us

Dear Mr. Dangers:

Thank you for submitting your question to the Property Tax Division regarding a residential relative homestead situation in your county.

Scenario: In Aitkin County, there are two separate properties that are currently occupied by children of deceased owners. In both cases, the owners have been deceased for decades. The children do not wish to go through the process of having the property transferred into their names because in one case, the child (now elderly) does not have sufficient funds to do so. In the other case, there is a concern that the child may not receive full ownership of the property in probate court.

Question: Since the properties have not gone through probate, can the relatives still receive a relative homestead on these properties?

Answer: Given the extensive period of time that has lapsed since the parent/owners of the homesteads have died, and in light of the fact that the children/occupants are not in the midst of probating their respective parents' estates, the most reasonable interpretation of Minnesota Statute 273.124, subdivision, 1(h) is to not allow the occupants to claim relative homestead status. This statute provides that if a residence is "occupied and used for purposes of a homestead by a child of a deceased owner and the property is subject to jurisdiction of probate court, the child shall receive relative homestead classification...until the probate is completed."

Under the Uniform Probate Code, probate proceedings must typically start within three years of the individual's death. Without continued relative homestead classification, the occupants may be prompted to probate their parents' estates. This could lead to the properties being transferred to the appropriate individuals, and the titles reflecting the correct owners.

If the current occupants of the properties assert that - even though the estates have not been probated - the homesteads are still subject to jurisdiction of probate court, then the county, given the interest in the tax payment on the properties, could petition to the courts to probate the estates of the decedents.

Please note that our opinion is based solely on the information provided. If any of the facts are misinterpreted, or if any of the facts change, our opinion is subject to change as well. If you have any additional questions or concerns please feel free to contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez, State Program Administrator
Information and Education Section
Property Tax Division

Property Tax Division
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Mail Station 3340
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Updated 7/31/2024 - See Disclaimer on Front Cover



October 23, 2013

Kristen Olson
Mower County Assessor's Office
kristeno@co.mower.mn.us

Dear Ms. Olson,

Thank you for submitting your question to the Property Tax Division regarding residential homestead.

Scenario:

- A property is owned by 2 individual owners: Owner A and Owner B.
- Owner B is the mother-in-law of Owner A.
- Owner A occupies the property; Owner B does not live there.

Question:

Does the property qualify for only 50% homestead or does it qualify for 50% owner-occupied and 50% relative homestead?

Answer:

Since the property is owned by 2 owners we will review the ownerships separately. Owner A owns and occupies the property, therefore owner A would qualify for a 50% residential owner-occupied homestead. Owner B owns the property but does not live there. However, owner B is a qualifying relative to Owner A; therefore, the property would also qualify for a 50% residential relative homestead.

You can find additional information regarding residential and residential relative homesteads in our Property Tax Administrators Manual, module 4 - *Homesteads*. This manual can be found on our website at:
http://www.revenue.state.mn.us/local_gov/prop_tax_admin/Pages/ptamanual.aspx

Please note that our opinion is based solely on the information provided. If any of the facts are misinterpreted, or if any of the facts change, our opinion is subject to change as well. If you have any additional questions or concerns please feel free to contact our division us at proptax.questions@state.mn.us.

Sincerely,

JESSI GLANCEY, State Program Administrator
Information and Education Section
Property Tax Division

Property Tax Division
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December 6, 2013

Laurie Hein
Anoka County Assessor's Office
Laurie.hein@co.anoka.mn.us

Dear Ms. Hein:

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following:

Scenario 1:

Gary & Dale are brothers. Dale owns a property in Anoka County that he no longer occupies. Dale purchased a new home in Itasca County which he is now homesteading. Dale has now added his brother Gary on the title along with himself on the Anoka County property.

Question:

Since Dale is on both titles, but only homesteading the Itasca County property, does he qualify for 100% homestead in Itasca, and his brother Gary only qualifies for 50% homestead in Anoka County?

Answer:

In order to qualify for homestead, an individual must own and occupy the property they are intending to homestead, or a qualifying relative may occupy the property to receive homestead. In this case, since Gary is 50% owner of the property and is only occupied by him, he would receive a 50% owner-occupied homestead on the property and 50% relative homestead because he is a qualifying relative of Dale. Dale would qualify for 100% homestead on the Itasca County property that he both owns and occupies.

Scenario 2:

An unmarried couple purchased a home together. The couple broke up and one of them purchased new home and wants to homestead the new property. Both names remain on the title of the first property.

Question:

Does the individual who purchased the new property in their name alone get full homestead on the new home, and the other individual would get only 50% homestead because the title still holds both names?

Answer:

In order to qualify for homestead, an individual must own and occupy the property they are intending to homestead. In this case, since each person is 50% owner of the first property, the person occupying the property is eligible for 50% homestead. The other individual would qualify for 100% homestead on the property purchased solely in his or her name.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

KELSEY JORISSEN, State Program Administrator
Information and Education Section
Property Tax Division

Property Tax Division
600 North Robert Street
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December 18, 2014

Cheryl Wall
Wilkin County Assessor's Office
cwall@co.wilkin.mn.us

Dear Ms. Wall:

Thank you for submitting your question to the Property Tax Division regarding agricultural homestead. You have provided the following scenario and question.

Scenario:

- A son has applied for agricultural homestead on a parcel he owns and occupies in Wilkin County.
- His mother resides in the home as well.
- The mother individually owns agricultural land that is within 4 townships of the base parcel in Wilkin County.

Question:

With the mom still occupying the home with her son, could she receive full relative agricultural homestead on the property and agricultural land in her name?

Answer:

No, the mother cannot receive relative homestead on the property. Historically, it has been the opinion of the Department of Revenue that you cannot grant a relative homestead if the property is owner-occupied. With the son occupying the base parcel he now owns, the mother would no longer be eligible for homestead. Additionally, it would not be appropriate for the owner to rescind his homestead to potentially gain a "better" tax advantage. An owner-occupied homestead is the only choice in this situation.

You may wish to review the mother's remaining parcels to see if they qualify for special agricultural homestead, however. If the requirements for special ag homestead are met, it is still possible for the mother's parcels to receive homestead. You may review the "Determining if a property qualifies for the agricultural homestead classification" flow chart in the [Property Tax Administrator's Manual](#), *Module 4 – Homesteads*.

Please note that our opinion is based solely on the information provided. If any of the facts are misinterpreted, or if any of the facts change, our opinion is subject to change as well. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Emily Hagen
State Program Administrator
Information and Education Section
Property Tax Division
Phone: 651-556-6091
Email: proptax.questions@state.mn.us



December 29, 2014

A Thor
Kanabec County Assessor's Office
a.thor@co.kanabec.mn.us

Dear Mr. Thor:

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question.

Scenario:

Parents deeded over their seasonal recreational (SRR) property to their son but retained a life estate on the property. The property was homesteaded by the parents until about 2 years ago. The property is currently classified as non-homestead SRR property. The son has now applied for a homestead. There is no evidence that the life estate interest on the property has been removed.

Question:

Can the son, who is the fee owner, apply for homestead on the property even though it's classified as SRR and the parents still retain a life estate?

Answer:

No; the son may not receive homestead on the property because it has been classified as SRR under the current ownership. The holder of the life estate is treated as if they were the owner of the property. When reviewing homestead for the son we look at Minnesota Statutes, section 273.124, subdivision 1, paragraph (c), which outlines residential relative homesteads and states:

"...Property that has been classified as seasonal residential recreational property at any time during which it has been owned by the current owner or spouse of the current owner will not be reclassified as a homestead unless it is occupied as a homestead by the owner; this prohibition also applies to property that, in the absence of this paragraph, would have been classified as seasonal residential recreational property at the time when the residence was constructed.[emphasis added]..."

In other words, since neither parent who retains interest in the property through their life estate occupies the property, the property is correctly classified as SRR.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Emily Hagen
State Program Administrator
Information and Education Section
Property Tax Division
Phone: 651-556-6091
Email: proptax.questions@state.mn.us



4/29/2015

Joanne Corrow
Le Sueur County Assessor's Office
jcorrow@co.le-sueur.mn.us

Dear Ms. Corrow,

Thank you for contacting the Property Tax Division regarding relative homestead. You provided us with the following information.

Scenario:

- A father owns two contiguous 80-acre parcels located within your county
- He deeded the individual parcels to his 2 individual sons
- The father has a life estate on both parcels
- Property A was deeded to Son A, this parcel has an HGA
- Property A is occupied by the father and his wife
- Property B was deeded to Son B; this parcel is bare land
- The father recently passed away; his wife still lives on Property A, which is now owned by Son A
- The wife/mother recently applied for relative agricultural homestead on Property A

Question: Can the mother get relative agricultural homestead on both parcels?

Answer: No; a family can only have one relative agricultural homestead. Because she has homestead on Property A, she cannot get homestead on Property B, nor can they be linked because they have different owners.

If you have any further questions, please contact our division at
proptax.questions@state.mn.us.

Sincerely,

JESSI GLANCEY
State Program Administrator Principal
Property Tax Division
Phone: 651-556-6091
Email: proptax.questions@state.mn.us



September 17, 2015

Jackie Goerish
Scott County Assessor's Office
JGoerish@co.scott.mn.us

Dear Ms. Goerish,

Thank you for contacting the Property Tax Division regarding homestead and Property Tax Refund. You provided us with the following information and questions.

Scenario:

- A property located in your county is owned by 5 sisters as tenants in common.
- Each sister owns 20% interest in the property.
- One of the owners/sister would like to claim homestead on the property
- You have discovered the following statement in the Property Tax Administrator's Manual: "Neither the owner nor the qualifying relative who occupies the property may claim a property tax refund under Chapter 290A unless the property is jointly owned and one of the joint owners occupies the property as his or her principal place of residence."

Question 1: Does ownership as tenants in common or joint tenancy play any role in this scenario?

Answer 1: No, the type of ownership does not matter when it comes to determining homestead.

Question 2: Is it appropriate for the owner to claim a fractional owner-occupied homestead (20%), or should she receive a full relative owner occupied homestead?

Answer 2: According to the information provided, it appears that this property could qualify for a full homestead. She would receive 20% owner-occupied residential homestead on the portion she owns, and she would qualify for an 80% residential relative homestead as a relative to the other owners.

Regarding the Property Tax Refund for fractional residential homesteads, the qualifying tax amount (QTA) is calculated using the TMV, which is subject to both homestead and non-homestead residential class rates up to a maximum of 10 acres. It should be noted that this is an exception to the general rule for calculating the QTA. For fractional homesteads only, the QTA is calculated using the total TMV of the entire residential (homestead and non-homestead) portion of the property up to the 10 acre maximum.

Therefore, in this situation, the property co-owner occupying the home are entitled to a PTR on 100 percent of the total taxable market value (TMV) on both the owner-occupied and relative homestead classification.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

JESSI GLANCEY

State Program Administrator Principal

Property Tax Division

Phone: 651-556-6091

Email: proptax.questions@state.mn.us

Property Tax Division
600 North Robert Street
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St. Paul, MN 55146

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September 30, 2015

Marci Moreland
Carlton County Assessor
Marci.Moreland@co.carlton.mn.us

Dear Ms. Moreland:

Thank you for submitting your question to the Property Tax Division regarding relative homestead. You have provided the following scenario and question.

Scenario:

- Husband and wife owned a property and received full homestead.
- Wife passed away several years ago.
- The husband remarried and moved to a new house with his new wife.
- The brother of the deceased wife moved into the property formerly occupied by the husband.

Question:

Is the brother of the deceased wife considered to be a qualifying relative of the owner?

Answer:

The brother of the deceased wife would no longer be considered a relative of the current owner, because the owner has since remarried. Minnesota Statute indicates “this relationship may be by blood or marriage.” The property in this scenario would not qualify as a relative homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Emily Hagen
State Program Administrator
Information and Education Section
Property Tax Division
Phone: 651-556-6099
Email: proptax.questions@state.mn.us



October 16, 2015

Colleen Pederson
Swift County Assessor's Office
Colleen.pederson@co.swift.mn.us

Dear Ms. Pederson,

Thank you for submitting your question to the Property Tax Division regarding agricultural homestead. You have submitted the following scenario and question:

Scenario:

- Multiple contiguous parcels, consisting of 3 agricultural parcels and 1 homesteaded base parcel were previously owned by an LLC and were receiving special agricultural homestead.
- Due to a divorce between the grantors of the LLC, all 4 parcels are now individually-owned by the ex-wife.
- The ex-wife does not live on the home parcel but her son does.
- The land is farmed by the ex-husband.

Question:

Should the parcels be granted special agricultural homestead?

Answer: Based upon the information you provided, the 4 parcels may receive relative agricultural homestead. Homestead is established on the base parcel by the owner's relative (son) who occupies the property. This base parcel may be linked to contiguous agricultural parcels held under the same ownership (his mother). Participation level in regards to who farms the land is not a factor for this situation.

If you have any further questions, please look to [Module 4 – Homesteads](#) on our website or contact our division at proptax.questions@state.mn.us.

Sincerely,

Jeff Holtz

State Program Administrator Senior
Information & Education Section
Property Tax Division
Phone: 651-556-4861
Email: proptax.questions@state.mn.us



October 12, 2015

Kelsey Jorissen
Anoka County Assessor's Office
kelsey.jorissen@co.anoka.mn.us

Dear Ms. Jorissen:

Thank you for submitting your question to the Property Tax Division regarding relative homestead. You have provided the following scenario and question:

Scenario:

- You received 4 homestead applications for a 4-unit apartment in your county.
- The property is owned by 2 individuals who do not live on the property.
- The 4 homestead applications were submitted by relatives of the owners.

Question: Is this property eligible for 4 different relative homesteads, or can only one relative receive homestead?

Answer: The property would be eligible for 4 different relative homesteads. If the property has one PID, the property would be eligible for one full homestead with each relative homesteading 25% each. If the 4-unit apartment building has multiple PIDs, then the portion or unit used by each relative may be eligible for a residential relative homestead on the unit occupied by each relative. Unlike agricultural homesteads, there is no maximum number of residential relative homesteads.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez
State Program Administrator
Property Tax
Phone: 651-556-4753
Email: proptax.questions@state.mn.us

January 6, 2016

Penny Schmit
Wabasha Assessor's Office
pschmit@co.wabasha.mn.us

Dear Ms. Schmit:

Thank you for submitting your question to the Property Tax Division regarding relative ag homestead. You have provided the following scenario and question.

Scenario:

- Property is owned by Graner Farms LLC.
- Parents are not members of the LLC and live on the property.

Question:

Can the property receive relative homestead?

Answer:

No, business entities are not allowed relative homesteads as they cannot have relatives.

You can find this information in *Module 4- Homesteads* in our [Property Tax Administrator's Manual](#).

The manual states:

"Properties owned by an entity (corporation, partnership, limited partnership, LLC, LLP, etc.) cannot qualify for a relative homestead – since they are non-human entities, they cannot have relatives."

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Emily Anderson
State Program Administrator
Information and Education Section
Property Tax Division
Phone: 651-556-6099
Email: proptax.questions@state.mn.us



April 1, 2016

Patrick Todd
City of Minneapolis Assessor's Office
Patrick.Todd@minneapolismn.gov

Dear Mr. Todd:

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- A property owner passed away and the estate allocated the house ownership to the property owners 4 children.
- The ownership has been distributed as follows:
 - 40% owned by a trust for Child A, the deceased property owner is the grantor,
 - 20% owned by Child B of the owner
 - 20% owned by Child C of the owner.
 - 20% owned by Child D of the owner
- The property is occupied by Child A as his primary residence
- Children B – D all have their own homesteads in Minnesota

Question: How would the homestead be applied?

Answer: This property would qualify for a full residential relative homestead. Child A is a surviving relative of the grantor and qualifies for relative homestead. Child A is a sibling of the other three owners, therefore the remaining percentage would qualify for relative homestead since a qualifying relative of the owners is occupying the property.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez
State Program Administrator
Property Tax
Phone: 651-556-4753
Email: proptax.questions@state.mn.us

MINNESOTA • REVENUE

April 15, 2016

Sheila Buenger
Fillmore County Assessor's Office
sbuenger@co.fillmore.mn.us

Dear Ms. Buenger:

Thank you for submitting your question to the Property Tax Division regarding agricultural relative homestead. You have provided the following scenario and question:

Scenario:

- A property owner owns two parcels.
- One of the parcels is a residential property.
- The second parcel is a 350 acre farm which is occupied by the owner's sister.
- The farm is rented out and is not farmed by the owner.

Question: Can an agricultural relative homestead be applied to the entire 350 acre farm?

Answer: Yes; agricultural property that is occupied and used for the purposes of a homestead by a qualifying relative of the owner may be given an agricultural relative homestead on the entire property. The property must meet all of the following criteria to receive the agricultural relative homestead:

- the qualifying relative occupies the property;
- the owner is a Minnesota resident;
- neither the owner nor his/her spouse receives another agricultural homestead in Minnesota; and
- the owner of the agricultural property is limited to only one agricultural homestead per family.

You can find more information regarding agricultural relative homestead in Module 4, Homesteads, of the [Property Tax Administrators Manual](#).

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez
State Program Administrator
Property Tax
Phone: 651-556-4753
Email: proptax.questions@state.mn.us

April 19, 2016

Terrie Johnson
Mahnomen County Assessor's Office
Terrie.Johnson@co.mahnomen.mn.us

Dear Ms. Johnson:

Thank you for submitting your question to the Property Tax Division regarding relative homestead. You have provided the following scenario and question:

Scenario:

- A son owns one parcel in Mahnomen County and lives more than four cities or townships away from the parcel.
- The son does not have an agricultural homestead.
- He was deeded three other parcels from his parents who reserved a life estate on the property.
- His parents occupy one of the parcels.
- The son and parents farm the land together.

Question:

Does the son qualify for relative homestead on the three parcels his parents retain the life estate on?

Answer:

The son would not qualify for relative homestead because the property is still being occupied by the owners, his parents. It has been the longstanding position of the Department of Revenue that retention of a life estate interest in a property is a sufficient ownership interest to secure homestead. In this scenario, there are two options for homestead.

The first option would be for the parents to receive owner-occupied agricultural homestead on the entire property because they retain ownership interest. We assume the parents do not claim another agricultural homestead in Minnesota.

The second option would be the HGA qualifies for owner-occupied residential homestead. If the parents are claiming owner-occupied *residential* homestead on the property, this would not carry over to the agricultural land and we would look at that separately.

For the remaining land to receive special agricultural homestead on the entire property the following qualifications all must be met:

- the son and parents must be farming on their own behalf or on behalf of an entity in which they are member, shareholder, or partner of
- the agricultural property is at least 40 acres
- the parents do not receive another agricultural homestead in Minnesota
- the son, who is actively farming, does not live farther than four cities or townships from the ag property

The homestead that is ultimately granted will depend upon the owner's application for homestead, as well as verification of the requirements outlined above for either, or owner-occupied agricultural homestead on the entire property or residential homestead on the HGA and special agricultural homestead on the land.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Emily Anderson
State Program Administrator
Information and Education Section
Property Tax Division
Phone: 651-556-6099
Email: proptax.questions@state.mn.us

April 21, 2016

Jamie Freeman
Clearwater County Assessor's Office
jamie.freeman@co.clearwater.mn.us

Dear Ms. Freeman,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the following information.

Scenario:

- There is a parcel in your county that is owned by ALH LLC
- The shareholders/members of the LLC are brothers
- The father of the shareholders occupies the property, he is not a member of the LLC.

Question: Can the HGA qualify for a relative homestead since the father of the shareholders occupies the property?

Answer: Entity owned property cannot qualify for a relative homestead since entities cannot have relatives. Corporations, partnerships, limited liability companies, etc. are legal entities in and of themselves. They are not people, so they cannot have relatives. Since the property is owned by the LLC and the person occupying the property is not a member of the LLC, the HGA should be classified as residential non-homestead.

[MN Statute 273.124, subdivision 1 \(c\) & \(d\)](#) explain how a property would qualify for a relative homestead. Statute states that the occupant must be a *relative* of the *owner*.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Jon Klockziem
Assistant Director-Assessment and Classification
Property Tax Division
Phone: 651-556-6608
Email: proptax.questions@state.mn.us

May 12, 2016

Sherri Kitchenmaster
Lyon County Assessor's Office
SherriKitchenmaster@co.lyon.mn.us

Dear Ms. Kitchenmaster,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the following information:

Scenario:

- Property owner has 314.24 acres of land located in your county.
- The land is agricultural.
- The owners' grandson is moving a trailer house onto the property.
- The grandson owns the trailer house.
- An owner is going to move into the trailer house and the grandson is going to move into the owners' house.

Question: How should homestead be granted?

Answer: The parcel may have two structures treated as homestead. The home and land could receive an agricultural relative homestead and the trailer house could receive a residential relative homestead so long as all other requirements for homestead are met.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

JESSI GLANCEY
State Program Administrator Principal
Property Tax Division
Phone: 651-556-6091
Email: proptax.questions@state.mn.us

MINNESOTA • REVENUE

May 23, 2016

Judy Liddell
Morrison County Assessor's Office
JudyL@co.morrison.mn.us

Dear Ms. Liddell:

Thank you for submitting your question to the Property Tax Division regarding linking agricultural homestead. You have provided the following scenario and question.

Scenario:

- Two agricultural classified parcels are owned by the Smith family Trust. The grantors are three siblings.
- The property is occupied by the parents of the grantors
- Sibling 1 has her own agricultural homestead with her husband which is within four cities/townships.
- Sibling 2 has his own agricultural homestead which is within four cities/townships.
- Sibling 3 has her own residential homestead which is within four cities/townships.

Question 1: Can the trust owned parcels receive a residential relative homestead on the house, garage, and one acre (HGA)? How should the remaining land be classified for homestead purposes?

Answer: The property may qualify for homestead in the following way. To aid us in our decision we utilize the "Determining if a property qualifies for agricultural homestead classification" flow chart.

Who owns the farm? A trust.

Who occupies the property? The property is physically occupied by a qualifying relative of each grantor (parents).

Who farms? Doesn't matter since the property is occupied by qualifying relatives of the grantors.

Does the owner/owner's spouse claim another agricultural homestead? Yes, Sibling 1 and Sibling 2. No, for Sibling 3 [At this point, 2/3 is disqualified for homestead].

Based on the information above, 1/3 of the property would qualify for relative agricultural homestead.

As for linking, Sibling 1 can link her agricultural homestead to her 1/3 interest in the parcel and Sibling 2 can link his agricultural homestead to his 1/3 interest in the parcel. In essence, the parcel would be receiving 100% homestead (1/3 relative agricultural homestead + 1/3 linked to Sibling 1 homestead + 1/3 linked to Sibling 2 homestead).

This opinion is based solely on the information provided. If any of the facts of the situation were to change, our opinion would be subject to change as well. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez
State Program Administrator
Property Tax
Phone: 651-556-4753
Email: proptax.questions@state.mn.us

June 9, 2016 *Edited July 2021 due to law change*

Barbara Roder
Chippewa County Auditor's Office
BRoder@co.chippewa.mn.us

Dear Ms. Roder,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the following information:

Scenario:

- A parent owned and lived in a residential house January 2, 2014, but passed away in the fall of 2014.
- On January 2, 2015 the house was vacant so the county removed the homestead.
- Two siblings purchased the property in 2015.
- One owner lives there and one does not.
- An application for homestead was applied for and approved prior to December 31, 2015.

Question 1: How should homestead be granted?

Answer: This property would qualify for 100% homestead, 50% owner occupied and 50% relative homestead. Since the property was occupied prior to December 31 and the application for homestead was submitted prior to December 31, the homestead should be granted for the entire assessment year 2015, pay 2016.

Question 2: How should the taxes and PTR be calculated?

Answer: The Property Tax Division's [Auditor/Treasurer Manual](#) states:

*For fractional residential homesteads, the QTA (qualifying tax amount) is equal to the taxable market value of both homestead and non-homestead residential classes up to a maximum of ten acres. This is an exception to the general rule for calculating the QTA. For fractional homesteads only, the QTA is calculated using the total taxable market value of the residential portion of the property up to the ten-acre maximum. **For homesteads that are part owner-occupied and part relative homestead (where a property is owned by two or more relatives and occupied by at least one owner), the qualifying tax amount is **not reduced, fractionalized or otherwise apportioned.*****

If you have additional questions regarding tax calculation please contact the Auditor/Treasurer section at the Property Tax Division. You can contact them via email at PropTax.Admin@state.mn.us or by phone at 651-556-6091.

Sincerely,

JESSI GLANCEY
State Program Administrator Principal
Property Tax Division
Phone: 651-556-6091
Email: proptax.questions@state.mn.us

June 23, 2016

Becky Kotek
Rice County Assessor's Office
bkotek@co.rice.mn.us

Dear Ms. Kotek:

Thank you for submitting your question to the Property Tax Division regarding residential relative homestead. You have provided the following scenario and question:

Scenario:

- A home currently receiving residential relative homestead was occupied by the daughter of the owner and her husband.
- The daughter passed away in February of 2016.

Question: Does a son-in-law qualify for residential relative homestead?

Answer: Yes. In reviewing Minnesota Statute 273.124 broadly, this individual would qualify for residential relative homestead. In the past, the department has advised that if the occupant became divorced from the child of the owner, then the occupant would not qualify for residential relative homestead.

However, in your situation, the marriage did not end due to a divorce and instead the child of the owner died. For purposes of residential homestead, the male occupant, child's husband, can continue to be treated as a qualifying relative until he re-marries.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Jeff Holtz
Senior State Program Administrator
Information and Education Section, Property Tax Division
Phone: 651-556-4861
Email: proptax.questions@state.mn.us

August 26, 2016

Joanne Corrow
Le Sueur County Assessor's Office
jcorrow@co.le-sueur.mn.us

Dear Ms. Corrow,

Thank you for contacting the Property Tax Division regarding trust relative homestead. You provided us with the following information.

Scenario:

- Parcel 1: 115 acres owned by Lyle Trust and Judith Trust.
 - Lyle and Judith are married & occupy the property
 - The grantors of the trusts are Lyle and Judith's children
 - Currently the property is receiving an agricultural relative homestead
- Parcel 2: 26.12 agricultural acres owned individually by Lyle
- Parcel 3: 31.40 agricultural acres owned individually by Judith

Question: Can Lyle and Judith qualify for homestead on parcel 2 and 3?

Answer: No, since Lyle and Judith are already receiving a relative agricultural homestead on parcel 1, they cannot receive another agricultural homestead on the parcels they own as individuals. When referring to the "*Determining if Property qualifies for the Agricultural Homestead Flowchart*" for parcels 2 and 3, question 5 requirement is not met therefore parcels 2 and/or 3 do not qualify for agricultural homestead.

1. Who Owns: An individual
2. Who Occupies: Nobody
3. Who Farms: Unknown but we will assume the owner/spouse/qualifying relative
4. Is the property at least 40 acres: Yes
5. Does either the owner or their spouse claim another ag homestead in MN? **YES**, the owners are claiming a relative homestead on parcel 1

It is inappropriate to link the properties for homestead purposes where the ownership of the parcels differ such as individually-owned parcels (Lyle and/or Judith) to trust-held parcels which the grantor(s)(children) is not the same as the individual (Lyle and/or Judith).

If you have any further questions, please contact our division at proptax.questions@state.mn.us

Sincerely,

JESSI GLANCEY
State Program Administrator Coordinator
Property Tax Division
Phone: 651-556-6091
Email: proptax.questions@state.mn.us

October 28, 2016

Tina VonEschen
Kanabec County Assessor's Office
Tina.VonEschen@co.kanabec.mn.us

Dear Ms. VonEschen,

Thank you for contacting the Property Tax Division regarding the classification of property. You provided us with the following information.

Scenario:

- Within your county, there are three non-contiguous land masses that all have the same PID number.
- The three non-contiguous land masses are included within one legal description.
- The first property is 18 acres, has a home on the property which is occupied by a relative of the owner and a few farm buildings.
- The second property is 62 acres, with 42 of those acres being tillable.
- The third property consists of 10 acres, all 10 acres are farmed border to border.
- Currently, all three land masses are receiving a relative agricultural homestead due to the fact that they are all listed as the same parcel and are encompassed by the legal description.

Question: Is it correct to classify all three non-contiguous land masses as relative agricultural homestead? If not, how should the county classify these properties?

Answer: After reviewing the information you provided, it appears that these properties should not be classified as relative agricultural homestead. The only way these three properties could qualify for a relative agricultural homestead is through establishing a base parcel, then linking that base parcel to other parcels owned by the same owner. This is not an option in this situation, since the base parcel (property 1) does not qualify for agricultural homestead.

Below we have included how each property should be classified according to the information you provided:

- **Property 1** – This property is less than 20 acres and has a home located on it. Since the property is less than 20 acres, you cannot split classify this property. Therefore, you must classify this property according to its use, which appears to be residential. This property should be classified as residential relative homestead.
- **Property 2** – According to the information provided, it appears this property could qualify for the agricultural classification. We would recommend that the county verify whether this property would qualify for a special agricultural homestead on its own. If it doesn't qualify for special agricultural homestead, then this property would be agricultural non-homestead.
- **Property 3** – This property appears to be farmed border to border and meets the minimum 10 acre requirement, therefore it should be classified as agricultural non-homestead.

Finally, we would recommend that the county review its procedures on how parcel id numbers are created. It appears that these properties should all have separate parcel id numbers since they are three

non-contiguous land masses. Having one parcel id number for three separate land masses causes confusion for the county as well as the property owners. If you have any further questions, please contact our division at proptax.questions@state.mn.us

Sincerely,

Jessi Glancey

State Program Administrator Coordinator

Property Tax Division

Phone: 651-556-6091



December 30, 2016

Nancy Heibel
Koochiching County Assessor's Office
Nancy.Heibel@co.koochiching.mn.us

Dear Ms. Heibel,

Thank you for submitting your question to the Property Tax Division regarding relative homestead. You have provided the following scenario and question:

Scenario:

The relative of an owner of an LLC has filed for relative homestead, but the Property Tax Administration Manual states that relative homestead cannot be granted to an LLC.

Question:

Are there any circumstances which would allow an LLC to qualify for relative homestead?

Answer:

No. Entity owned property cannot qualify for a relative homestead since entities cannot have relatives. Corporations, partnerships, limited liability companies, etc. are legal entities in and of themselves. They are not people, so they cannot have relatives.

[MN Statute 273.124, subdivision 1 \(c\) & \(d\)](#) explains how a property would qualify for a relative homestead. Statute states that the occupant must be a *relative* of the *owner*.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Gary Martin
State Program Administrator
Property Tax Division
Information & Education
(651) 556-6091

September 27, 2017

Sam Kral
Sibley County Assessor's Office
samk@co.sibley.mn.us

Dear Ms. Kral,

Thank you for submitting your question to the Property Tax Division regarding residential duplex/triplex and relative homestead. You have provided the following scenario and question:

Scenario:

- The current owner of a residential triplex property passed away in July 2017.
- The entire residential triplex property was receiving owner-occupied homestead until the owner's death.

Question: If there is a qualifying relative living in one of the other units, does the entire triplex qualify for a relative homestead?

Answer: Yes. MN Statute 273.13, subdivision 22 explains that in the case of a duplex/triplex in which one of the units is used for homestead purposes, the entire property is deemed to be used for homestead purposes. This applies for owner-occupied and relative homesteads.

Please note, upon death of an owner typically a property goes through probate court and ownership changes. It is correct to grant relative homestead while a property goes through probate however once ownership changes the homestead status should be reviewed to ensure it is granted properly.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education

Property Tax Division
Phone: 651-556-6091

January 31, 2018

Lynette Snare
Kittson County Assessor's Office
lsnare@co.kittson.mn.us

Dear Ms. Snare,

Thank you for submitting your question to the Property Tax Division regarding relative homestead. You have provided the following scenario and question:

Scenario:

- Mother deeded her agricultural homestead to her two daughters as tenants in common.
- Mother now lives in a healthcare facility.
- Daughter A lives in Texas.
- Daughter B is on active duty with the United States military and is currently stationed in Germany.
- Prior to deployment, Daughter B was a Minnesota resident.

Question:

Would Daughter A be eligible for a 50% relative residential homestead on the house, garage and one acre (HGA)? Would Daughter B be eligible for a 50% relative residential homestead on the HGA, or a 50% relative agricultural homestead?

Answer:

No. Minnesota Statute 273.124 Subdivision 1 (f) only provides for the retention of homestead for property **owners** residing in a care facility. In the situation you have outlined, the mother has deeded the parcel to her two children and is therefore no longer the owner of the property. Although the parcel may have qualified for a residential relative homestead in part, or in whole, prior to the mother moving to a healthcare facility, MS 273.124 Subdivision (f) cannot be utilized to preserve the homestead once she sells the property.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

February 20, 2018

David Parsons
City of Marshall Assessor's Office
David.Parsons@ci.marshall.mn.us

Dear Mr. Parsons,

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- Mr. and Mrs. M. homestead a home in Marshall County.
- Mr. and Mrs. M. own a second home that their son is receiving a relative residential homestead on.
- Mrs. M. runs a daycare out of the second home that their son occupies.
- Minnesota Statute, section 273.124, subdivision 1, paragraph (i) states that any portion of a residential or agricultural homestead used to provide child care must be classified as homestead.

Question: Should the second home, where the son lives, receive a full residential relative homestead?

Answer: No. M.S. 273.124, subdivision 1, mentioned above is specific to owner-occupied residential and agricultural homesteads to ensure licensed in home child care businesses maintain their homestead status.

In the scenario you have described, the owner does not homestead the property; therefore, the portion of the home used as a residential relative homestead would maintain its classification and homestead status, while the daycare portion would not receive homestead. If you can determine a portion of the property is primarily used as a day care, that portion may be classified as 3a commercial. As you are aware, the assessor must classify the property according to its use. Therefore, it must be determined how the property is primarily used and then classify accordingly.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

April 20, 2018

Lana Anderson
St. Louis County Assessor's Office
andersonl3@stlouiscountymn.gov

Dear Ms. Anderson,

Thank you for submitting your question to the Property Tax Division regarding relative homesteads and probate proceedings. You have provided the following questions:

Minnesota Statute 273.124 Subdivision 1(h) states:

*"If residential or agricultural real estate is occupied and used for purposes of a homestead by a child of a deceased owner and the property is **subject to** jurisdiction of probate court, the child shall receive relative homestead classification under paragraph (c) or (d) to the same extent they would be entitled to it if the owner was still living, until the probate is completed. For purposes of this paragraph, "child" includes a relationship by blood or by marriage [emphasis added]."*

Question 1: What does it mean to be "subject to" jurisdiction of probate court?

Answer: Jurisdiction generally refers to a court's authority or power to consider and decide a case. It has been our guidance that "subject to the jurisdiction of probate court" means that an action has commenced, or within the time period for an action to be commenced with the probate court. In some situations there can be a lapse in time between the death and the point where an attorney is retained or a case is filed with the court. During this time lapse the probate court would have authority to ultimately preside over an estate, but the formal proceedings have not commenced, therefore the property is subject to the court's jurisdiction.

It would be at the assessor's discretion and policy to determine a reasonable amount of time to allow this process to begin and identify documentation of the pending or ongoing proceedings required to grant a relative homestead. If you find the property isn't going through the probate process and/or the remaining heirs have no intention of going through the probate process, the county needs to follow their policies on when to remove the homestead.

Question 2: Is there a recommended amount of time before a relative homestead is removed if the ownership is not transferred to the child?

Answer: If the property is going through the probate process we would recommend the county allow a reasonable period of time to pass before removing the homestead. The amount of time the county wants to allow for the property to go through probate should be based on county policy and practices. Under the Uniform Probate Code, probate proceedings must typically start within three years of the individual's death. As long as the estate is under the jurisdiction of probate court, or reasonable steps are taken to begin this process, relative homestead should be granted.

Probate proceedings can have varying timeframes depending on the complexity of the estate, and are often not completed within one assessment year. However, it is unusual for a probate action to take longer than two assessment years. It may be appropriate to require additional documentation for those that do. It is our recommendation to verify relative homesteads annually.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6091

December 18, 2018

Patti Pechan
Todd County Assessor's Office
patti.pechan@co.todd.mn.us

Dear Ms. Pechan,

Thank you for submitting your question to the Property Tax Division regarding homestead treatment during incarceration. You have provided the following scenario and question:

Scenario:

- A parcel is owned by Jane Doe and occupied by John Doe, her son.
- The parcel had been receiving relative homestead.
- John Doe was incarcerated August 2017.
- Jane Doe stated that John Doe intends to return to the property, but has not disclosed when he will be released.
- The relative homestead was removed April 2018.

Question: Should relative homestead be retained while John Doe is incarcerated?

Answer: The Department of Revenue has determined that the owner of a property may be absent for a reasonable length of time and retain homestead, as long as the property is maintained as a homestead awaiting the owner's return. When the owner is incarcerated, the Department of Revenue's guidance has been to retain the homestead designation if the sentence is less than 24 months and the owner intends to return to the homestead upon release. If the sentence is 24 months or greater, or the assessor has determined that the owner does not intend to return, then homestead status should be removed during the next assessment.

Homestead is a fact situation, and if a property owner (or in this case someone on behalf of the owner) refuses to provide documentation necessary to validate a homestead claim, such as the length of a sentence, homestead should not be granted. Should Jane Doe provide documentation that the sentence is less than 24 months, then homestead may be granted.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

February 7, 2019

Laura Odgren
Martin County Assessor's Office
Laura.Odgren@co.martin.mn.us

Dear Ms. Odgren,

Thank you for submitting your question to the Property Tax Division regarding agricultural homestead. You have provided the following scenario and question:

Scenario:

- A 160 acre parcel is owned by five siblings.
- Sibling #1 occupies the property.
- Sibling #2's husband farms the land, and the couple has their own agricultural homestead.
- Sibling #3 and Sibling #4 are both Minnesota residents; neither of them own another agricultural homestead.
- Sibling #5 is not a Minnesota resident.

Question: What percentage of homestead should this property receive?

Answer: When determining whether a property with multiple owners should receive homestead, it is important to evaluate each owner's eligibility independently. Consulting the *Establishing Agricultural Homestead Flowchart*, we can determine whether **each sibling** qualifies for homestead. Depending on if they meet the requirements, each owner would be eligible to receive up to 20% or one-fifth agricultural homestead for the property.

- Sibling #1 qualifies for a 20% owner-occupied homestead because she occupies the property.
- Sibling #2 **does not** qualify for a 20% relative agricultural homestead because her and her husband claim another agricultural homestead in Minnesota. However, if they have remaining agricultural tier value from their base parcel, they could link that remaining tier to her 20% ownership in this parcel.
- Siblings #3 & #4 each qualify for a 20% relative agricultural homestead because their qualifying relative, sibling #1, occupies the property.
- Sibling #5 **does not** qualify for 20% relative agricultural homestead because he is not a Minnesota resident.

In this situation, sibling #1 will need to apply twice; once as an owner occupant and once as a relative. Sibling #1 is the qualifying relative of the other owners, which is why the property qualifies for a relative agricultural homestead. Because the 60% homestead (20% owner-occupied + 40% relative) goes to the occupant, sibling #1 is the only owner that needs to submit applications and provide the required information such as a social security number.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

May 9, 2019

Lyn Regenauer
Chisago County Assessor's Office
Lyn.Regenauer@chisagocounty.us

Dear Ms. Regenauer,

Thank you for submitting your question to the Property Tax Division regarding 2a agricultural relative homestead. You have provided the following scenario and question:

Scenario:

- A parcel owned by a married couple was receiving a 2a agricultural homestead for a 38.5 acre parcel at the time of the death of the wife.
- The surviving spouse moved to a residential property and his son moved into the agricultural property qualifying it for 2a agricultural relative homestead.
- A decree of descent was filed in 2018 that gave the father one half interest of the property, and the remaining one half interest was divided between eight children, with a life estate to the father.
- The 2a agricultural homestead was removed but the house remained as a relative residential homestead.

Question: Does this parcel qualify for a full 2a agricultural relative homestead?

Answer: According to the information provided, the father holds a life estate with 50% interest in the base parcel owned by his eight children and 50% in his individual name. The agricultural base parcel would qualify for one full 2a agricultural relative homestead (50% in his individual name and 50% due to his ownership in the life estate). Although the decree of decent gave one-half interest to the eight children, the father's life estate has sufficient ownership and would allow any child occupying the property to qualify for a 2a agricultural relative homestead. The son living on the parcel would qualify for a 2a agricultural relative homestead, assuming all other requirements have been met.

When the life estate is no longer in effect, the assessor's office would need to review the property for possible changes to the homestead status based on change of ownership.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

May 28, 2019

Sheila Buenger
Fillmore County Assessor's Office
sbuenger@co.fillmore.mn.us

Dear Ms. Buenger,

Thank you for submitting your question to the Property Tax Division regarding relative agricultural homestead. You have provided the following scenario and question:

Scenario:

- Dad has an agricultural homestead and links three additional agricultural parcels to it.
- Son has a 9.11 acre parcel that is currently classified as agricultural homesteaded based on the requirements for intensive use.
- Dad plans to move to the son's home.
- Son plans to move to the dad's home.

Question: How would homestead be affected if the owners change the occupancy of the properties but leave the ownership as is?

Answer: It is difficult to provide answers to hypothetical scenarios, so for this opinion, we will treat the information provided as facts. First, it's important to remember that a family can only receive one relative agricultural homestead in Minnesota, so only one of the two properties would be eligible for a relative agricultural homestead. For the purposes of this answer we will assume the relative agricultural homestead would be placed on the dad's land, since it appears to benefit them more.

Second, it's important to remember that for the son's property to qualify for the intensive agricultural classification it must meet the following requirements:

The property is **less than 11 acres in size and has a residential structure** and must be used for one of the following purposes to be considered agricultural:

- Intensive grain drying or storage;
- Intensive storage of machinery or equipment used to support agricultural activities on other parcels of property operated by the same farming entity;
- Intensive nursery stock production, provided that only those acres used to produce nursery stock are considered as agricultural land (land used for parking, retail sales, etc. does not qualify);
- Intensive market farming, which means the cultivation of one or more fruits or vegetables or production of animal or other agricultural products for sale to local markets by the farmer or an organization with which the farmer is affiliated.

According to the information provided it appears that the classification and homestead status of the two properties should be administered as:

- **Dad owns, son occupies.** If all requirements are met, the base parcel would qualify for a relative agricultural homestead. The remaining parcels (parcels 2-4), as long as all linking requirements are met, could be linked to the base parcel and qualify for a relative agricultural homestead. Agricultural property that is occupied and used for the purposes of a homestead by a qualifying relative of the owner may receive the same benefits as an owner-occupied agricultural homestead. The homestead would go to the son, who is the occupying relative.
- **Son owns, dad occupies.** As stated previously, this property would not qualify for a relative agricultural homestead because son is already receiving relative homestead on dad's land. Therefore, the assessor must determine the use of the structure and classify accordingly. Since the structure is being used as the residence of the dad, a qualifying relative of the owner, the structure must be classified as residential. Since dad is a qualifying relative of the owner and does not receive another homestead already, the HGA appears to qualify for a residential relative homestead.

Regarding the classification of the remaining 8.11 acres, it does not appear that those acres would qualify for the agricultural classification due to the structure being classified as residential. Those acres cannot be classified as agricultural under intensive use while the structure is simultaneously receiving a residential homestead. It is our recommendation that the entire parcel is classified according to the use of the structure, which would be 1a residential relative homestead.

Lastly, if the owners choose to retain the agricultural classification on son's land by giving dad a relative agricultural homestead, they must understand that dad's land would be classified as agricultural non-homestead. That is due to the fact that dad would be receiving a relative agricultural homestead on his son's land and he cannot have a relative agricultural homestead and a special agricultural homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6091

November 4, 2019

Michelle Nelson
Mower County Assessor's Office
michellen@co.mower.mn.us

Dear Ms. Nelson,

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- Mom and Dad hold a life estate on a 157 acre agricultural property
- Son lives on the property in a mobile home he owns
- The son is taxed on his mobile home as personal property

Question: Can the son qualify for a homestead on his mobile home and also qualify the agricultural property for relative agricultural homestead?

Answer: The son would not be able to qualify the parent's property for a relative agricultural homestead. Homestead is a fact situation based on ownership, occupancy, and residency. Because the mobile home and the land are not under common ownership, his residency in the mobile home would not be a qualifying factor in determining relative agricultural homestead.

The mobile home is correctly being assessed as personal property. The mobile home would be eligible for owner-occupied homestead if all other requirements are met.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

November 13, 2019

Michelle R. Nelson
Mower County Assessor's Office
michellen@co.mower.mn.us

Dear Ms. Nelson,

Thank you for submitting your question to the Property Tax Division regarding relative homestead. You have provided the following scenario and question:

Scenario:

- Two persons own a residential parcel together as joint tenants.
- They are not legally married but claim to be married by common law. They have been together for over 15 years.
- One of the owners' daughter has moved into the parcel.
- The daughter is not a blood relative of the other owner.
- The daughter has filed a relative homestead application.

Question: Is the daughter considered "related through marriage" to the other owner?

Answer: No. Persons must be legally married to be considered as one entity for property tax purposes. This includes whether a relative qualifies through marriage. Therefore, if the daughter meets all other qualifications for residential relative homestead, the property would be eligible for a 50% homestead. If the county would like additional information regarding marriage by common law we would recommend you reach out to the county attorney. The county attorney should review any additional documentation provided to make a determination if the owners are legally married.

Please be aware that this opinion is based solely on the information provided. If any of the facts of the situation were to change, our opinion would be subject to change as well. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

August 17, 2020

Miranda Myers
Itasca County Assessor's Office
Miranda.myers@co.itasca.mn.us

Dear Ms. Myers,

Thank you for submitting your question to the Property Tax Division regarding residential relative homestead. You have provided the following scenario and question:

Scenario:

- Property is owned by the John Doe Estate, which was created when the owner, John Doe passed away.
- The property is occupied by the minor children of John Doe and their mother, who is **not** the surviving spouse of John Doe.
- The grandmother of the minor children is listed as the "personal representative of the estate" however she is not the owner of the property.

Question: Do the minor children qualify for a residential relative homestead in this situation?

Answer: If the property has been through probate, the minor children do not qualify for a residential relative homestead because the property is owned by an estate and not a natural person. Estates are a separate entity and therefore they do not have relatives. However, it is not clear from the information provided if the probate proceeding is still open or not. If the estate is still subject to the jurisdiction of the probate court, then the children might qualify for a deceased relative homestead according to [M.S. 273.124, subdivision 1\(h\)](#) which applies to a property in probate when the home is occupied by a child of the deceased owner.

We would recommend that the assessor collect more information regarding the probate proceedings prior to making a decision on the relative homestead application. If the probate proceedings are still open, the assessor may grant relative homestead until the ownership of the property transfers and the probate proceedings are closed. At that time, the assessor will need to re-evaluate the homestead status based on ownership and occupancy.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6922

October 21, 2020

David Parsons
City of Marshall Assessor's Office
David.Parsons@ci.marshall.mn.us

Dear Mr. Parsons,

Thank you for contacting the Property Tax Division regarding relative homestead. You have provided the following scenario and questions:

Scenario:

- Husband and Wife are legally separated.
- Husband and Wife jointly own the home that Husband occupies, Home A.
- Wife occupies a home that her parents own, Home B.
- Husband and Wife jointly own a home in which Husband's sister occupies, Home C.

Question 1: If full homestead is allowed per Minnesota Statute 273.124 subd.1 (e) for Home A and Home B since Husband and Wife are legally separated, can Home C receive a full relative homestead, or should it be 50% due to the couple being legally separated?

Answer: According to [Minnesota Statute 518.06](#), a legal separation is not a dissolution of marriage, therefore Home C is occupied by a qualifying relative of each owner. Since the sister/sister-in-law is occupying the property, then Home C would qualify for a relative homestead assuming all requirements are met. Homestead is granted to the occupant of the property.

Question 2: If there is no legal decree or documents proving "legally separated", does that change the response to Question 1 and alter the homestead status on Home A and Home B?

Answer: Yes, spouses are only allowed to each qualify for a full homestead if they are legally separated, meaning a legal decree must be filed. If a legal decree is not filed, then the homestead status on Home A would be eligible for a 50% owner-occupied homestead. Home B would qualify for a 50% relative homestead because her spouse is already receiving a 50% homestead on Home A. Home C would remain a full relative homestead assuming the sister/sister-in-law is not receiving another homestead in MN.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6922

September 17, 2021

Laurie,

Thank you for contacting the Property Tax Division regarding relative homesteads. You provided us with the follow scenario and questions:

Scenario:

- Married couple got a divorce.
- Father was awarded the home, however, to not disturb the children lives, the father is allowing the mother of the children to occupy the home along with their children.
- Father does not occupy the home
- Mother does not have any ownership in the property
- Father has purchased a new home and has applied for homestead

Question One: Can the minor children qualify the property for a relative homestead since they live there, and the owner is their father?

Answer: If the county assessor determines that the minor child/children qualify for residential relative homestead after verifying residency and occupancy requirements, then the relative homestead may be granted. It is important that the county verify that the child/children are using the property as their primary place of residency before the relative homestead is granted.

Verifying residency for minors can be difficult. Documents that the county may want to ask for is:

- A copy of the divorce decree to verify the primary residence of the children based on the court's decision
- Information on the school(s) that the child/children attend when verifying the residency of the child/children

These are a couple indicators that may assist the assessor in making a final determination, ultimately it is up to the assessor's office on what proof you want to require to verify residency.

Question Two: If the property qualifies for a relative homestead, whose Social Security Number (SSN) should be used on the application? And who should sign the application?

Answer: The minor's SSN should be reported on the application and collected by the county. If the minor is unable to sign the application, the parent/guardian of the child may sign on their behalf.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

September 21, 2022

Katie,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the follow scenario and question.

Scenario:

- A brother and sister own a property currently classified as 4c(12) seasonal residential recreational
- The brother and his spouse plan to move into the property as their primary residence

Question: Would this property be eligible to receive full residential homestead (50% owner occupied and 50% relative) when the brother moves in?

Answer: While Minnesota Statutes 273.124 prohibits a property that has been classified as 4c(12) from receiving a relative homestead, it is our opinion that restriction is limited to the granting of a full relative homestead in situations where the owner(s) are not occupying. In this case, when an owner moves in and establishes homestead, those restrictions would not apply. Therefore, based on the information available it appears that this property would qualify for a full residential homestead, 50% owner occupied and 50% relative.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

December 16, 2022

Dear Andrea,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the follow scenario and question.

Scenario:

- A property owner passed away in 2021, and the homestead was removed for the 2022 assessment year.
- Probate has not been completed and two of the deceased property owner's adult children live in the home.
- The children have applied for relative agricultural homestead until probate is complete.
- Daughter has completed her homestead application and provided all required information.
- Son has provided a homestead application, less his social security number, which he stated he would not provide.

Question: How should homestead be granted in this situation?

Answer: From the information provided the property would qualify for a 50% relative homestead while the probate process is completed. Minnesota Statutes 273.124, subdivision 1(h) specifically allows for a relative homestead in the situation where children of a deceased owner occupy and use the property as their homestead during the probate process.

(h) If residential or agricultural real estate is occupied and used for purposes of a homestead by a child of a deceased owner and the property is subject to jurisdiction of probate court, the child shall receive relative homestead classification under paragraph (c) or (d) to the same extent they would be entitled to it if the owner was still living, until the probate is completed. For purposes of this paragraph, "child" includes a relationship by blood or by marriage.

However, Minnesota Statutes, section 273.124, subdivision 13(d) requires the social security number to be provided on a relative homestead application in order to qualify:

*(d) If residential real estate is occupied and used for purposes of a homestead by a relative of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for the property to receive homestead status, a homestead application must be filed with the assessor. **The Social Security number of each relative occupying the property and the name and Social Security number of the spouse of a relative occupying the property shall be required on the homestead application filed under this subdivision.***

Therefore, until such time as a complete application is filed with your office, the 50% relative homestead the son may otherwise qualify for cannot be granted.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

December 4, 2023

Faye,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the follow question.

Question: Two brothers own two residential homes jointly. Do they both qualify for full homesteads if they each occupy one of the homes?

Answer: Both properties would receive a 50% owner-occupied homestead and a 50% relative homestead. Each brother qualifies for 50% owner-occupied homestead for their ownership interest in the property, and 50% relative homestead for their brother's ownership interest in the property because they are a qualifying relative.

We highly recommend reviewing [Module 4 of the Property Tax Administrator's Manual](#) as a resource for questions regarding homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922



Removal of Homestead

May 19, 2003

Jackie Wegwerth
Department of Property Records & Revenue
Valuation Division
50 West Kellogg Blvd., Suite 848
St. Paul, MN 55102-1695

Dear Jackie:

In your recent e-mail you asked for our opinion about two homestead situations.

Situation 1: On February 28, 2002, a politician came into the assessor's office to apply for homestead on his property in St. Paul, Minnesota. He came back to rescind his homestead on April 9, 2002, because he was going to run for office in Hastings, Minnesota. Again, he came into your office to file for homestead on March 27, 2003. He also wanted to know if he could file for abatement. On April 8, 2003, he came back to apply for abatement for payable 2003. He asked you to process his homestead application for payable 2004. The politician may run for office again in Hastings, and he may rescind his homestead again. On May 6, 2003, he came in again to ask if he could apply for abatement for payable 2003, and process his homestead for payable 2004.

Situation 2: Janet Macy Thompson had a homestead in Falcon Heights, Minnesota. She e-mailed you requesting her tax statement to be sent to Arroyo Hondo, New Mexico. She needed this for the CRP for two graduate students. To make sure she was a Minnesota resident, you requested income tax information from the Department of Revenue on February 25, 2003. The last she filed was in 2000 as a resident. You removed her homestead and sent her a letter.

We are of the opinion in both situations, based on the limited information submitted to this department, that it is proper procedure on the part of the assessor to remove the homestead classification if property does not appear to be the primary residence of the owner. Intent to occupy the property does not meet occupancy requirements. There are certain requirements that must be satisfied for the property to retain its homestead classification. Some of the items to check for when verifying a homestead include:

- The location of their most active checking account
- The address used on the taxpayer's fishing or hunting license
- The address on the person's driver's license
- The address to which the person's vehicle is registered
- Where the person is registered to vote

(Continued...)

Jackie Wegwerth
May 19, 2003
Page 2

Although these indicators may help you in making a homestead classification determination, they are not all encompassing. Homestead is a fact situation. The burden of proof is on the taxpayer.

It is highly inappropriate for a taxpayer to rescind a homestead. A homestead application cannot be rescinded or undone by the applicant once application has been made. A homestead application is a legal document. By completing one, and thereby securing the corresponding tax benefit, the taxpayer is certifying that they are residents of Minnesota, the property they are claiming as their homestead is their primary place of residence, and they have a sufficient ownership interest to entitle them to the homestead classification. If they choose to move to a different location they are required by law to notify the assessor within 30 days.

Minnesota law provides significant penalties to persons found to be fraudulently claiming a homestead.

If you have further questions, please contact our division.

Sincerely,

RHONDA M. THIELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 296-3540
e-mail: rhonda.thielen@state.mn.us

February 13, 2006

Glen Purdie
Steele County Assessor
Administrative Center
630 Florence Avenue
P.O. Box 890
Owatonna, Minnesota 55060

Mr. Purdie:

Thank you for your email regarding homestead. You provided the following information:

- A taxpayer, who owns, occupies, and receives a homestead on Property A, purchased Property B.
- He filed an application for homestead on Property B in October 2004, and was granted a mid-year homestead on that property for the 2004 assessment for taxes payable in 2005.
- For the 2005 assessment, you removed the homestead classification on Property A, which the taxpayer still owned.
- Upon receiving notice that Property A was classified as non-homestead for 2005 and after he sold Property B in May 2005, the taxpayer filed a new homestead application on Property A. In doing so, he indicated that he never actually moved into the Property B.
- The new owners applied for homestead on Property B and received a mid-year homestead on the property for the 2005 assessment for taxes payable in 2006.
- The 2005 taxes were recalculated as non-homestead for Property B and a new tax statement was issued to the new owner along with a letter explaining the reason for the new statement and a copy thereof going to the original owner, the new owner, and the attorney involved in the sale of Property B.

You have asked what the correct process for correcting this situation is. Since the duplicate homestead situation described above was discovered internally and not via the Social Security number match through the Department of Revenue, you have asked how you should proceed.

A homestead application is a legal document. By signing the document, the owner attested that he lived there and was entitled to homestead benefits. The Department of Revenue believes that it is inappropriate for a taxpayer to attempt to retroactively rescind their homestead application. Therefore, perhaps the best option in this situation is to leave the homestead on Property B for 2004 (mid-year) and 2005 (full-year) and deny the 2005 homestead on Property A. This way, the new owners of Property B are not penalized by having to pay non-homestead taxes for 2005 and they would be able to avoid legal action against the seller.

Please understand that this is only an advisory opinion based solely in the facts provided. You, as the county assessor, must make the final decision as to whether to grant or deny the homestead. If the taxpayer disagrees with your decision, he may appeal to Minnesota Tax Court. You may also want to remind the taxpayer that Minnesota Statute 609.41 provides for a fine up to \$3,000 or more than one year in prison for intentionally making a false statement, either orally or in writing for the purpose of reducing a tax.

If you have any further questions, please direct them to us at proptax.questions@state.mn.us.

Sincerely,

MELISA REDISKE, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6092 Fax (651) 556-3128
E-mail: melisa.rediske@state.mn.us

August 5, 2010

Keith Albertsen
Douglas County Assessor
keith.albertsen@mail.co.douglas.mn.us

Dear Mr. Albertsen:

Thank you for your question concerning homestead classification. You have asked if a person can rescind their homestead to avoid school referendum taxes.

The Compliance Officer/ Regional Representative (Gary Amundson) for your area has explained to you that the property owners cannot rescind a homestead. If the property owners change residences, they can inform you that they no longer live there, but they cannot surrender the homestead class when ownership and occupancy/use have not changed.

Mr. Amundson's answer is correct. It is highly inappropriate for a property owner to rescind a homestead. A homestead application cannot be rescinded or undone by the applicant once application has been made and the property is being occupied as a principle place of residence. A homestead application is a legal document. By completing one, and thereby securing the corresponding tax benefit, the property owner is certifying that he/she is a resident of Minnesota, the property claimed as homestead is the primary place of residence, and there is a sufficient ownership interest to entitle the homestead classification.

Therefore, the Department of Revenue is of the opinion that it is inappropriate for taxpayers to attempt to retroactively change their homestead status and a homestead application cannot be rescinded or undone by an applicant once that application has been made. Minnesota Statutes, section 609.41, also states that anyone giving false information in order to avoid or reduce tax obligations is subject to a fine of up to \$3,000 and/or up to one year in prison.

If you have any other questions or concerns please direct them to proptax.questions@state.mn.us.

Sincerely,

DREW IMES, State Program Administrator
Information Education Section
Property Tax Division

November 28, 2017 *Edited July 2021 due to law change*

Sherry Steffl
Mahnomen County Assessor's Office
Sherry.Steffl@co.mahnomen.mn.us

Dear Ms. Steffl,

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario 1:

- The owner of a mobile home had homestead in Mahnomen County.
- In July 2016 the owner moved to Norman County and requested homestead at the new location.

Question: Should the owner's homestead in Mahnomen County be removed for pay 2018?

Answer: Yes. The homestead in Mahnomen County should be removed for pay 2018. If the owner or relative of the owner moves back to the property in Mahnomen County, they must request homestead by December 31 for taxes payable in 2018. When a homestead is removed, we recommend notifying the property owner of the change.

Scenario 2:

- Owner had homestead and lived in Mahnomen County.
- The owner vacated the property on in June 2016.
- Owner moved and applied for homestead in Becker County on July 14, 2016.
- Owner sold and split the property in Mahnomen County to three people.
- The owner has one additional parcel located in Mahnomen County that is receiving special agricultural homestead.
 - The parcel is 60 acres, 8 of which are tillable, and the rest is rural vacant land.

Question: Should homestead be pulled for pay 18, or pay 19 on both parcels?

Answer: Yes, homestead should be removed for pay 18 on the parcel that she sold. The three new owners must apply for homestead by December 31, 2017 to receive a mid-year homestead for taxes payable in 2018 otherwise they will pay non-homestead tax in 2018.

If the agricultural parcel located in Mahnomen County no longer qualifies for special agricultural homestead, the homestead should be removed for pay 18.

Scenario 3:

- Owner in Mahnomen County has a residential homestead and has life estate on the property.
- Owner moved and has another parcel that is receiving homestead.

- That property has recently been sold
- Owner has now moved to an independent living facility in a new county.

Question: Should the owner's homestead be pulled for pay 18, or pay 19?

Answer: The homestead in Mahnomen County should be removed for pay 18, as long as the owner has moved to an independent living facility. It is important to verify whether the living facility is indeed an independent living facility/senior living apartment building and not an assisted living facility/nursing home. According to Minnesota Statute 273.124, subdivision 1, "the assessor must not deny homestead treatment in whole or in part if: ... (1) in the case of a property owner who is not married, the owner is absent due to residence in a nursing home, boarding care facility, or an elderly assisted living facility property as defined in section 273.13, subdivision 25a, and the property is not otherwise occupied."

If Mahnomen County verifies that the owner is in an assisted living facility then the homestead should not be removed. As long as the house is not sold or rented, moving to an assisted living facility or nursing home does not lead to the denial of homestead. Please note that it does not matter where the assisted living facility is located, the homestead must remain on the property until the property is sold or being used for any other reason other than the owners residence.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Property Tax Division

Information & Education Section

Phone: 651-556-6091

June 2, 2023

Dear Carl,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the following scenario and question.

Scenario:

- A husband and wife constructed a second home on their parcel
- In 2020, they occupied the new house as their primary residence
- Also in 2020, their daughter occupied the original home
- Due to these changes, new homestead applications were sent to the property owners for assessment year 2021 for an owner-occupied and a relative homestead
- The applications were not returned until April 2022
- As a result, the homestead was removed for the 2021 assessment year

Question: Was it correct to remove the homestead when the applications sent to verify primary residence and relative homestead were not returned before the statutory deadline?

Answer: Yes. A county assessor may request a new homestead application at any time if they are unsure of the status or if there is a change related to the original application. If those new applications are not returned by the statutory deadline for homestead, the homestead should be removed for that assessment year. Assuming the applications were approved when they were submitted in April 2022, the property would qualify for homestead in assessment year 2022 for taxes payable 2023.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

August 30, 2023

Dear Lorri,

Thank you for contacting the Property Tax Division regarding homestead and a classification change. You provided us with the follow scenario and question.

Scenario:

- The owner of a homesteaded residential property passed away late in 2022.
- The affidavit of survivorship was recorded in the spring of 2023.
- The classification of the property will change to seasonal residential recreational.

Question One: Should homestead be removed for assessment 2023?

Answer: Yes. To continue to qualify for homestead, a property must be both owned and occupied by the owner as of January 2. Since the owner passed away in 2022 that requirement is not met. The homestead should be removed for the 2023 assessment year.

Question Two: Since the classification of this property will change to season residential recreational, would that change be for the 2024 assessment year?

Answer: Yes, property is classified according to its use on the annual assessment date of January 2. In this case, the classification change would be made on the next assessment date for the 2024 assessment year/2025 taxes payable year.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.
Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922



Social Security Numbers

April 6, 2005 *Edited for 2023 Law Change*

Don E. Holm
Clearwater County Assessor
213 Main Ave N.
Bagley, Minnesota 56621

Dear Don:

I apologize for the delay in responding to your letter of September 7, 2004. Sometimes good intentions just aren't enough.

In your letter, you asked about an individual who refused to list his Social Security number on his homestead application. He explained that his refusal to provide his Social Security number was for religious purposes. This led you to question if it is appropriate to allow homestead if an individual who, for religious purposes, refuses to provide a Social Security number in conjunction with the homestead application.

We researched our files, and we could find no record of ever saying in writing that members of certain religious groups were exempted from the requirement of having to provide their Social Security number to receive homestead. However, I know that I have, at a minimum, given my verbal approval in instances involving Hutterites applying for homestead. I discussed this issue with Minnesota House Research staff, and they pointed me toward section 1402 of the Internal Revenue Code (enclosed) as a basis for allowing an exemption for individuals who, for religious purposes, do not apply for a Social Security number and as a result forsake any Social Security benefits.

In my opinion, section 1402 of the Internal Revenue Code should be used to determine if a homestead applicant should be exempted from the requirement of providing a Social Security number based on religious beliefs. It is also important to differentiate between people who decline to give a Social Security number and those who do not have one because of religious beliefs.

Since Section 1402 of the Internal Revenue Code tends to defy interpretation, this is how I would summarize the requirements of providing a Social Security number on homestead applications:

To receive homestead, each applicant must provide his/her Social Security number and the Social Security number of his/her spouse. To be exempted from providing a Social Security number on the basis of religious beliefs, the following requirements must be met:

1. The homestead applicant must be a member of a recognized religious sect or division thereof;

(Continued...)

Don E. Holm
April 6, 2005
Page 2

2. Based on the established tenets or teachings of the religious sect or division, the homestead applicant is conscientiously opposed to acceptance of the benefits of any private or public insurance which makes payments in the event of death, disability, old-age, or retirement or makes payments toward the cost of, or provides services for, medical care including the benefits of any insurance system established by the Social Security Act; and
3. The religious sect or division thereof has been in existence at all times since December 31, 1950.

In my opinion, persons who fall short of meeting these criteria in totality should not be afforded the benefits of homestead.

You also asked for information on individual taxpayer identification numbers (ITINs). I have enclosed Section 3313 (pages 1 and 2) of the Property Tax Administrators Manual which addresses ITINs and the procedures to apply for an ITIN.

If you have further questions, please contact me.

Very truly yours,

JOHN F. HAGEN, Manager
Information and Education Section
Property Tax Division
Phone: (651) 556-6106
E-Mail: john.hagen@state.mn.us

enclosures

Updated 3/31/2023 - See Disclaimer on Front Cover

Updated 7/31/2024 - See Disclaimer on Front Cover

April 4, 2006

Gloria Pinke
Dakota County Assessor's Office
Dakota County Gov't Center
1590 Highway 55
Hastings, Minnesota 55033

Dear Gloria:

Thank you for your e-mail regarding Social Security numbers and homestead. You outlined the following situation. A Dakota County homeowner's Social Security number recently appeared as a duplicate on the Social Security number match list with a property located in the city of Bloomington. The Dakota County homeowner states that he cannot produce a copy of his Social Security card because it was lost, but he has homesteaded the property since 1999. The homeowner from Bloomington has provided a copy of his Social Security card. You asked for our opinion on how to proceed.

In response to your question, we contacted both our legal services division and our criminal investigations division. Unfortunately, we cannot confirm whether or not a specific Social Security number is being used by a specific individual. We can only confirm that a taxpayer using a specific Social Security number has filed income tax as a Minnesota resident. However, this will not help you in resolving your homestead situation. In actuality, this is a much bigger problem than homestead administration – it is about identity theft. I spoke with a representative of Homeland Security recently regarding a similar situation. She told me that it is next to impossible for the untrained person to distinguish between real and fraudulent Social Security cards.

Therefore, if it cannot be determined who deserves the homestead in this situation, it is our recommendation that both Dakota County and the city of Bloomington deny the homesteads on the properties in question. You should alert both taxpayers that they have been denied homestead because the Social Security numbers they provided have shown up on the duplicate match list. Encourage them to contact their local police departments and report the situation and tell them that they can apply for abatements once the police investigation is complete and it can be satisfactorily determined who qualifies for homestead. The local police should be able to guide them from there. Once the situation has been satisfactorily resolved, the appropriate taxpayer can reapply for homestead and apply for any applicable abatements.

If you have further questions or concerns, please direct them to proptax.questions@state.mn.us.

Sincerely,

STEPHANIE NYHUS, Principal Appraiser
Information and Education Section
Property Tax Division
Phone: (651) 556-6109 Fax: (651) 556-3128
E-mail: stephanie.nyhus@state.mn.us

C: Becky Henke, Bloomington City Assessor's Office

Becky Henke

March 13, 2007

Carol Schutz
Chippewa County Assessor
Courthouse
629 North 11th Street
Montevideo, Minnesota 56265

Dear Carol:

Thank you for your e-mail regarding a married couple and homestead. You outlined the following situation. A husband and wife live in separate properties within a close distance of each other. The wife purchased a home which has never been occupied by the husband. The husband lives with his mother and does not claim homestead on any other property. To the best of your knowledge, they do not meet one of the special provisions for married couples outlined in Minnesota Statute 273.124, subdivision 1, paragraph (e). You have indicated to the wife's attorney that the wife will only be entitled to a fractional homestead. The attorney has disagreed with you and so far, will not provide the husband's social security number. You have asked if the wife should receive a full homestead in this instance.

As you are aware, a husband and wife are considered to be one entity for property tax purposes. Therefore, in our opinion, the wife should receive a fractional homestead (50 percent) in this situation, even if the husband is not listed on the deed. The law is very clear. Minnesota Statute 273.124, subdivision 1, paragraph (e) states in part that:

"In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to: (1) marriage dissolution proceedings, (2) legal separation, (3) employment or self-employment in another location, or (4) other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes. To qualify under clause (3), the spouse's place of employment or self-employment must be at least 50 miles distant from the other spouse's place of employment, and the homesteads must be at least 50 miles distant from each other. Homestead treatment, in whole or in part, shall not be denied to the owner's spouse who previously occupied the residence with the owner if the absence of the owner is due to one of the exceptions provided in this paragraph."

The wife's attorney has indicated that she believes the wife should qualify for a full homestead since her husband does not claim homestead on another property. We disagree. We are aware of no provision in law that would allow one spouse to claim a full homestead so long as the other non-occupying spouse does not claim a homestead on another property. Minnesota Statute 273.124, subdivision 13, paragraph (c) states in part that:

"... If a property owner occupies a homestead, the property owner's spouse may not claim another property as a homestead unless the property owner and the property owner's spouse file with the assessor an affidavit or other proof required by the assessor stating that the property qualifies as a homestead under subdivision 1, paragraph (e)...."

Therefore, unless the husband and wife meet one of the provisions outlined in Minnesota Statute 273.124, subdivision 1, paragraph (e), the wife only qualifies for a partial homestead.

We hope we have answered all of your questions satisfactorily. If you have additional questions or concerns, please direct them to proptax.questions@state.mn.us.

Sincerely,

Stephanie L. Nyhus, SAMA
Principal Appraiser

July 31, 2007

Ms. Joyce Schmidt
Pipestone County Assessor
Courthouse 416 S. Hiawatha
P.O. Box 458
Pipestone, Minnesota 56164-1566

Dear Ms. Schmidt:

Thank you for your inquiry regarding homestead applications. In your email, you outlined the following situation: a married taxpayer has filed an application for homestead, and lists a spouse who is not an owner of the property on the application. The applicant told you that the spouse does not have a Social Security number, and you are wondering if the applicant is able to qualify for a full homestead considering you do not have a Social Security number for the spouse.

Unless the spouse is able to supply a Social Security number, the property is not eligible for a full homestead. As stated in Minnesota Statute 273.124, subdivision 13 (c):

Every property owner applying for homestead classification must furnish to the county assessor the Social Security number of each occupant who is listed as an owner of the property on the deed of record, the name and address of each owner who does not occupy the property, and the name and Social Security number of each owner's spouse who occupies the property.

As I understand the applicant's situation, it appears that this applicant would be eligible for a half homestead.

Thank you for your inquiry. If you have further questions or concerns, please direct them to us at proptax.questions@state.mn.us.

Sincerely,

ANNA LANGER
State Program Administrator
Information and Education Section
Property Tax Division

Section 1402 of the Internal Revenue Code

(g) Members of certain religious faiths

(1) Exemption

Any individual may file an application (in such form and manner, and with such official, as may be prescribed by regulations under this chapter) for an exemption from the tax imposed by this chapter if he is a member of a recognized religious sect or division thereof and is an adherent of established tenets or teachings of such sect or division by reason of which he is conscientiously opposed to acceptance of the benefits of any private or public insurance which makes payments in the event of death, disability, old-age, or retirement or makes payments toward the cost of, or provides services for, medical care (including the benefits of any insurance system established by the Social Security Act). Such exemption may be granted only if the application contains or is accompanied by -

- (A)** such evidence of such individual's membership in, and adherence to the tenets or teachings of, the sect or division thereof as the Secretary may require for purposes of determining such individual's compliance with the preceding sentence, and
- (B)** his waiver of all benefits and other payments under titles II and XVIII of the Social Security Act on the basis of his wages and self-employment income as well as all such benefits and other payments to him on the basis of the wages and self-employment income of any other person, and only if the Secretary of Health and Human Services finds that -
- (C)** such sect or division thereof has the established tenets or teachings referred to in the preceding sentence,
- (D)** it is the practice, and has been for a period of time which he deems to be substantial, for members of such sect or division thereof to make provision for their dependent members which in his judgment is reasonable in view of their general level of living, and
- (E)** such sect or division thereof has been in existence at all times since December 31, 1950. An exemption may not be granted to any individual if any benefit or other payment referred to in subparagraph (B) became payable (or, but for section 203 or 222(b) of the Social Security Act, would have become payable) at or before the time of the filing of such waiver.

March 17, 2011

Laurie Hein
Anoka County Assessor's Office
Laurie.Hein@co.anoka.mn.us

Dear Ms. Hein:

Thank you for your question concerning homestead. You have asked the following questions:

Question 1: A wife has a Social Security number (SSN). At this point, her husband does not have an SSN or an Individual Taxpayer Identification Number (ITIN). They are receiving 50% homestead. The homeowner's spouse has been trying to get a ITIN for her husband since 2008. If the husband gets his ITIN, will they qualify for 100% homestead?

Yes, if the husband is able to obtain an ITIN and his wife has an SSN they would be eligible to receive a full homestead if all other homestead requirements are met.

Question 2: If the husband gets his ITIN, will they qualify for an abatement for taxes payable 2010 and 2011 which would be the years they did not get their 100% homestead credit?

In our opinion, it would not be appropriate to grant an abatement of property taxes paid in 2010 and 2011 in this case. Pursuant to Minnesota Statutes, section 375.192, abatements for taxes payable for the current year may be granted for nearly any reason. However, abatements for taxes payable in the two prior years may only be granted in cases of hardship or clerical error. Simply stated, the spouses in this case did not qualify to receive homestead because they did not meet statutory requirements. We do not view this as a hardship. However, as you know, taxpayers must be allowed to file an application for abatement even if there is a certainty it will be turned down. Applications for abatement are filed with the county and must be approved by the county assessor and the county auditor before being considered by the county board.

If you have any other questions or concerns please direct them to proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

June 15, 2011

Laurie Hein
Property Support Specialist
Anoka County Assessor's Office
laurie.hein@co.anoka.mn.us

Dear Ms. Hein,

Thank you for your recent question to the Property Tax Division regarding an application for homestead. There is a property in Anoka County that is owned by three individuals. One of the individuals is not a Minnesota resident and does not occupy the property. The other two owners have applied for homestead in Anoka County. However, their Social Security cards state "VALID FOR WORK ONLY WITH DHS AUTHORIZATION." You believe that these Social Security numbers (SSNs) are valid for homestead purpose, and have asked whether we concur. Additionally, you have asked how homestead should be applied based on the ownership and occupancy of all individuals.

First, you are correct to assume that the SSNs provided are valid for homestead purposes. The Social Security Administration will often give restricted numbers to persons who are not authorized to be employed without an additional work permit or other authorization. However, the cards are valid SSNs, not ITINs.

Therefore, based on the information you have provided, the property is owned by three individuals, two of whom qualify based on both ownership and occupancy to claim homestead. The property would appropriately receive 2/3 homestead. This opinion assumes that the owner-occupants are not married.

If you have any additional questions, please do not hesitate to contact our office via email at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

August 1, 2011

Susie Sohlman
Koochiching County Assessor's Office
Susie.Sohlman@co.koochiching.mn.us

Dear Ms. Sohlman,

Thank you for your recent question to the Property Tax Division regarding applications for homestead. You have outlined the following scenario: You have received homestead applications where one owner has supplied a social insurance number (issued in Canada) in lieu of a Social Security Number. In each instance, the person supplying the social insurance number is married to an individual who is able to supply a valid Social Security Number (SSN).

The Property Tax Administrator's Manual, Module 4 – Homesteads, outlines the application of homestead in cases where one spouse has a SSN and the other does not.

“Any individual who is not eligible to obtain a Social Security number may apply for an individual taxpayer identification number (ITIN). An ITIN is a nine-digit number issued by the Internal Revenue Service (IRS) to individuals who are required to have a United States taxpayer identification number but who do not have and are not eligible to obtain a Social Security number. An ITIN may be used by aliens in place of Social Security numbers when applying for a homestead in certain cases...”

In the case where the spouse does not have or does not choose to obtain an ITIN, the property should receive a partial homestead. In cases where all owners have ITINs and no one has a Social Security number, the property should be classified as non-homestead.”

In the scenarios you have outlined, one owner/spouse has provided an SSN, while the other has provided neither SSN nor an ITIN. Therefore, a fractional homestead (50%) may be granted to the owner/spouse who has provided a valid SSN.

If you have any additional questions, please contact our division via email at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

December 14, 2011

James Hilden
Chippewa County Assessor's Office
JHilden@co.chippewa.mn.us

Dear Mr. Hilden,

Thank you for your question to the Property Tax Division regarding application of homestead to a property in your county. You have outlined the following scenario:

Owner A and Owner B jointly own a property. Owner A and Owner B are related individuals. Owner A and Owner B are also married to two other individuals. Owner A and Spouse A do not occupy the property. However, Owner B and Spouse B do occupy the property. Owner B has filed for homestead application, but Spouse B will not provide either a Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN). You have asked how homestead would be applied.

If Owner B and Spouse B completed a homestead application with the appropriate SSN information, the property would be eligible for one full homestead based on one-half owner-occupied homestead and one-half residential relative homestead based on Owner B's relationship to Owner A. If Owner B supplies an SSN, and Spouse B provides either an SSN or an ITIN, this would be the case.

However, if Spouse B does not supply either an ITIN or an SSN, Owner B's homestead is prorated. Both the owner-occupied portion of homestead and the residential relative homestead portion are adjusted to one-half of the typical benefit. Therefore, the homestead is 25% owner-occupied and 25% residential relative, resulting in a total 50% homestead.

If you have any questions, please do not hesitate to contact our division via email at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

MINNESOTA • REVENUE

June 15, 2012

Karen McClellan
Kanabec County Assessor's Office
karen.mcclellan@co.kanabec.mn.us

Dear Ms. McClellan,

Thank you for your recent email regarding an Amish couple who has applied for homestead. The wife does not have a Social Security number. You are asking if they should be granted a 50% homestead or if there are any exceptions due to their religious beliefs.

This question has come up in the past and we have discussed the issue with Minnesota House Research staff. They pointed us toward section 1402 of the Internal Revenue Code as a basis for allowing an exemption for individuals who, for religious purposes, do not apply for a Social Security number and as a result forsake any Social Security benefits.

In our opinion, section 1402 of the Internal Revenue Code should be used to determine if a homestead applicant should be exempted from the requirement of providing a Social Security number based on religious beliefs. It is also important to differentiate between people who decline to give a Social Security number and those who do not have one because of religious beliefs.

Since Section 1402 of the Internal Revenue Code is difficult to interpret, this is how we would summarize the requirements of providing a Social Security number on homestead applications:

To receive homestead, each applicant must provide his/her Social Security number and the Social Security number of his/her spouse. To be exempted from providing a Social Security number on the basis of religious beliefs, the following requirements must be met:

1. The homestead applicant must be a member of a recognized religious sect or division thereof;
2. Based on the established tenets or teachings of the religious sect or division, the homestead applicant is conscientiously opposed to acceptance of the benefits of any private or public insurance which makes payments in the event of death, disability, old age, or retirement or makes payments toward the cost of, or provides services for, medical care including the benefits of any insurance system established by the Social Security Act; **and**
3. The religious sect or division thereof has been in existence at all times since December 31, 1950.

In our opinion, persons who fall short of meeting these criteria in totality should not be afforded the benefits of homestead. Therefore, in the situation you provided us if the wife does meet all of the criteria listed above you may grant a full homestead. If the wife does not meet all the criteria above you should only grant a 50% homestead.

If you have any additional questions or concerns please feel free to contact our division at proptax.questions@state.mn.us

Sincerely,

JESSI GLANCEY, State Program Administrator
Information and Education Section
Property Tax Division

Property Tax Division
600 North Robert Street
Mail Station 3340
St. Paul, MN 55101

Tel: 651-556-6091
Fax: 651-556-5128
TTY: Call 711 for Minnesota Relay
An equal opportunity employer



December 10, 2014

Laurie Hein
Anoka County Assessor's Office
Laurie.Hein@co.anoka.mn.us

Dear Ms. Hein:

Thank you for submitting your questions to the Property Tax Division regarding homestead. You have provided the following scenarios and questions.

Scenario 1:

- There is a property within your county that is owned and occupied by the property owner.
- The property owner's Dad is a co-signer on the loan.
- The cosigner does not occupy the property.

Question 1: Would the co-signer (dad) need to sign the homestead application and/or give his Social Security Number (SSN) since he does not occupy the property?

Answer 1: No, the co-signer would not be required to sign and/or give his SSN on the homestead application. The co-signer is merely listed on the deed for financial circumstances and does not occupy the home as his homestead. However, if you think additional documentation is necessary to determine if full homestead benefits are warranted, both the owner/occupant and the related co-owner required for financing may be required to complete the addendum to the homestead application prescribed by the Commissioner of Revenue. This addendum may be used if the county assessor needs additional information to determine homestead benefits, but the co-signer is not required by statute to sign or give his/her SSN.

Scenario 2:

- A property located within your county went into foreclosure.
- The owner's brother refinanced the home and quit-claimed the home into his individual name.
- The previous owner (sister of the current owner) currently occupies the property that is owned by her brother and needs to file for a relative homestead.

Question 2: Does the owner need to sign the application and give his SSN, since he does not occupy the home and claims his own residential homestead at another address?

Answer 2: No, the owner would not be required to sign and give his SSN on the relative homestead application his sister (the occupant) is completing. However, the qualifying relative must furnish the name and address of all owners who do not occupy the property.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez
State Program Administrator
Property Tax Division
Phone: 651-556-4753
Email: proptax.questions@state.mn.us



Spouses/Spouses Living Separately

March 17, 2004

Gloria Pinke
Dakota County Assessor's Office
1590 Highway 55
Hastings, MN 55033

Dear Gloria:

Thank you for your question regarding Minnesota residency requirements for the homestead classification. I apologize for the lateness of this reply.

A letter from the Department of Revenue to Dawn Klein dated December 22, 2003, answered the question regarding the Minnesota residency requirement in first-time homeowner situations. The letter stated:

"A first-time homeowner who is required, as a condition of the financing agreement, to have a relative shown on the deed as a co-owner should be granted a full homestead, provided that he/she also meets the residency and occupancy requirements for homestead treatment. The statute does not require that the relative co-owner meet the residency requirements."

In an effort to be consistent among your homestead approvals and denials, this response caused you to question if the same was true in other situations. You asked if a full homestead is appropriate in a situation where a spouse is a Colorado resident due to an employment transfer. You also asked if the response would be different if the spouse was a Colorado resident because he had a vacation home there.

Minnesota Statutes, section 273.124, subdivision 1 paragraph (a) states:

"Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a residential homestead."

Before administering the remaining portion of the law, assessors must determine the residency status of the applicant and his/her spouse. In the case of property owned by a property owner who is married, both spouses need to be Minnesota residents and occupy the property to receive a full homestead. If one spouse is a Minnesota resident and the other spouse is not, the property should receive a 50 percent homestead (provided that the spouse who is the Minnesota resident occupies the property).

Minnesota Statutes, section 273.124, subdivision 1, paragraph (e) provides four specific circumstances in which spouses may qualify for two homesteads:

1. marriage dissolution proceedings are pending;
2. legal separation;
3. employment or self-employment in another location (if the spouse's place of employment or self-employment is at least 50 miles distant from the other spouse's place of employment, **and** the homesteads are at least 50 miles distant from each other); or
4. other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes.

(Continued...)

Gloria Pinke
March 17, 2004
Page 2

Again, it is our opinion that the residency requirement must first be met by both spouses before a couple can qualify for two homesteads under one of these provisions.

In researching this question, we developed the enclosed grid in an effort to summarize the requirements to receive the full homestead classification. Before we consider the general distribution of this table, we would be interested in receiving any feedback that you may have regarding it. Would it be useful or helpful? Can you determine any other exceptions or comments that should be noted? We appreciate any comments you may have.

If you have further questions, please contact me.

Sincerely,

JACQUELYN J. BETZ, Appraiser
Property Tax Division – Information and Education Section
Fax: (651) 556-3128
Phone (651) 556-6099
e-mail: jacquelyn.betz@state.mn.us

Enclosure

May 24, 2005

Linda Rooney, Ramsey County
Department of Property Records & Revenue
Valuation Division - Administration
50 W. Kellogg Blvd., Suite 840
Saint Paul, Minnesota 55102-1695

Dear Ms. Rooney:

Thank you for your email regarding a homestead.

You have a property that is in the name of only one spouse of a married couple. The married couple is separated (not legally) and the spouse who occupies the property is the one who is not listed as an owner. You asked if the non-owner spouse can homestead the property and, if so, would the homestead be fractional. You also asked if the non-owner spouse would qualify as a relative or owner and if you should request a copy of the marriage certificate to show that the couple is married.

As you know, married couples are considered one entity for property tax purposes. Therefore, they are eligible to receive only one homestead even if both spouses are not listed on the deed. Unless the couple qualifies for one of the special exceptions for married couples, they should receive a 50 percent homestead if only one of them occupies the property. Minnesota Statutes, Section 273.124, Subdivision 1, paragraph (e), states in part:

"In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to:

- (1) marriage dissolution proceedings,*
- (2) legal separation,*
- (3) employment or self-employment in another location, or*
- (4) other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes."*

We would also recommend that you monitor this situation yearly in case it changes.

If you have any further questions, please contact our office.

Sincerely,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114 Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

November 15, 2005

Gary Griffin
Todd County Assessor's Office
Courthouse
221 1st Avenue South
Long Prairie, Minnesota 56347

Dear Gary:

Thank you for your two questions regarding homestead.

Your first question involves a married couple who is currently receiving homestead in the city of Monticello. The wife has applied for homestead on their lake home located in Todd County which is currently classed as seasonal residential recreational. You indicated that the wife feels that she qualifies for another full homestead because her husband must live in their home in Monticello for his business. You have asked if she qualifies for homestead on the lake home since it is her choice to live there.

As you know, by law, a property owner is only allowed one homestead. However, under certain very narrowly defined circumstances, state law does provide for two full separate homesteads for married couples. Minnesota Statute 273.124, subdivision 1(e) states:

“In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to:

- (1) marriage dissolution proceedings,*
- (2) legal separation,*
- (3) employment or self-employment in another location, or*
- (4) other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes. To qualify under clause (3), the spouse's place of employment or self-employment must be at least 50 miles distant from the other spouse's place of employment, and the homesteads must be at least 50 miles distant from each other. Homestead treatment, in whole or in part, shall not be denied to the owner's spouse who previously occupied the residence with the owner if the absence of the owner is due to one of the exceptions provided in this paragraph.”*

Married couples who choose to live in separate houses are entitled to either one-half homestead on each property, or one full homestead on one of the properties, unless they meet one of the exceptions listed above.

In our opinion, we do not believe this married couple meets any of the above listed exceptions.

Your second question involves a new owner of a mobile home park. The owner lives in one of the trailers currently assessed as personal property and receives homestead. You have asked if he can also receive homestead on the mobile home park since he now owns both.

(Continued...)

Gary Griffin
Todd County Assessor's Office
November 15, 2005
Page 2

Yes, in our opinion, the new owner of the mobile home park is entitled to receive homestead on the land where his mobile home is situated only. The park owner's mobile home and the land it is situated on should be taxed as real estate. The remaining land would be classed as 4c(5), manufactured home park, and would be taxed as real estate to the park owner.

If you have further questions, please direct them to proptax.questions@state.mn.us.

Sincerely,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114 Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

January 20, 2006

Linda Rooney, Ramsey County
Department of Property Records & Revenue
Valuation Division - Administration
50 W. Kellogg Blvd., Suite 840
Saint Paul, Minnesota 55102-1695

Dear Linda:

Thank you for your email regarding a homestead.

You have a property occupied by a married couple that is titled in the wife's name only. Due to her job, the wife plans to claim homestead in another county. The owner's husband will continue to occupy the property in Ramsey County. You asked if the husband can homestead the property in your county as a relative or as an owner.

Married couples are considered one entity for property tax purposes. Spouses are not qualifying relatives. Therefore, the married couple is eligible to receive only one full homestead even if both spouses are not listed on the deed. Unless the couple qualifies for one of the special exceptions for married couples, they should receive a 50 percent homestead if only one of them occupies the property. Minnesota Statute 273.124, Subdivision 1, paragraph (e), states in part:

"In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to:

- (1) marriage dissolution proceedings,*
- (2) legal separation,*
- (3) employment or self-employment in another location, or*
- (4) other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes."*

To qualify under clause (3), the spouse's place of employment or self-employment must be at least 50 miles distant from the other spouse's place of employment, and the homesteads must be at least 50 miles distant from each other. If the requirements of the employment provision are met, each property would be eligible for a full owner-occupied residential homestead. However, we recommend that you monitor this situation yearly, in case it changes.

(Continued...)

Linda Rooney
Ramsey County
January 20, 2006
Page 2

We have formed this opinion based solely on the facts provided. If any of the facts differ, our opinion is subject to change.

If you have further questions, please direct them to proptax.questions@state.mn.us

Sincerely,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114 Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

February 2, 2006

Cathy Olson
Aitkin County
Courthouse
209 2nd Street NW
Aitkin, MN 56431

Dear Cathy:

Thank you for your question regarding a disabled homestead. You provided the following:

- A taxpayer provided you with an affidavit stating he resides in your county and is a disabled retiree.
- You received a homestead application from him on January 6, 2006.
- He owns property in Anoka County with his wife.
- The taxpayer provided copies of phone bills since 2004, heat bills, letters from neighbors, driver's license verification, verification of his wife's employment in Anoka County, and a copy of the Special Homestead Disability Classification letter from Elsie Hendrickson for the property in Aitkin County.
- The taxpayer also provided an affidavit claiming his wife is a resident of Anoka County and will be employed there until she retires in approximately five years.
- He feels he qualifies for a full homestead in your county according to Minnesota Statute 273.124, Subd. 1, paragraph (e), clause (3) and Subd. 13, paragraph (c), which makes reference to Subd. 1, paragraph (e).
- He claims they meet the requirements for two full homesteads because of the mileage factor and employment in another location.
- He stated that Anoka County will be giving his wife a full homestead and that he believes he also qualifies for a full homestead in your county.

You have asked if a retired disabled individual qualifies for a full homestead in your county when his wife works in Anoka County and receives a full homestead there.

Under certain very narrowly defined circumstances, state law does provide for two full separate homesteads for married couples. Minnesota Statute 273.124, Subd. 1, paragraph (e), states:

“In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to:

- (1) marriage dissolution proceedings,*
- (2) legal separation,*
- (3) employment or self-employment in another location, or*

(Continued...)

(4) other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes. To qualify under clause (3), the spouse's place of employment or self-employment must be at least 50 miles distant from the other spouse's place of employment, and the homesteads must be at least 50 miles distant from each other. Homestead treatment, in whole or in part, shall not be denied to the owner's spouse who previously occupied the residence with the owner if the absence of the owner is due to one of the exceptions provided in this paragraph."

The spouse's place of employment or self-employment must be at least 50 miles distant from the other spouse's place of employment. In this situation, the taxpayer in your county is not employed. The taxpayer's decision to reside in Aitkin County was for personal, not employment reasons. In addition, the wife was employed in Anoka County prior to the husband moving to Aitkin County. None of the above statutory conditions are met.

Therefore, in our opinion, the taxpayer in your county would be entitled to one-half disabled homestead treatment and the property in Anoka County would qualify to receive one-half homestead treatment. Because both the husband and wife are not occupying the property in Anoka County, that property does not qualify for a full homestead classification. If both the husband and wife were living in Anoka County, that property would be entitled to one-half disabled homestead and one-half regular homestead treatment.

This opinion is based solely on the facts provided. If any of the facts differ, our opinion is subject to change. If you have further questions, please direct them to proptax.questions@state.mn.us.

Sincerely,

JOAN SEELEN, Appraiser
Information and Education Section
Property Tax Division
Phone (651) 556-6114 Fax (651) 556-3128
E-mail: joan.seelen@state.mn.us

cc Anoka County
Elsie Hendrickson, DOR

October 11, 2006

Jackie Wegwerth
50 Kellogg Boulevard W
8th Floor Homestead
St. Paul, MN 55102

Dear Ms. Wegwerth,

Your e-mail has been assigned to me for reply. You outlined the following situation: A married couple live in separate counties that are over 50 miles apart. The couple owns two homes. The husband claims a homestead in Ramsey county and the wife is claiming a homestead in Douglas county. The wife moved to Douglas county in order to work at real estate job. The husband is retired.

In our opinion, according to Minnesota Statute section 273.124 subdivision, 1, (e)(3), the dual homestead provision, the couple cannot claim two full homesteads. In order to qualify under this provision, the spouse's job site must be at least fifty miles from the other home and the employment must be gainful. Regardless of the fact that Ramsey and Douglas counties are more than fifty miles apart and the wife's employment may be gainful, because the husband is retired, the couple cannot qualify under the dual homestead provision. Pursuant to past Department of Revenue policy decisions, a retired person cannot qualify for a dual homestead when the working spouse occupies another property.

If you have further questions or concerns, please direct them to proptax.questions@state.mn.us.

Very truly yours,

LEANNA V. SARTIN, State Program Administrator
Information and Education Section
Property Tax Division
Phone: (651) 556-6084
leanna.sartin@state.mn.us

September 12, 2006

Bonnie L. Asleben
Assessment Manager
Todd County Assessor's Office
221 First Ave S
Long Prairie, MN 56347

Dear Ms. Asleben:

Your e-mail has been assigned to me for reply. You outlined the following situation.

- A married couple divorced in September 1999.
- The man and woman (now divorced) purchased a farm on a contract for deed in 2001.
- They signed the contract as husband and wife, but they never remarried.
- The woman moved off the farm and purchased a home in town in June 2004 and made application for homestead.
- In September 2005, you discovered that the woman was receiving homestead on both properties.
- To date, the seller of the farm has refused to remove the woman's name from the contract for deed until it is paid off.

You asked how the properties should be classified for the 2004 and 2005 assessments. You have granted both properties full homesteads for the 2006 assessment after receiving the divorce decree that shows that the man was awarded the farm.

First, it is impossible for the divorce decree that was filed in September 1999 to show that the farm was awarded to the husband in the divorce, since the farm was not purchased on the contract for deed until 2001. Therefore, the man and woman own the property as two individuals, not as a married couple. If the two individuals signed the contract for deed and the homestead application for the farm indicating that they were a married couple, we recommend that you forward the documents to the Todd County Attorney so that a possible instance of fraud can be investigated.

As for the seller who will not remove the woman's name from the contract until it is paid off, that is at his discretion. If the woman wants her name removed, we suggest she contact an attorney to pursue the issue.

Based on these facts, in our opinion, granting a full homestead on both properties for the 2006 assessment is inappropriate. The woman may receive a full homestead on the property she occupies as her homestead. However, the farm is only eligible to receive a 50% homestead because only one of the owners occupies it. Therefore, we are left to examine the appropriate classifications of the properties for the 2004 and 2005 assessments.

(Continued...)

Bonnie L. Asleben, Assessment Manager
Todd County Assessor's Office
September 12, 2006
Page 2

Based in the information provided, the woman vacated the farm in June 2004. We are assuming that the two people made proper application for homestead and were granted a homestead for the 2004 assessment. Minnesota Statute 273.124, subdivision 13, paragraph (e) states in part that:

“...Failure to notify the assessor within 30 days that the property has been sold, transferred, or that the owner, the spouse of the owner, or the relative is no longer occupying the property as a homestead, shall result in the penalty provided under this subdivision and the property will lose its current homestead status....”

Thus, the woman should have notified the assessor's office that she vacated the farm property within 30 days of when she moved out back in June 2004. The homestead benefit on the farm should have been reduced to 50% homestead for the 2005 assessment. If the woman occupied the home in town and made proper application, she should have received a mid-year homestead for the 2004 assessment (if the property was non-homestead when she purchased it) or a full homestead for the 2005 assessment when she owned and occupied the property on January 2, 2005.

In conclusion, we recommend that you change the classification of the farm for the 2005 and 2006 assessments to reflect the fact that only one of the owners occupies the property. The property should receive a 50% homestead for each of those years. The taxes should be recomputed and the taxpayers should receive bill for the difference in the homestead and non-homestead taxes. In addition, we recommend that you forward all appropriate documents to the Todd County Attorney for further investigation in an effort to determine if fraud has been committed by one or both of the parties involved.

If you have further questions or concerns, please direct them to proptax.questions@state.mn.us.

Very truly yours,

LEANNA V. SARTIN, State Program Administrator
Information and Education Section
Property Tax Division
Phone: (651) 556-6084
leanna.sartin@state.mn.us

February 26, 2008

Mary Black, Assistant Assessor
Cook County Assessor
411 2nd Street
Grand Marais, Minnesota 55604-1150

Dear Mary:

Your e-mail concerning a parcel that is owned jointly by two ex-spouses has been forwarded to me for review. In your e-mail, you stated that:

“A 160-acre parcel with a house on it is owned jointly by ex-spouses. Mr. Ex is remarried and has partial homestead on the property while Ms. Ex lives elsewhere... Mr. Ex believes that... he should be able to receive a full homestead since this is his principal residence and he and his current wife live there.”

You have the property classified as 50 percent homestead and have asked for our opinion regarding the classification of this property. In our opinion, you have properly classified the property. Since the former spouses are no longer married, they own the property as two individuals. Only one of the individuals occupies the property. As such, the homestead must be fractionalized to reflect the interest of the occupying owner. In Mr. Ex's case, this is 50 percent of the entire 160-acre parcel.

I hope that this answers your question. Please do not hesitate to contact us in the future if we can assist you again. Any further questions can be directed to proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

March 7, 2008

A. Keith Albertsen
Douglas County Assessor
Courthouse
305 8th Avenue West
Alexandria, Minnesota 56308

Dear Mr. Albertsen,

Your email concerning homestead on two separate properties for spouses has been forwarded to me for response. It appears that you have come to a conclusion concerning two spouses under your jurisdiction. However, you also outlined a different hypothetical situation in which two spouses own a home jointly. One spouse occupies the home, and the other spouse rents/leases (but does not own) a separate property 50 miles away. You questioned why, in this hypothetical scenario, the spouse who occupies the home would only receive 50 percent homestead. If the spouse occupying a separate property owned said property, both spouses would otherwise meet all of the qualifications necessary for two full homesteads in your scenario.

Although we do not typically offer advice on a hypothetical question, we will submit to you our opinion based on the following information presented as “facts:”

- 1- That two spouses *do* own a property in Douglas County.
- 2- That one of the spouses (Spouse 1) occupies said property, and is self-employed working from that property.
- 3- That the other spouse (Spouse 2) occupies a different property more than 50 miles away.
- 4- That Spouse 2 works more than 50 miles away and that this is the reason for occupying a separate property.
- 5- That Spouse 2 *does not own* the separate property.
- 6- That there is no legal separation on file nor proceeding of marriage dissolution.

Property tax law treats spouses as one unit in terms of home ownership. Both spouses *must own and occupy* a home to receive full homestead. If one spouse were not occupying the home, the occupying owner would only receive 50 percent homestead. As you are aware, Minnesota Statutes, section 273.124, subdivision 1, clause (e) reads:

“In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to... employment or self-employment in another location... [T]he spouse’s place of employment or self-employment must be at least 50 miles distant from the other spouse’s place of employment, and the homesteads must be at least 50 miles distant from each other.”

(Continued...)

A. Keith Albertsen
Douglas County Assessor
March 7, 2008
Page 2

Because this law contemplates two owner-occupied homesteads for property tax purposes, it has no bearing on a situation in which one of the spouses is renting/ leasing and occupying a different property. In the hypothetical scenario above, Spouse 2 does not own a separate property for which that spouse could apply for homestead classification. Therefore, the property owned and occupied by Spouse 1 is the only property in question in terms of homestead classification. Based on Minnesota Statutes, section 273.124, that property owner (Spouse 1) would only qualify for fractional homestead.

When regarding spousal property arrangements and homestead classification, it is important to read the law as is, and not infer information that is not stated directly in statute. We do not take the absence of a prohibition to mean that there is an allowance.

Please remember that this opinion is based solely on the facts of the scenario provided to us. It is not to be taken as solid advice should this scenario present itself in actuality. Our opinion on this matter is subject to change as any facts may also change in a real-world scenario. As you know, it is important to treat each unique question of assessment carefully, and we expect that you would take all facts into consideration before deciding on a homestead application should a situation similar to this present itself.

If you would like more information on spouses claiming more than one homestead, please review the January 2008 Department of Revenue bulletin on the subject. As always, future questions may be directed to proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

March 7, 2008

Carol M. Schutz
Chippewa County Assessor
629 No 11th St. - Suite 3
Montevideo, MN 56265

Dear Ms. Schutz,

Thank you for your letter regarding homestead situations for spouses living separately. You are wondering what sort of documentation may need to be provided to ascertain that the “other personal circumstances” criteria of Minnesota Statutes section 273.124 are met. This statute states that spouses may live separately and yet claim two full homesteads if the spouses are living apart due to “other personal circumstances... not including an intent to obtain two homestead classifications for property tax purposes” (M.S. 273.124, subd 1(e)).

Previously, the Department of Revenue has agreed to full separate homesteads in exceptional situations that have included (but are not limited to) cases of domestic violence, illness of one spouse requiring that spouse to live separately, and incarceration of one spouse. Any person or persons applying for separate homestead under this statute must provide the assessor with documentation that the assessor feels is sufficient. This may include signed affidavits, letters from the couple, doctor’s notices, etc. If, for example, a signed affidavit that a relationship was abusive is provided, great care must be taken to emphasize that this information will be kept in the strictest confidence. Each case must be reviewed carefully as every unique situation may have a different conclusion.

If an individual were unable to substantiate, to your satisfaction, that “other personal circumstances” existed warranting separate homesteads, we recommend that the homestead be denied.

We hope that this answers your question. If you have future needs, you may direct inquiries to proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

April 9, 2008

Cathy Olson
Aitkin County Assessor's Office
Courthouse
209 - 2nd Street NW
Aitkin, MN 56431

Dear Ms. Olson:

Thank you for your questions concerning homestead. You provided us with two separate scenarios. The answers follow in the order provided.

Scenario 1: A couple owns a property but the husband is required to live on-site at a camp where he works. The wife stays at the camp with her husband for the most part, but during the summer months lives at the property that they own.

Does the property they own qualify as a homestead?

Answer 1: An owner or owners of a property can be away from home for a reasonable length of time without depriving the property of its homestead classification provided it is maintained as a homestead awaiting the owner's return. An owner cannot maintain a property as a homestead if it is rented during their absence. In this case, assuming the property is not rented when the husband and wife are absent, the property should qualify as a homestead, so long as all other requirements are met.

Scenario 2: A husband and wife own property in Aitkin County. The wife works and lives in a property in Anoka County. The husband lost his job in the Twin Cities and moved up to Aitkin County in order to find work. He found a job and now he lives in the property in Aitkin County. The distance between the two properties is more than 50 miles.

Does this qualify for two full homesteads?

Answer 2: For spouses to qualify for separate homesteads the distance between the places of employment or self-employment, and the distance between each homestead, must be at least 50 miles. In this case, both these requirements appear to be met, thereby allowing the husband and wife to receive two full homesteads.

If you have any other questions or concerns, please direct them to proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information and Education Section
Property Tax Division

July 15, 2008

Lori Clark
Ramsey County Assessor's Office
Homestead/Abatement Unit
90 W Plato Blvd PO Box 64097
Saint Paul, Minnesota 55164-0097

Dear Ms. Clark,

Thank you for your recent question to the property tax division concerning homestead treatment for spouses. You have asked multiple questions concerning the clarification of treatment of spouses in terms of homestead.

For a married couple, the most common situation finds the couple living together in a home owned by either one or both of them. No matter how a property is titled, whether in one name or both, a married couple is considered one entity for property tax purposes. The property qualifies for a full regular homestead if the couple occupies the home as their principal place of residence.

You have asked what happens when the couple is no longer occupying a property together. Minnesota Statutes, section 273.124, subdivision 1, clause (e) reads:

*“e) In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to: (1) **marriage dissolution proceedings**, (2) **legal separation**, (3) employment or self-employment in another location, or (4) other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes. To qualify under clause (3), the spouse's place of employment or self-employment must be at least 50 miles distant from the other spouse's place of employment, and the homesteads must be at least 50 miles distant from each other. Homestead treatment, in whole or in part, shall not be denied to the owner's spouse who previously occupied the residence with the owner if the absence of the owner is due to one of the exceptions provided in this paragraph [emphasis added].”*

You stated that confusion arises when a couple splits and thereafter one of the spouses retains the home. We are unclear as to what you mean by a couple “splitting.” If a couple chooses, by mutual agreement, to separate but do not **legally** separate or seek dissolution of their marriage, their jointly-owned property is eligible for 50 percent homestead based on the spouse that continues to occupy it.

If, however, the couple are **legally** separated or divorced, each spouse is eligible for full homestead treatment on their principle places of residence. This includes eligibility for homestead credits and property tax refunds.

(Continued...)

Lori Clark
Ramsey County Assessor's Office
July 15, 2008
Page 2

It is possible for a couple to legally separate or divorce and both retain ownership of the original homestead after said separation or divorce. In such a scenario, if both spouses were still listed as owners of the property, the ex-spouse homesteading the property would only be eligible for 50 percent homestead as the other owner is not occupying the property.

In your letter, you also questioned the Department of Revenue's January 2008 bulletin concerning homestead treatment for spouses. You are concerned with how the "removal of 50 percent homestead" would be argued in situations where a husband and wife divorce and one spouse retains the home. As noted above, if the couple is legally separated or divorce, both spouses would be eligible for full homestead wherever they live. It is only in cases where the spouses do not **legally** separate or divorce, but no longer reside together, where the spouse that does not occupy their principal place of residence would not be eligible for 50 percent homestead.

I hope that this clarifies the spousal provisions for homestead treatment. If you have further questions, please do not hesitate to contact us at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

December 18, 2008

Cindi Crawford
Assessor's Technical Clerk/Appraiser
Cook County Assessor's
411 2nd Street
Grand Marais, Minnesota 55604-1150

Dear Ms. Crawford,

Thank you for your recent homestead question. The scenario you have outlined appears to be the same as one for which we issued a letter on February 25, 2004 to the Cook County Assessor. Two individuals (who were previously married to one another, but have since divorced) have divided their property into three parcels. Each separately occupies a 20-acre parcel, and there is a home on the third parcel. This third home is occupied year-round by their children and the former spouses switch off occupying this home with the children. In 2004 we advised that two options were applicable to this scenario. Provided the facts have not changed from that time, our opinion has not changed either. In 2004, we advised the following:

Option 1

The two parcels which are occupied by an individual person are each eligible for 50 percent owner-occupied homestead in the name of the respective spouse who is occupying. This is dependent upon the fact that this homestead is each individual's principal place of residence, even if they will alternate living in the house occupied by the children. We have said in the past that minor children of the property owners are qualifying relatives if they occupy a home with one former spouse, but the property is owned by the former spouses jointly. Since in this scenario, the children will live in the property and the parents will split time living there while caring for them, they would qualify for relative homestead in this instance.

Option 2

Each former spouse may receive a full homestead on their respective principal residences. The parcel occupied full-time by the children and alternately by the parents would then be classified as non-homestead.

Again, the opinions are based on the facts as we understand them to be. If any of the facts were to change, our opinion is also subject to change. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

May 24, 2010

Terri Corn
Cass County Assessor's Office
303 Minnesota Ave. W., P.O. Box 3000
Walker MN 56484

terri.corn@co.cass.mn.us

Dear Ms. Corn,

Thank you for your recent questions to the Property Tax Division regarding the reporting of Social Security numbers in cases of spouses living apart. First, you outlined a common situation in Cass County where a retired spouse permanently resides at a property in Cass County, while the person's spouse is still working and living elsewhere. In these situations, you are apportioning 50% homestead to the occupying spouse. However, you have asked what Social Security information is needed: the SSN of the occupying spouse only, or the SSNs for both spouses?

Only the Social Security number of the occupying owners needs to be reported. Minnesota Statutes, section 273.124, subdivision 13, paragraph (k) requires the following in part:

*“On or before April 30 each year beginning in 2007, each county must provide the commissioner with the following data for each parcel of homestead property by electronic means as defined in section 289A.02, subdivision 8: ...
(ii) the name and Social Security number of each occupant of homestead property who is the property owner, property owner's spouse, qualifying relative of a property owner, or spouse of a qualifying relative...[emphasis added].”*

When property owners are supplying homestead information, they are required to provide the following under Minnesota Statutes, section 273.124, subd. 13, paragraph (c)”

“Every property owner applying for homestead classification must furnish to the county assessor the Social Security number of each occupant who is listed as an owner of the property on the deed of record, the name and address of each owner who does not occupy the property, and the name and Social Security number of each owner's spouse who occupies the property. The application must be signed by each owner who occupies the property and by each owner's spouse who occupies the property...[emphasis added].”

You have also outlined the following scenario: “A couple has divorced and the decree states that the homestead property is to be sold and one of the parties will live there until

the sale at which time the proceeds will be split. Both names are to stay on the title until the sale... Does the original homestead stay at 100% or change to 50% and the divorce is finalized...?"

In this case, once the divorce is finalized, the property is considered to be owned by two individuals, only one of whom occupies the property. Therefore, the property would only qualify for 50% homestead. As stated above, only the information for the occupying owner would need to be collected.

If you have any further questions, please do not hesitate to contact us via email at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

January 13, 2011

Cynthia Blagsvedt
Fillmore County Assessor
cblagsvedt@co.fillmore.mn.us

Dear Ms. Blagsvedt,

Thank you for your recent question to the Property Tax Division regarding homestead for spouses living separately. In Fillmore County, there is an agricultural property that is owned by a husband and wife, and occupied solely by the wife. The husband lives and works in Steele County, more than 50 miles away from the Fillmore County property. This property in Steele County is homesteaded. The wife contends that she works from the property in Fillmore County via the internet, but that she works for the same company as her husband, which is located in Steele County.

As you are aware, Minnesota Statutes, section 273.124, subdivision 1, paragraph (e) allows for spouses who live separately to qualify for two separate homesteads in the case where employment or self-employment requires the spouses to maintain separate homesteads and that:

“...the spouse's place of employment or self-employment must be at least 50 miles distant from the other spouse's place of employment, and the homesteads must be at least 50 miles distant from each other.”

In the situation you have outlined, the spouses are not employed at locations at least 50 miles distant from each other. Each spouse is employed by the same place, but one chooses to work from home. They do not clearly meet the requirements for two separate homesteads as allowed by M.S. 273.124, subd. 1, paragraph (e).

If you have any additional questions, please do not hesitate to contact our division via email at proptax.questions@state.mn.us.

Sincerely,

ANDREA FISH, State Program Administrator
Information and Education Section
Property Tax Division

MINNESOTA ▪ REVENUE

January 19, 2011

Lori Clark
Ramsey County Assessor's Office
Lori.Clark@co.ramsey.mn.us

Dear Ms. Clark:

Thank you for your question concerning homestead. You have presented us with the following scenario and question:

A husband and wife own a property, but the husband is incarcerated and will not be scheduled for release until 2014. The wife occupies the property along with minor children. You have granted the property a 50 percent homestead due to the husband not occupying and/or not meeting the criteria of being able to receive the full 100% (separated, divorced, etc...). You have asked if the minor children can pick up the other 50% as relatives so as to receive a 100 percent homestead.

While you did not indicate in your situation when the individual involved entered prison, there are still several questions which should have been answered prior to reducing the homestead as there is a possibility this property may receive a full homestead.

In 2006, the department issued a memo regarding homestead and absence due to prison (copy enclosed). While that memo generally addressed situations where a sole owner/occupant was absent, it may also be a helpful guide in this situation.

For this situation, it appears the situation would fall under an exception granted in Minnesota Statutes, section 273.124, subdivision 1, paragraph (e) which provides:

"In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to: (1) marriage dissolution proceedings, (2) legal separation, (3) employment or self-employment in another location, or (4) other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes [emphasis added]."

This may constitute "other personal circumstances causing the spouses to live separately" and therefore would allow the spouse that continues to occupy the property to receive a full homestead.

If you have any other questions or concerns please direct them to proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information Education Section
Property Tax Division

MINNESOTA • REVENUE

September 11, 2012

Jody Moran
Assessment Support Manager
Washington County
Jody.Moran@co.washington.mn.us

Dear Ms. Moran:

Thank you for submitting your question to the Property Tax Division in regard to homestead classification for spouses living separately. You have provided the following scenario:

A husband owns a property in which his wife is not listed on the deed. He has applied for homestead with the wife listed on the application, including her social security number. The wife is currently living in the Philippines caring for one of their children and will be living there for an unspecified amount of time (estimated around 1 year). The husband is currently living at the property with one of their other children. You are asking whether or not this property should be granted 100 percent or 50 percent homestead.

Minnesota Statutes, section 273.124, subdivision 1, paragraph (e) reads:

“(e) In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to: (1) marriage dissolution proceedings, (2) legal separation, (3) employment or self-employment in another location, or (4) other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes.”

For taxing purposes, a married couple is considered one entity. To qualify for homestead, an individual must own and occupy the property. In this situation, although the married individuals are considered one entity, Minnesota Statutes, section 273.124, subdivision 1 states that homestead will not be denied in whole or in part to married couples who live separately if “other personal circumstances” cause the spouses to live separately, not including intent to obtain two homestead classifications for property tax purposes. In this situation, it is our opinion that the property qualifies for 100 percent homestead because of the specific and unique personal circumstances that are causing the spouses to live separately.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

KELSEY JORISSEN, State Program Administrator
Information and Education Section
Property Tax Division

Property Tax Division
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March 28, 2013

Dave Sipila
St. Louis County Assessor's Office
sipilad@stlouiscountymn.gov

Dear Mr. Sipila:

Thank you for submitting your questions to the Property Tax Division regarding exempt property and spousal homesteads in your county. You have provided the following:

Situation 1

A church in Aurora owns a parsonage. The exempt application for the parsonage claims the pastor resides there full-time as required by the church. The pastor and her husband are homesteading a house in Ely. The distance between the parsonage and the homestead is 44 miles. The husband of the pastor claims that the pastor actually lives part-time at both residences. The husband does not reside in Aurora. You have asked, does this situation allow for exemption of the parsonage, and if yes, does the percentage of homestead change on the Ely house?

Situation 2

A church in Eveleth owns a parsonage. The exempt application for the parsonage claims the pastor resides there as a condition of employment. The pastor and her husband are homesteading a house in Midway Township. The distance between the parsonage and the homestead is 59 miles. The pastor claims to live in Eveleth, with her husband spending time in both places. The homestead has been for sale but is not on the market at this time. Again you have asked, does this type of occupancy arrangement allow for exemption of the parsonage, and does the fact they are 50 miles apart allow a full exemption and a full homestead?

First, we will examine the question of exemption eligibility. All churches, church property, and houses of worship are exempt per Minnesota Statutes 272.02, subdivision 6. However, the Department of Revenue has consistently advised that to be exempted, the property must be **used by the church for church purposes**. The test for determining entitlement of church owned property for a tax exemption is whether the property is devoted to, and reasonably necessary for accomplishment of church purposes. In both situations above, the pastors are required by condition of employment to reside in the parsonages. This requirement for pastors to live in the parsonages appears to be reasonable and necessary to the operations of the church; therefore the parsonages are exempt.

Next, we will discuss each situation separately to determine homestead eligibility.

We have determined that the parsonage in situation 1 is exempt from property taxation. According to the church, the pastor is required by condition of employment to live in the parsonage **full-time**. You stated that the homestead she is occupying part-time with her husband is 44 miles from the parsonage. In this situation, we are of the opinion that the property shared with the pastor and her husband would only qualify for 100 percent homestead if the pastor claims that the property they share is her primary place of residence. However, because the church requires the pastor to occupy the property **full time**, the property would not qualify for full homestead, as the properties are not 50 miles apart, as per Minnesota Statutes, section 273.124, subdivision 1, paragraph (e).

We have also determined that the parsonage in situation 2 is exempt from property taxation. According to the church, the pastor is required by condition of employment to live in the parsonage full-time. You stated that the homestead she owns with her husband is 59 miles from the parsonage, with her husband residing there part-time and the pastor living in the parsonage full-time. In this situation, we are of the opinion that the property shared with the husband would qualify for 100 percent homestead because the pastor is not attempting to claim another homestead in Minnesota, only lives at the parsonage due to condition of employment, and the properties are more than 50 miles apart.

Ultimately, the decision of whether or not to approve any homestead is up to assessor discretion. Some things to consider before approving the homestead are:

- Where is the taxpayer registered to vote?
- Where is the taxpayer's mail delivered?
- Does the taxpayer have another residence in Minnesota for which they can or do claim homestead?
- Has the taxpayer applied for or received any rent credits?
- What is the taxpayer's address on the taxpayer's motor vehicle registration?
- What is the taxpayer's address on their driver's license?

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

KELSEY JORISSEN, State Program Administrator
Information and Education Section
Property Tax Division

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April 17, 2013

Dave Sipila
St. Louis County Assessor's Office
sipilad@stlouiscountymn.gov

Dear Mr. Sipila:

Thank you for submitting your question to the Property Tax Division regarding a spousal homestead/parsonage situation in your county. You have provided the following:

"I have a follow up question for you regarding Situation 2 described in your letter. In this circumstance we have a parsonage and homestead 59 miles apart, however, the husband is not presently employed. According to the pastor he is unable to work for health reasons and is on disability. The typical 50-mile spousal homestead would have an employment requirement. Does this matter in this case, or is this considered an 'other personal circumstance'?"

From the previous letter we had sent you, situation 2 referenced above details the following:

A church in Eveleth owns a parsonage. The exempt application for the parsonage claims the pastor resides there as a condition of employment. The pastor and her husband are homesteading a house in Midway Township. The distance between the parsonage and the homestead is 59 miles. The pastor claims to live in Eveleth, with her husband spending time in both places. The homestead has been for sale but is not on the market at this time.

Our original opinion of this situation was that the parsonage is exempt from property taxation. According to the church, the pastor is required by condition of employment to live in the parsonage full-time. In this situation, we were of the opinion that the property shared with the husband would only qualify for 100 percent homestead because the pastor is not attempting to claim another homestead in Minnesota, only lives at the parsonage due to condition of employment, and the properties are more than 50 miles apart. However, based on the new information, the "employment or self-employment" clause is not applicable, because one of the spouses is not employed.

According to Minnesota Statutes, section 273.124, subdivision 1:

"(e) In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to:

- (1) marriage dissolution proceedings,*
- (2) legal separation,*
- (3) employment or self-employment in another location, or*
- (4) other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes.*

To qualify under clause (3), the spouse's place of employment or self-employment must be at least 50 miles distant from the other spouse's place of employment, and the homesteads must be at least 50 miles distant from each other."

Previously, the Department of Revenue has agreed to full separate homesteads in exceptional situations that have included (but are not limited to) cases of domestic violence, illness of one spouse requiring that spouse to live separately, and incarceration of one spouse. Any person or persons applying for separate homestead under this statute must provide the assessor with documentation that the assessor feels is sufficient. This may include signed affidavits, letters from the couple, doctor's notices, etc. Each case must be reviewed carefully as every unique

situation may have a different conclusion. If an individual is able to substantiate, to your satisfaction, that “other personal circumstances” existed warranting separate homesteads, you may grant full homestead to the property.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

KELSEY JORISSEN, State Program Administrator
Information and Education Section
Property Tax Division

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June 20, 2013

Becky Kotek
Rice County Assessor's Office
bkotek@co.rice.mn.us

Dear Ms. Kotek:

Thank you for submitting your question concerning homesteads.

Scenario: A woman is receiving residential homestead in the City of Faribault. She recently married a farmer who is receiving an agricultural homestead on all of the agricultural parcels he owns. The spouses have come to your office with a prenuptial agreement stating that they should be allowed to maintain both homesteads.

Question: Can the spouses continue to receive both homesteads because the prenuptial agreement states that the marriage shall not change the status of each other's property?

Answer: Spouses can only receive two homesteads if they meet one of the following criteria under Minnesota Statutes, section 273.124:

1. Marriage dissolution proceedings.
2. Legal separation.
3. Employment or self-employment in another location if one spouse's place of employment is at least 50 miles from the other spouse's place of employment and the homesteads are at least 50 miles from each other.
4. Other personal circumstances causing the spouses to live separately, which does not include intent to obtain two homesteads for property tax purposes. This criterion is strictly interpreted to include cases of spousal abuse and other extreme scenarios.

The spouses that you have asked about do not meet any of the above criteria. Therefore, they do not qualify for two homesteads. Each spouse would be eligible for half a homestead, or if both spouses were to occupy one property as the primary place of residence, would qualify for a full homestead on that one property. Their prenuptial agreement has no effect on the application of section 273.124.

If you have any further questions, please contact our division at proptax.questions@state.mn.us. Thank you.

Sincerely,

Drew Imes, State Program Administrator
Information and Education Section
Property Tax Division

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July 3, 2013

Lana Anderson
St. Louis County Assessor's Office
andersonl3@stlouiscountymn.gov

Dear Ms. Anderson:

Thank you for submitting your question to the Property Tax Division regarding homestead.

Question: A husband and wife have full homestead in the metro area. The husband gets a job in the Duluth area and is living in a home owned by his parents and wants a relative homestead. The wife still lives and works in the metro area. Assuming the home owned by the parents has not been classified as seasonal residential recreational under the current ownership, is it allowable to grant a relative homestead for the husband in this situation?

Answer: If the spouses qualify for two separate homesteads under Minnesota Statutes, section 273.124, subdivision 1, paragraph (e), the husband would be eligible for a full relative homestead. If not, the husband would be eligible for a 50 percent relative homestead and the wife would be eligible for a 50 percent owner-occupied homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information and Education Section
Property Tax Division

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MINNESOTA • REVENUE

September 3, 2013

Faye Lien
Assessment Technician
Kandiyohi County Assessor's Office

Dear Ms. Lien:

Thank you for submitting your question to the Property Tax Division regarding spousal homesteads. You have provided the following:

Question:

A woman in your county is trying to apply for work related spousal homestead. She is taking care of her handicapped grandson without pay. Does she qualify? And if so, what does she need to show to prove the circumstances?

Answer:

Minnesota Statutes, section 273.124, subdivision 1, paragraph (e) allows married couples to claim two separate homesteads in specific cases:

- “(1) marriage dissolution proceedings,*
- (2) legal separation,*
- (3) employment or self-employment in another location, or*
- (4) other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes.”*

Because this scenario does not constitute “employment or self-employment”, a separate homestead is not warranted under that clause. However, you may believe that this scenario qualifies the property owner for 100 percent homestead because of the specific and unique personal circumstances that are causing the spouses to live separately (clause 4 above).

Any person or persons applying for separate homestead under Minnesota Statutes 273.124, subdivision 1, must provide the assessor with documentation that the assessor feels is sufficient. This may include signed affidavits, letters from the couple, doctor's notices, etc. Each case must be reviewed carefully as every unique situation may have a different conclusion. If an individual were unable to substantiate, to your satisfaction, that “other personal circumstances” existed warranting separate homesteads, we recommend that the full homestead be denied.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

KELSEY JORISSEN, State Program Administrator
Information and Education Section
Property Tax Division

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MINNESOTA • REVENUE

November 15, 2013

Allison Plummer
Cook County Assessor's Office
allison.plummer@co.cook.mn.us

Dear Ms. Plummer:

Thank you for submitting your question to the Property Tax Division regarding homestead.

Scenario: A United States citizen is married to a Canadian citizen. He qualifies for homestead on his own as he can prove homestead; however, his wife does not qualify as she is not a Minnesota resident nor United States citizen, does not reside at the residence full time (resides in Canada), and is retired. Your office has told him multiple times that he does not qualify for a full homestead. He claims there are other circumstances that he feels would still qualify them for a full homestead; reasons why his wife does not switch citizenship or live here. Those reasons are that she receives a pension in Canada and to receive that, she must remain a Canadian citizen. She also receives medical care in Canada under their medical care system. He claims they also do not file a joint tax return.

Question: Should the spouses be eligible for a full homestead?

Answer: We agree with Cook County's position that the property is not eligible for full homestead. In order to qualify for a full homestead they would need to qualify as meeting the "other personal circumstance" clause under Minnesota Statute 273.124, subdivision 1, paragraph (e):

"In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to: (1) marriage dissolution proceedings, (2) legal separation, (3) employment or self-employment in another location, or (4) other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes. To qualify under clause (3), the spouse's place of employment or self-employment must be at least 50 miles distant from the other spouse's place of employment, and the homesteads must be at least 50 miles distant from each other."

The department has always strictly interpreted the "other personal circumstances causing the spouses to live separately" clause to mean limited or extreme circumstances, such as cases of domestic violence, incarceration, serious illness, etc. These cases must also be well substantiated or documented (e.g. court orders, restraining orders, medical documentation, etc.). In our opinion, the case that you have outlined does not rise to this level.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Drew Imes, State Program Administrator
Information and Education Section
Property Tax Division

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January 23, 2014

Marian Paulson
Kittson County Assessor's Office
mpaulson@co.kittson.mn.us

Dear Ms. Paulson,

Thank you for submitting your question to the Property Tax Division regarding the homestead status for a property located in your county.

Scenario:

- A married couple owns farm land in your county
- They have filed a special ag homestead application with the county
- The wife is not a Minnesota resident
- The size and actively farming requirements have been met for the special ag homestead
- The property is vacant farm land
- The husband lives with his wife in North Dakota during the week and then lives with his parents in MN on the weekend while he performs farming activity on the land
- The husband has a MN driver's license, he is registered to vote in MN, his license plates are registered in MN, and he files his income taxes in MN

Question 1:

- Since the owner (the husband) does not live in MN full time, is he considered a MN resident?

Answer: Homestead is a fact situation. The property owner or occupant must prove that he or she meets the requirements for homestead. While there is no single factor that determines whether a property meets the qualifications for homestead, there are strong indicators. First and foremost, owner-occupants must be Minnesota residents for income tax purposes. That means that they must pay Minnesota income tax if they have a taxable income. At the request of an assessor, the Department of Revenue may verify an individual who is requesting or receiving a homestead has or has not filed a tax return as a Minnesota resident for the most recent year the information is available. Homestead requirements are prescribed in state law. Local jurisdictions have no authority in law to impose additional or fewer requirements.

Other indicators that may be helpful to assessors include:

- Where is the taxpayer registered to vote?
- Where is the taxpayer's mail delivered?
- Does the taxpayer have another residence in Minnesota for which they can or do claim homestead?
- Has the taxpayer applied for or received any rent credits?
- What is the taxpayer's address on the taxpayer's motor vehicle registration?
- What is the taxpayer's address on their driver's license? (Per Minnesota Statutes, section 171.11, all licensed drivers must change their driver's license within 30 days of an address or name change.)
- Where the owner works.
- Whether the owner continuously maintains the premises.
- Whether the owner has any other residence in Minnesota for which they can or do claim homestead status.
- The location of the owner's bank accounts, especially the most active checking account.
- The address on the owner's fishing or hunting licenses, and whether they purchased the license as a resident or non-resident.
- The address on utility, cable, or phone bills.

It is important to stress that property owners do not have to meet all of the above factors. They are merely listed here to assist assessors in making a final determination. **Finally, the department always recommends that the assessor follow a reasonableness test and consider whether the request for homestead is reasonable.**

According to the information provided it appears that the property owner (husband) meets some of the above factors but may not meet some of the other ones. In questionable situations, we recommend that the property should be classified as non-homestead, and the taxpayer should be allowed to pursue the various avenues of appeal.

Question 2:

- Does this property qualify for a full ag homestead since the other owner (his wife) is not a MN resident?

Answer: Minnesota Statutes, section 273.124, subdivision 1, clause (e) reads:

“(e) In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to:

(1) marriage dissolution proceedings,

(2) legal separation,

(3) employment or self-employment in another location, or

(4) other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes.

To qualify under clause (3), the spouse's place of employment or self-employment must be at least 50 miles distant from the other spouse's place of employment, and the homesteads must be at least 50 miles distant from each other.”

According to the information you provided, it appears that none of the above clauses apply to this situation; therefore, since the wife is not a MN resident, this property does not qualify for a full special agricultural homestead. If the husband qualifies for special agricultural homestead then the property could be granted at most a 50% agricultural homestead and 50% agricultural non homestead.

Please note that our opinion is based solely on the information provided. If any of the facts are misinterpreted, or if any of the facts change, our opinion is subject to change as well. If you have any additional questions or concerns please free to contact our division at proptax.questions@state.mn.us

Sincerely,

JESSI GLANCEY, State Program Administrator
Information and Education Section
Property Tax Division

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June 2, 2014

Erin Selvik
Rice County Assessor's Office
eselvik@co.rice.mn.us

Dear Ms. Selvik:

Thank you for submitting your question to the Property Tax Division regarding a homestead situation in your county. You have provided the following scenario and question.

Scenario

A married couple owns property in your county for which you received a homestead application showing the occupancy date as June 10, 2013. Wright County recently received a homestead application from the same couple for a property located in Buffalo, MN. The wife stated that the couple lives in both homes while working in Lakeville and Shakopee. The wife was told from the real estate agent that they could claim two homesteads.

Question

You are under the opinion the homestead should be removed in Wright County and continue in Rice County since both spouses are working within the area. You have asked if there is any other way they can keep homestead on both properties.

Answer

The properties do not qualify for two separate full homesteads. A married couple is considered one entity for property tax purposes. Therefore, a married couple is entitled one full owner-occupied homestead.

Minnesota Statutes, section 273.124 states specific criteria that would allow a married couple to claim two full owner-occupied homesteads. That criteria is listed below:

Minnesota Statutes, section 273.124, subdivision 1, clause (e) reads:

“(e) In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to:

- (1) marriage dissolution proceedings,*
- (2) legal separation,*
- (3) employment or self-employment in another location, or*
- (4) other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes.*

To qualify under clause (3), the spouse's place of employment or self-employment must be at least 50 miles distant from the other spouse's place of employment, and the homesteads must be at least 50 miles distant from each other.”

According to the information you provided, the spouses do not meet any of the criteria above. Their places of employment (Lakeville and Shakopee) are not 50 miles distant from each other, and none of the other criteria apply.

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The property owners must file for homestead at the property which is their primary residence. Ideally, this residence will be the same address shown on their drivers' licenses and where they are registered to vote. The property owners will be responsible for verifying which residence is their primary residence, and making application to the appropriate County Assessor's Office.

Please note that this opinion is based solely on the facts as provided. If any of the facts were misinterpreted or change, our opinion is subject to change as well. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Emily Hagen, State Program Administrator
Information and Education Section
Property Tax Division

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July 11, 2014

Susie Sohlman
Koochiching County Assessor's Office
Susie.Sohlman@co.koochiching.mn.us

Dear Ms. Sohlman:

Thank you for submitting your question to the Property Tax Division regarding spouses living apart. You have provided the following scenario and question.

Scenario:

- A married couple purchased a home in International Falls.
- Both owners are listed on the title; however, only the wife signed the homestead application.
- The homestead application was returned to the property owners, stating that the husband must also sign the homestead application.
- The application was returned to the county without the husband's signature and "living there" was underlined on the application.
- The wife was phoned and she stated the husband does not live there, but never stated they were legally separated or divorced.
- Prior to this purchase the married couple homestead a property on Rainy Lake.

Question: Can the couple receive homestead on both properties?

Answer: Spouses can only receive two homesteads if the spouses live separately due to one of following criteria under Minnesota Statutes, section 273.124:

1. Marriage dissolution proceedings,
2. Legal separation,
3. Employment or self-employment in another location if one spouse's place of employment is at least 50 miles from the other spouse's place of employment and the homesteads are at least 50 miles from each other,
4. Other personal circumstances causing the spouses to live separately, this does not include intent to obtain two homesteads for property tax purposes. This criterion is strictly interpreted to include extreme scenarios.

In this situation it is unknown if the spouses are legally separated, or going through marriage dissolution proceedings. However, if the property owners do not meet any of the above criteria they would not be eligible for two full homesteads. Each spouse would be eligible for half of a homestead; or, if both spouses were to occupy one property as the primary place of residence, that property would qualify for a full homestead.

You can find more information regarding this scenario in the Property Tax Administrator's Manual, *Module 4-Homesteads* which can be found on our website at:

http://www.revenue.state.mn.us/local_gov/prop_tax_admin/Pages/ptamanual.aspx

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez, State Program Administrator

Information and Education Section

Property Tax Division

Property Tax Division

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MINNESOTA • REVENUE

August 4, 2014

Sheila Buenger
Fillmore County Assessor's Office
sbuenger@co.fillmore.mn.us

Dear Ms. Buenger:

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question.

Scenario: A residential property is owned by two individuals. The individuals have divorced; however, both parties remain on the title as owners. Only one of the owners resides at the property.

Question: Should this property only receive a 50% fractional homestead?

Answer: Yes, since the divorce is finalized, the property is considered to be owned by two individuals, only one of whom occupies the property. Therefore, the property would only qualify for 50% homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Ricardo Perez, State Program Administrator
Information and Education Section
Property Tax Division

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December 23, 2014

Susie Sohlman
Scott County Assessor's Office
Susie.Sohlman@co.koochiching.mn.us

Dear Ms. Sohlman,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the following information.

Scenario:

- You have a property located in your county that is occupied by the owner's son-in-law
- The property is currently classified as residential non-homestead
- The son-in-law works in your county but his homestead is in Itasca County
- The distance between his property in Itasca County and the place of his employment is over 50 miles
- The wife of the son-in-law lives in the homestead in Itasca County and does not work due to a disability
- The owners of the property that the son-in-law is occupying have submitted a relative residential homestead application

Question: Does this scenario qualify for 2 full homesteads under the special circumstance for spousal homesteads of living 50 miles apart due to employment?

Answer: Since one of the spouses is not employed, the married couple would not qualify for two full homesteads. Under certain very narrowly defined circumstances, state law [\[Minnesota Statute 273.124, subdivision 1, paragraph \(e\)\]](#) does provide for two full separate homesteads for married couples. One of the requirements is that the spouse's place of employment or self-employment must be at least 50 miles distant from the other spouse's place of employment. In the scenario you outlined one of the spouse's is not employed which is why they do not qualify.

According to the information you provided it appears that the property located in your county would qualify for a 50% relative residential homestead and the property that the wife resides in would qualify for a 50% residential homestead.

Please note that our opinion is based solely on the information provided. If any of the facts are misinterpreted, or if any of the facts change, our opinion is subject to change as well. If you have any further questions, please contact our division at proptax.questions@state.mn.us

Sincerely,

JESSI GLANCEY
State Program Administrator Senior
Property Tax Division
Phone: 651-556-6091
Email: proptax.questions@state.mn.us



March 2, 2015

Nancy Heibel
Koochiching County Assessor's Office
Nancy.Heibel@co.koochiching.mn.us

Dear Ms. Heibel,

Thank you for contacting the Property Tax Division regarding homestead for spouses that are legally separated. You provided us with the following information.

Scenario:

- You have a property owner in Koochiching County that is legally separated from his wife.
- He is receiving the homestead but will be moving to a new property.
- He will file for homestead at the new property.
- His wife, whom he is legally separated from, might move into the property once he moves.
- Her name is not on the deed for that property.

Question: Can the wife receive homestead on the property?

Answer: Yes, the wife could receive a full homestead on the property. [Minnesota Statute 273.124, paragraph \(e\)](#) states that spouses can receive two homesteads if they live separately due to a legal separation. If the couple files for a divorce, then she would have to own the property to receive a homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

JESSI GLANCEY
State Program Administrator Senior
Property Tax Division
Phone: 651-556-6091
Email: proptax.questions@state.mn.us



June 3, 2015

A Thor
Kanabec County Assessor's Office
a.thor@co.kanabec.mn.us

Dear Mr. Thor:

Thank you for submitting your questions to the Property Tax Division regarding relative agricultural homestead.

Scenario:

- A married couple owns two contiguous agricultural parcels.
- The couple has a residential homestead, but do not qualify for special agricultural homestead.
- Their daughter occupies one of the parcels.
- The daughter has applied for relative agricultural homestead.
- There are no other relative agricultural homesteads in the family.
- The daughter's husband lives in North Carolina and is a North Carolina resident.

Question 1: Would the daughter qualify for full homestead, or half homestead?

Answer 1: The daughter would qualify for 50% relative agricultural homestead, because her spouse is not a MN resident.

Question 2: Are there special provisions for government employees who hold jobs out of state?

Answer 2: No; the allowances for married couples to have full homestead when they do not occupy the same home apply only when both spouses are MN residents. In this case, one spouse is not a MN resident.

Question 3: Does the husband need to provide his Social Security number on the homestead application even though he does not claim homestead here?

Answer 3: No; only the individuals who occupy the property and are claiming homestead need to provide an SSN. In this case, only the daughter would need to provide her SSN with the application for relative agricultural homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Andrea Fish
Supervisor, Information & Education Section
Property Tax Division
Phone: (651) 556-6091
Email: proptax.questions@state.mn.us

MINNESOTA • REVENUE

December 21, 2015

Diane Rolloff
Brown County Assessor's Office
Diane.Rolloff@co.brown.mn.us

Dear Ms. Rolloff:

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and questions:

Scenario:

- Agricultural property in Brown County is titled in both the husband and wife's name.
- The husband resides on the agricultural site in Brown County.
- The wife resides in their North Carolina home due to her employment.
- Their daughter attends college at the University of Minnesota.

Question 1:

Because the wife is not a Minnesota resident, is it correct that the agricultural property only receives 50% homestead?

Answer 1:

Yes; [Minnesota Statutes 273.124](#) states that owner who uses the real estate for purposes of a homestead must be a Minnesota resident. Therefore, because the wife's job requires her to be a North Carolina resident, her interest in the property in Minnesota will no longer be eligible to receive a full homestead classification.

Question 2:

Can the daughter apply for a residential relative homestead on the wife's 50% interest of the HGA even though she is attending college at the University of Minnesota.?

Answer 2:

If you determine that the daughter is indeed using the property as her primary homestead, the property may be eligible to receive a one-half (50 percent) relative homestead in addition to the one-half homestead the dad is receiving.

Homestead is a fact situation that must be proved by the individual(s) seeking homestead treatment. While no single factor may determine whether homestead requirements are met, several indicators (beyond where income taxes are filed) may be used to determine that homestead has been established at a location. These indicators may include:

- What is the address on the owner's driver's license or state-issued identification?
- Where is the taxpayer registered to vote?
- Where is the taxpayer's mail delivered?
- What is the taxpayer's address on the motor vehicle registration?

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Emily Anderson
State Program Administrator
Information and Education Section, Property Tax Division
Phone: 651-556-6099
Email: proptax.questions@state.mn.us

600 N. Robert St., St. Paul, MN 55146
www.revenue.state.mn.us

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October 18, 2016
Nancy Heibel
Assessor Clerk, Koochiching County
nancy.heibel@co.koochiching.mn.us

Dear Ms. Heibel:

Thank you for submitting your question to the Property Tax Division regarding the homesteading of property for spouses living separately. You have provided the following:

Scenario:

- A retired resident of Koochiching County would like to claim homestead on property that is in his name.
- His wife currently lives and homesteads in Illinois.
- The married couple are not separated or divorced.
- The married couple have decided to keep the home in Illinois because the wife acts as nanny for her daughter in that state.
- The wife also maintains her Illinois residency for insurance purposes.

Question: Would the married couple qualify for a second homestead.

Answer: No. The married couple would not qualify for a second homestead since they do not meet the requirements of [Minnesota Statutes, section 273.124, subdivision 1, paragraph \(2\)](#).

To be eligible for a second homestead, the married couple's work locations must be 50 miles or more from one another. The couple do not meet this condition since the husband is retired. Also, as evident by the wife's continued occupancy of the Illinois home, she is not a Minnesota resident. Minnesota Statutes 273.124, subdivision 1 states that a person must be a Minnesota resident for the purpose of homesteading.

Question: Would the property in Koochiching County qualify for a partial homestead?

Answer: Yes. The property would be subject to the 50% homestead status since the husband occupies the property. The wife does not qualify for any homestead status.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Gary Martin
State Program Administrator, Information & Education Section
Property Tax Division
Phone: 651-556-6773
Email: proptax.questions@state.mn.us

January 10, 2017

Kim Kylander
Pine County Assessor's Office
Kim.Kylander@co.pine.mn.us

Dear Kim Kylander,

Thank you for submitting your question to the Property Tax Division regarding legal marriages and spousal homesteads. You have provided the following scenario and question:

Scenario:

- A property owner recently applied for homestead in your county.
- The owner was married in Nigeria.
- The spouse still lives in Nigeria and is not a U.S. Citizen.

Question: Is a marriage that takes place out of the country recognized as a legal marriage? Should the county grant the owner a full homestead?

Answer: Whether a marriage is considered legal or not is not a property tax issue. That is a family law issue and it is not up to the Department of Revenue to determine whether a marriage is considered legal. The county attorney will have to make that determination. If it is determined that the marriage is considered "legal" within Pine County, then the county should create documentation so the property owner can provide the assessor's office with the documentation that is required to grant homestead.

If the marriage is deemed legal, the property owner would only be eligible for a 50% homestead unless the county determines that the property owner qualifies for one of the spousal homestead provisions listed in Minnesota Statute 273.124, subdivision 1, paragraph (e).

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Jessi Glancey
State Program Administrator Coordinator
Property Tax Division
Information & Education
Phone: 651-556-6091

January 12, 2017
Kelly M. Schroeder
Pine County Assessor's Office
kelly.schroeder@co.pine.mn.us

Dear Ms. Schroeder,

Thank you for submitting your question to the Property Tax Division regarding homestead for spouses living separately. You have provided the following scenario and question:

Scenario:

- A married couple has two homes due to work responsibilities.
- The wife lives in a home in Pine County, while the husband has a home in St. Louis County.
- Pine County is currently granting a 50% homestead due to the couple's worksites not being more than 50 miles apart.
- The husband is questioning the 50% homestead since he spends just under 50% of his time working from other locations that are more than 50 miles from his wife's place of employment.

Question:

Do the husband's other work locations that are beyond 50 miles from his wife's place of employment meet the statutory requirements of [Minnesota Statutes, section 273.124, subdivision 1, clause \(e\)](#), even though he spends the majority of his work time at a location that is less than 50 miles from his wife's work location?

Answer:

Under certain, very narrowly defined circumstances, state law does provide for two full separate homesteads for married couples. One of the requirements is that the spouse's place of employment or self-employment be at least 50 miles distant from the other spouse's place of employment. In this scenario, the husband's place of employment is located within 50 miles of the wife's work location. Traveling for work does not qualify under this provision of statute. Therefore, he would not qualify for a full homestead on the property located in St. Louis County.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Gary Martin
State Program Administrator
Property Tax Division
Information & Education
(651) 556-6091

April 05, 2017

Beverly Johnson
Polk County Assessor's Office
Beverly.johnson@co.polk.mn.us

Dear Ms. Johnson,

Thank you for submitting your question to the Property Tax Division regarding homestead for spouses living apart. You have provided the following scenario and question:

Scenario:

- A couple are living apart.
- They own a working farm in Marshall County, the husband actively farms and lives on the farm property.
- The couple have a lake residence where the wife claims she is re-opening a Real Estate business.
- Both entities are self-employed, and the county is having difficulty verifying this information.
- The distance between the farm and the lake residence is more than 50 miles apart.

Question: How does the county verify employment, when the property owners are self-employed?

Answer: As you may already know, married couples are considered one entity for property tax purposes. Thus, they are entitled to one full homestead unless they meet one of the four specific conditions outlined in Minnesota Statute 273.124, subdivision 1, paragraph (e):

"In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to:

- (1) marriage dissolution proceedings,*
- (2) legal separation,*
- (3) employment or self-employment in another location, or*
- (4) other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes."*

Minnesota Statute 273.124, subdivision 1, paragraph (e) further states that:

"To qualify under clause (3), the spouse's place of employment or self-employment must be at least 50 miles distant from the other spouse's place of employment, and the homesteads must be at least 50 miles distant from each other..."

We would recommend that the county verify that the owners employment is actual and gainful, not simply a hobby or pastime. Revenue generated by the wife's "employment" must be sufficient to sustain the lake

residence. While there is no specific statutes detailing employment verification requirements, the burden of proof is on the taxpayer.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Kristine Moody

State Program Administrator
Property Tax Division
Information & Education
Phone: 651-556-6098

November 1, 2017

Cindy Marti
Brown County Assessor's Office
cindy.marti@co.brown.mn.us

Dear Ms. Marti,

Thank you for submitting your question to the Property Tax Division regarding homestead for spouses living separately. You have provided the following scenario and question:

Scenario:

- A married couple purchased a home in 1994 and homesteaded it in 1995;
- The couple divorced in 2001 and the wife's interest in the home was deeded to the husband in a quit claim deed;
- The ex-wife moved to Iowa and has a homestead there;
- Couple remarried in 2017;
- Wife plans to continue to live in Iowa due to work considerations and remains a resident of that state.

Question:

Can the wife qualify for the employment-related homestead allowance for spouses living apart found in Minnesota Statute 273.124 Subdivision 1(e)?

Answer:

No. Minnesota Statutes 273.124 Subdivision 1(a) states that a person must be a Minnesota resident for the purpose of homestead. This requirement would have to be met before considering the special rules for spouses living apart found in subdivision 1(e). In this situation the wife's continued residency in another state would limit the homestead available to the husband on the Brown County property to 50%. Please note, no matter how a property is titled, whether in one name or both, a married couple is considered one entity for property tax purposes, therefore homestead requirements must be met by both spouses.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

November 8, 2017

Laurie Anderson
Anoka County Property Specialist
Laurie.Anderson@co.anoka.mn.us

Dear Ms. Anderson,

Thank you for submitting your question to the Property Tax Division regarding spousal homesteads. You have provided the following scenario and question:

Scenario:

- A couple in your county owned a home where both were on the title.
- Husband deeded his interest in the home to a bank by a quit claim deed.
- Title now shows the ownership as wife and bank as joint owners.
- The homestead application submitted by the owners indicates the marital status as single, not married.

Question: Should the homestead status be removed because a bank/company is now in title as well?

Answer: No. Although an entity cannot receive homestead in this situation, the wife would still be entitled to 50% homestead, assuming it is her principal place of residence and her name is on the title, regardless of the percentage of ownership she retained. For property tax purposes, percentage of homestead eligibility is based on the number of owners.

Regarding the marital status discrepancies on the application, we would recommend contacting the applicant for clarification. Although the marital status will not impact the 50% homestead in this situation. Please note, no matter how a property is titled, whether in one name or both names, a married couple is considered one entity for property tax purposes.

This opinion is based on the specific information provided. If any of the facts of the situation change, our opinion would be subject to change as well.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

August 20, 2018

Dana Anderson
Scott County Assessor's Office
DJAnderson@co.scott.mn.us

Dear Ms. Anderson,

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- A married couple owned a home.
- Both spouses originally applied for homestead, but one spouse was unable to provide a Social Security Number (SSN).
- Since the original application the married couple have legally separated and one spouse is in the process of being deported.
- The spouse remaining in the home has since reapplied for homestead without including the other spouse's information.

Question: Can the spouse occupying the property in Minnesota receive a full homestead?

Answer: No. In the scenario presented the spouse remaining in the home is entitled to a 50% homestead. Although [Minnesota Statute 273.124, subd. 1\(e\)](#) provides that a legally separated couple should both receive a full homestead while living apart, it does not create a new avenue for applicants to obtain homestead. In this case the married couple must otherwise be eligible to qualify the property for a full homestead if they both occupied the property. At the time of the initial application since one spouse was unable to provide a SSN as required by [Minnesota Statute 273.124, subd. 13](#), the couple would have only been eligible for a 50% homestead prior to the legal separation.

Furthermore, legal separation is not a dissolution of marriage according to [Minnesota Statute 518.06](#), and gives additional credence that the remaining spouse should only receive a 50% homestead since the couple is still married according to statute. Although one spouse is in the process of being deported, or has been deported, being they are legally married they must be treated as one for homestead purposes. In the situation described, the only possibility for the remaining spouse to obtain a full homestead is for him/her to have complete ownership of the home, and to be legally divorced from their spouse.

Our opinion is based on the facts provided. If the facts were to change then our opinion could change as well. Ultimately, classification of a property must be determined by the assessor based on the use of the property and the requirements listed in Minnesota Statutes.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6091

August 21, 2018

Marian Paulson
Kittson County Assessor's Office
mpaulson@co.kittson.mn.us

Dear Ms. Paulson,

Thank you for submitting your question to the Property Tax Division regarding homestead qualification for spouses living apart. You have provided the following scenario and question:

Scenario:

- A married couple own property in Kittson County and Maple Grove, MN.
- One spouse lives on a farm in Kittson County where he engages in active farming.
- The other spouse lives in Maple Grove where she was employed.
- The county discovered that the spouse living in Maple Grove retired a few years ago, but did not disclose this information to the county.
- The wife uses medical facilities in the Metro area frequently, but spends only a limited amount of time in Kittson County.

Question: How should these properties be homesteaded?

Answer: Based on the information provided, both spouses could receive 50% homestead on each property. According to statute, no matter how a property is titled, whether in one or both names, a married couple is considered one entity for property tax purposes. Each qualifying property may receive one full regular homestead if each spouse occupies the home as their principal place of residence ONLY if one of the exceptions are met according to Minnesota Statutes, Section 273.124, subdivision 1, paragraph (e)(3).

The couple no longer qualifies for two separate homesteads as the exceptions in statute requires both spouses to be separated due to employment, "the spouse's place of employment or self-employment must be at least 50 miles distant from the *other spouse's place of employment* (emphasis added)." In the given scenario, the wife is retired and retirement is not considered employment.

Minnesota Statute does not specifically recognize the frequent use of a medical facility as a qualifying factor for each spouse to receive a full homestead. To qualify under M.S. 273.124, subd. 1 (e)(4) "other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes," the burden of proof behind the intent of ownership is on the taxpayer.

This determination is based on the information provided, and is subject to change based on additional evidence. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6091

September 13, 2018 *Edited July 2021 due to law change*

Deb Tappe
Steel County Assessor's Office
Deb.Tappe@co.steele.mn.us

Dear Ms. Tappe,

Thank you for submitting your question to the Property Tax Division regarding homesteads when spouses are living apart. You have provided the following scenario and question:

Scenario:

- John Doe purchased a home and he is the only owner on the deed.
- On the homestead application John Doe indicated that he is married to Jane Doe.
- Jane Doe is living in an apartment and is not claiming homestead.
- They are living apart but are not yet divorced or legally separated.
- They will not be divorced by the December 31st deadline for mid-year homestead.

Question: Does John Doe qualify for a homestead on his new property?

Answer: There are three main things to consider when evaluating homestead: ownership, occupancy, and residency. From the information given to us, we know that John Doe owns his home, and we assume that he and Jane Doe are both Minnesota residents. In Minnesota, married couples are treated as one entity for property tax purposes, regardless of who is listed on the deed. Because Jane Doe does not occupy the new home, the property would only be eligible for a 50% homestead.

[Minnesota Statutes 273.124 subdivision 1, clause \(e\)](#) provides some exceptions which allow full homesteads to be given when spouses are living apart, such as:

- **Marriage dissolution proceedings**
- Legal separation
- Employment or self-employment in another location, or
- Other personal circumstances causing the spouses to live separately

The statute allows individuals who have begun divorce proceedings to be eligible for a full homestead, even if the divorce has not been finalized. The applicant for homestead will need to provide documentation to verify that divorce proceedings have begun, rather than just stating an intent to divorce. If John Doe is able to provide this documentation before the December 1st deadline, he would be eligible for a full homestead.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

September 21, 2018

Lori Clark
Ramsey County Assessor's Office
lori.clark@co.ramsey.mn.us

Dear Ms. Clark,

Thank you for submitting your question to the Property Tax Division regarding homestead for spouses living apart. You have provided the following scenario and question:

Scenario:

- A married couple owns a home where the husband resides.
- The wife lives with her mother in a neighboring county.
- The couple has advised you that she lives in the other county due to getting better medical care and assistance in that county.
- Your office has asked for additional information on the medical condition to determine if it would qualify the couple's home for a full homestead due to [Minnesota Statutes, section 273.124, subdivision 1e\(4\)](#) which allows exceptions for "other personal circumstances causing the spouses to live separately."
- Your office received a letter indicating a change in caseworker and a plan summary which you have determined does not indicate the medical need to live in the neighboring county.

Question:

What is required to demonstrate that the relocation is due to a medical need and would qualify the couple's parcel for a full homestead?

Answer:

The Department has always strictly interpreted the "other personal circumstances" clause to mean limited, unique, and extreme circumstances. Previous examples include domestic violence, incarceration, serious illness or other extreme situations which prohibit spouses from living together. These cases must also be well substantiated or documented (e.g. court orders, restraining orders, medical documentation, etc.) The burden of proof rests on the taxpayer to show that their circumstances warrant exception. In our opinion, the case that you have outlined does not rise to this level.

Minnesota Statute does not specifically recognize the frequent use of a medical facility and receiving assistance as a qualifying factor for each spouse to receive a full homestead. Other medical situations regarding quality or availability of care would need to be looked at on a case-by-case basis and would require the applicant to provide detailed documentation of the situation.

Ultimately, the assessor has sole authority to grant or deny homestead. If you are of the opinion that a medical need has not been established, the husband should receive a 50% homestead. Please note that our

opinion is based solely on the information provided. If any of the facts change, our opinion is subject to change as well.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6091

October 3, 2018

Lynette Snare
Kittson County Assessor's Office
lsnare@co.kittson.mn.us

Dear Ms. Snare,

Thank you for submitting your question to the Property Tax Division regarding spousal homesteads. You have provided the following scenario and questions:

Scenario:

- Ms. A has a residential homestead in Kittson County.
- Ms. A also owns agricultural land that is located within four townships of her residential property.
- The agricultural parcels meet all the requirements and qualify for a special agricultural homestead.
- Ms. A has married Mr. A, who is a resident of North Dakota.
- Mr. A does not occupy Ms. A's property in Minnesota.
- Mr. A operates his farm located in North Dakota.
- Ms. A has retained her MN residency and occupies the residential property.

Question: Should the homestead status of the residential and agricultural properties change now that Ms. A is married to Mr. A?

Answer: Yes, in Minnesota married couples are considered one entity. To qualify for a full homestead, either residential or agricultural, the married couple must be MN residents and occupy the property. Since Mr. A is not a MN resident and does not occupy the property, the residential property can only qualify for a 50% residential homestead. To qualify for a special agricultural homestead, the owner and the owners spouse must be MN residents. Again, since Mr. A is not a MN resident, the agricultural parcels can only qualify for a 50% special agricultural homestead.

Question: Mr. A is not on the deed for either properties that Ms. A owns, does that effect the homestead of either properties?

Answer: No, since a married couple is considered one entity in the state of Minnesota, it does not matter if one or both of them are listed as an owner of the property. The couple must meet the requirements for homestead to qualify for a full homestead, regardless of who is listed on the deed.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

December 20, 2018

Joyce Schmidt
Pipestone County Assessor's Office
joyce.schmidt@co.pipestone.mn.us

Dear Ms. Schmidt,

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- Husband Trust owns 160 acres.
- Husband is the sole grantor of Husband Trust.
- Husband occupies the property.
- Wife lives and claims residency in Indiana because she owns a business there.

Question:

What percentage of homestead does the property owned by the Husband Trust qualify for? If the wife claims Minnesota as her residence, does it change the amount of homestead the property qualifies for?

Answer:

The property would be eligible for 50% homestead based on the grantor's (husband) occupancy. Since the grantor's spouse is not a Minnesota resident, the property does not qualify for a full homestead. Property held by a grantor under a trust may be eligible for homestead if all other requirements are met. In such cases, the grantor of the trust is considered to be the "owner" of the property for homestead purposes. However, no matter how a property is titled, whether in one name or both, a married couple is considered one entity for property tax purposes.

If the grantor's spouse were to move to Minnesota and claim residency, they must meet one of the spousal provisions provided in Minnesota Statutes, section 273.124, subdivision 1, clause (e) to receive a full homestead. For example, if the grantor's spouse is a Minnesota resident and lives 50 miles or more from the trust property, each property may qualify for 100% full homestead only if their employment requires them to be living separate from each other. If one of the spousal provisions are not met, each property qualifies for only 50% homestead based on the occupying spouse.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6091

February 20, 2019

Maggie Munsterman
Watonwan County Assessor's Office
Meggie.Munsterman@co.watonwan.mn.us

Dear Ms. Munsterman,

Thank you for submitting your question to the Property Tax Division regarding relative homestead with spouses living apart. You have provided the following scenario and question:

Scenario:

- A property owner in Watonwan County has a life estate on 3 contiguous agricultural parcels.
- The three contiguous parcels, Farm A, are currently receiving an agricultural homestead.
- In 2018 the property owner submitted a homestead application for a different parcel, indicating that the owner no longer occupied Farm A.
- In 2018 the owner's son applied for a relative agricultural homestead which indicated that the son occupies Farm A.
- The owner's son is married but his spouse does not occupy Farm A with her husband. She is currently registered to vote and has a driver's license from another state.

Question 1: What type and percent of homestead does the son qualify for and why?

Answer: Based on the information that was provided, and assuming that all other qualifications are met, the owner's son may qualify for 50% agricultural relative homestead for this property. This assumes that neither the owner and the qualifying relative, nor their spouses, are receiving another agricultural homestead in Minnesota. If the owner of the agricultural property is receiving another agricultural homestead, the son would not be eligible for a relative agricultural homestead. The county could review the HGA of Farm A for a residential relative homestead, however the son would only qualify for a 50% residential relative homestead because his spouse does not occupy the property.

In the state of Minnesota, a married couple is considered one entity for property tax purposes, therefore the couple must occupy the property to receive a full homestead. If a married couple does not occupy a property together, they must meet one of the spousal provisions in [Minnesota Statute 273.124, subdivision 1 \(e\)](#) to receive a full homestead (owner occupied/relative). Those provisions apply when spouses are absent due to the following:

- marriage dissolution proceedings,
- legal separation,
- employment or self-employment in another location, or
- other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes.

Question: What type and percent of homestead do the additional parcels qualify for?

Answer: If the owner's son qualifies for a 50% relative agricultural homestead on the occupied base parcel, the remaining agricultural parcels, that are contiguous to the base parcel, could be linked to the 50% relative agricultural homestead.

Finally, if the county grants a 50% relative **residential** homestead on the HGA, the county could review the additional agricultural land for special agricultural homestead under the owner who retains the life estate.

Please note that our opinion is based solely on the information provided. If any of the facts are misinterpreted, or if any of the facts change, our opinion is subject to change as well.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6091

May 8, 2019

Sheila Buenger
Fillmore County Assessor's Office
sbuenger@co.fillmore.mn.us

Dear Ms. Buenger,

Thank you for submitting your question to the Property Tax Division regarding spousal homesteads. You have provided the following scenario and question:

Scenario:

- A married couple are living apart but are not legally separated nor in the process of a divorce.
- The couple did not own property prior to their separation.
- The wife has purchased property, her mother is listed on the deed for financing purposes.
- The husband does not own or homestead any other property in the county.
- The wife's mother and father receive owner occupied agricultural homestead on a separate property.

Question: How should the county apply homestead to the wife's property?

Answer: The property qualifies for a 50% owner occupied homestead. There are three main things to consider when evaluating homestead: ownership, occupancy, and residency. We start by assuming that all parties involved are Minnesota residents.

Regarding ownership, in this situation, the property is owned by the wife and her mother. The husband also has marital ownership interest due to the marriage, even though he is not listed as an owner on the deed. Regarding occupancy, [Minnesota Statute 273.124, subdivision 1\(g\)](#) allows for a first-time home buyer to still receive a full owner-occupied homestead when a relative is on the deed for financing purposes without requiring the relative (in this situation, the mother) to occupy the property.

However, Minnesota Statutes also require that spouses occupy the property for the property to receive a full homestead, even if the spouse is not on the deed. Since the husband and wife are not legally separated or in the process of divorce, the county cannot grant a full homestead since the husband is not occupying the property. Minnesota Statute 273.124, subdivision 1(e) allows for married couples to receive multiple homesteads under certain situations, such as a legal separation or if divorce proceedings have been filed. We assume the couple does not meet any of these exceptions in statute therefore the property cannot receive a full homestead.

Please be aware that this opinion is based solely on the information provided. If any of the facts of the situation were to change, our opinion would be subject to change as well. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6091

July 1, 2020

Mike Sheplee
Martin County Assessor
Mike.Sheplee@co.martin.mn.us

Dear Mr. Sheplee,

Thank you for submitting your question to the Property Tax Division regarding residential homestead. You have provided the following scenario and question:

Scenario:

- A married couple owns a property and qualifies for homestead
- One of the spouses passes away
- The surviving spouse does not file an affidavit of survivorship or otherwise change the deed to reflect the fact that their spouse is deceased

Question: Is the surviving spouse still entitled to a full homestead?

Answer: Yes. Married couples are considered as one entity for property tax purposes in Minnesota. If one spouse passes away, the surviving spouse naturally retains ownership as a beneficial owner and therefore may continue to receive full homestead on a property. We are not aware of any deadline for a surviving spouse to file an affidavit of survivorship or otherwise change the deed for homestead purposes. The homestead status of the property would need to be reviewed if/when the surviving spouse decides to convey the property to someone else.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division
Phone: 651-556-6922

October 21, 2021

Dear Sharon,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the follow scenario and question:

Scenario:

- A property owner recently purchased a home and applied for homestead.
- At the time of purchase, the property owner was single and the sole owner of the property.
- The property owner was married several weeks later.
- The spouse has been on active duty in the military for eight years and lives out of state and owns a home.
- The spouse is from Minnesota, is registered to vote in Minnesota, but holds an out of state driver's license.

Question: Can the property receive a full homestead given the spouse lives out of state while serving on active duty in the military?

Answer: Based on the information provided there are several ways to approach this homestead issue. It appears the most straightforward would be to rely on Minnesota Statutes 273.124 Subd. 1 (e)(4) "other personal circumstances causing the spouses to live separately, not including an intent to obtain two homestead classifications for property tax purposes."

Assuming the active-duty spouse has maintained Minnesota residency, they would qualify for a full homestead. We would recommend verifying with the Department of Revenue the filing of a resident Minnesota tax return or using other available information to assist you in making that residency determination.

If the spouse has not maintained their Minnesota residency then they would not qualify for homestead and the property could be eligible for a 50% occupied homestead. Upon the spouse's return from military service, the assessor could then provide an abatement of the difference between the non-homestead and homestead taxes for the current and maximum two preceding years in accordance with [M.S. 273.124 sub 12 \(b\)](#).

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

December 21, 2021

Dear Nancy,

Thank you for contacting the Property Tax Division regarding two full homesteads for spouses that live separately due to employment. You provided us with the following scenario and question.

Scenario:

- Spouse one lives in and works in Moorhead.
- Spouse two lives in Detroit Lakes.
- Spouse two is self-employed and provides clinical counseling services to clients.
- Spouse two owns a counseling clinic in Fargo, ND, however counseling services are not currently offered at the Fargo location. Most of the counseling services are offered remotely from the home in Detroit Lakes.

Question: Does the couple qualify for two full homesteads?

Answer: Based on the information provided, the need/requirement for the spouse to occupy a second property for employment purposes has not been demonstrated, and therefore, does not appear to qualify for an additional full homestead under Minnesota Statute 273.124, subdivision 1(e). Under certain, narrowly defined circumstances, the law does provide for two full separate homesteads for married couples. The law allows married couples to qualify for two full homesteads when there is a need for one of them to move away from the primary home due to employment or self-employment purposes.

Typically, these situations involve the purchase of another homestead due to an employment or self-employment need that results in a spouse no longer primarily occupying a homestead with their spouse. It is unclear from the information presented if the home in which spouse two is currently residing was in the couple's possession for an extended period before this application was received, or if the home was purchased based on the employment need.

If the reason for the second homestead is due directly to the work of spouse two, then they should be able to demonstrate this by providing documentation and proof to the assessor. If documentation is submitted and the assessor determines that there is a business need for spouse two to work and live in Detroit Lakes, then it would seem reasonable for the second homestead to be granted.

This determination is based on the information provided and is subject to change based on additional evidence. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

11/14/2022

Andrea,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the follow scenario and question.

Scenario:

- Husband and wife own properties in Minnesota and North Dakota
- Both husband and wife completed a homestead application in Pope County
- Wife provided a Minnesota driver's license which matched the address on the homestead application
- The husband has a North Dakota driver's license and resides there

Question: How should homestead be applied in this situation?

Answer: Based on the information provided, the property would qualify for a 50% owner-occupied homestead due to only one of the spouses occupying the property. In the state of Minnesota, a married couple is considered one entity for property tax purposes. The property would not be eligible for a relative homestead as statute does not define a spouse as a qualifying relative.

Please note that our opinion is based solely on the information provided. If any of the facts were to change, our opinion is subject to change as well. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

November 21, 2022

Nancy,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the follow scenario and question.

Scenario:

- A married couple owns and homesteads a property in your county
- Spouse one works in your county, spouse two works remotely and is based in your county
- The couple own a second home in another county and appeared on the duplicate homestead report
- The couple's two children live in the second home and attend school in that area
- Spouse two often stays with the children in that home and works remotely
- The homes are more than 50 miles apart

Question: Does the couple qualify for two full homesteads?

Answer: No, based on the information provided, the second property would not qualify for an additional owner-occupied homestead. Under certain, narrowly defined circumstances, Minnesota Statute 273.124 subdivision 1(e) allows a married couple to qualify for two full separate homesteads when there is a need for one of them to move away from the primary home due to employment or self-employment purposes or other special circumstances. From the information provided, it appears that although spouse two is working remotely from the home occupied by the children, it is has not been demonstrated there is an employment need/requirement to be occupying the second property nor is it serving as their primary place of residence as required by statute.

If the reason for the second homestead is due directly to the work of spouse two, or there are other extenuating circumstances, and it is their primary residence, then they should be able to demonstrate this by providing documentation and proof to the assessor. If documentation is submitted, then the assessor may revisit whether or not the couple would qualify for this exception allowing two homesteads.

This determination is based on the information provided and is subject to change based on additional information. If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922



March 22, 2023

Dear Karla,

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- A married couple, Spouse A and Spouse B, applied for and received a residential homestead in 2016
- Spouse A is listed as an owner on the deed, along with their deceased former spouse (Spouse C) as joint tenants
- Spouse A passed away in November of 2018
- The homestead was pulled for assessment year 2018
- Spouse B continued to reside at the property
- The property has been willed to the son of spouse A, but the ownership transfer has not yet occurred
- The son is not in Minnesota, and may or may not be able to complete the ownership change in the coming months
- Spouse B has applied for homestead

Question: How should homestead be administered for assessment year 2023?

Answer: Based on the information provided, homestead should not have been removed in 2018, as spouses are considered one entity for property tax purposes. If one spouse passes away, the other spouse may continue to receive full homestead on a property until the probate process is complete and the deed is transferred. After Spouse A passed, Spouse B may continue to have an interest in the property through Spouse A's will that would allow them to apply for and receive homestead. In this situation, because the title was held in joint tenancy, Spouse C's ownership interest would have transferred to Spouse A, meaning that Spouse B could qualify for a full homestead.

We have stated in the past that counties should allow a reasonable amount of time for probate or estate proceedings to commence and for the title to be transferred, but that the title must eventually be transferred to the new owner. If homestead is granted, the county assessor should continue to review the ownership of the property and communicate with Spouse B if they deem an unreasonable amount of time has passed and the title has not been transferred.

Once Spouse A's son successfully transfers the deed, it would be appropriate to review a new homestead application for Spouse B as she may qualify for 100% relative residential homestead due to being a relative through marriage (stepparent).

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

600 N. Robert St., St. Paul, MN 55146

www.revenue.state.mn.us

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*Updated 7/31/2024 - See Disclaimer on Front Cover. Material is available in alternate formats.

October 25, 2023

Dear Jennifer,

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- A married couple recently purchased a home in your county.
- The couple also has a homesteaded property in another county.
- One of the spouses will be residing at the house while working in your county.
- The other spouse is retired and will continue to live in the home in the other county.

Question 1: Can the couple qualify for two full homesteads?

Answer: No. Since one of the spouses is not employed, the married couple would not qualify for two full homesteads. Under certain very narrowly defined circumstances, state law (Minnesota Statute 273.124, subdivision 1, paragraph (e)) does provide for two full separate homesteads for married couples. One of the requirements is that one spouse's place of employment or self-employment must be at least 50 miles distant from the other spouse's place of employment. In the scenario you outlined one spouse is not employed. Therefore, they would not meet that requirement.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922



November 17, 2023

Dear Faye,

Thank you for submitting your question to the Property Tax Division regarding homestead. You have provided the following scenario and question:

Scenario:

- A married couple owns two homes more than fifty miles apart
- One spouse lives in each home
- The couple had been receiving two full homesteads due to employment fifty miles apart
- One spouse retired and says that they are now self-employed with their rental business
- The rental business is approximately four rental homes

Question: Now that one spouse is retired, do they still qualify for the exception allowing two full homesteads?

Answer: While statute does allow self-employment to qualify for the exception allowing married couples to receive two full homesteads, this is contingent upon the property owner being gainfully employed or self-employed. [Minnesota Statute 273.124, subdivision 1, paragraph \(e\)](#) states in part that:

*“In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is **absent due to... employment or self-employment in another location**” (emphasis added).*

The property owner must provide documentation to the assessor showing that they are gainfully self-employed and that they reside at the second home **due to** their rental business. The assessor may require documentation that they are involved in the day-to-day management or maintenance of the properties rather than simply living in the same area as them. The burden of proof ultimately rests on the property owner to prove that they meet the requirements for this exception.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922

January 4, 2024

Andrea,

Thank you for contacting the Property Tax Division regarding homestead. You provided us with the follow scenario and questions.

Scenario:

- A property is owned by a trust and is occupied by the grantor.
- The property is currently classified as seasonal recreational.
- The property owner applied for homestead and included both the grantor and their spouse on the application.
- The spouse of the grantor does not live at the address and did not provide their driver's license.
- The grantor is working remotely and is self-employed, whereas the spouse of the grantor lives more than four cities or townships away due to work.

Question: What percentage homestead does the grantor qualify for?

Answer: The grantor would only receive a 50% owner-occupied homestead as they occupy the property but their spouse does not. It is unlikely that the property would qualify for the exception under Minnesota Statutes 273.124 subd. 1(e)(3) allowing a married couple to receive a full homestead if one spouse does not occupy the property due to work. The grantor is working remotely at a property classified as seasonal recreational, which suggests that the grantor is not occupying the property **due to** their work.

If you have any further questions, please contact our division at proptax.questions@state.mn.us.

Sincerely,

Information & Education Section

Property Tax Division

Phone: 651-556-6922