DEPARTMENT OF REVENUE

DOR Letters Update:

7/31/2024

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.

Updated July 2024

DEPARTMENT OF REVENUE

March 22, 2024

Dear Kelly,

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

Scenario:

- A husband and wife currently have a residential homestead in town.
- The husband and wife own five contiguous parcels of agricultural land.
- Their son currently resides on a farm site on one of the parcels.
- The son receives a relative agricultural homestead on these parcels.
- The tillable land is rented to a non-related individual.

Question: If the parents split off the 8.7-acre farm site and sell to their son on contract for deed, could the agricultural land continue to receive homestead?

Answer: No, once the property is split and ownership of the farm site changes, the remaining agricultural land will no longer qualify for homestead.

In Minnesota the law gives significant recognition to the rights of the buyer under a contract for deed, extending as far as to give (or recognize) "equitable title" being the buyer during the term of the contract. Therefore, the state would recognize the buyer (son) as the owner with ownership rights for homestead purposes, meaning the parents would be considered relatives for the farm site, not owners. Currently, because all five parcels have the same ownership and are contiguous, they are treated as one landmass for agricultural purposes. If the farm site is split off, the county has indicated that the farm site will no longer qualify for the agricultural classification, meaning that the son would not be able to qualify for agricultural homestead.

Furthermore, the remaining property owned by the parents would not qualify for special agricultural homestead, as the person who is farming is not the owner or a qualifying 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

May 9, 2024

Sherry,

Thank you for contacting the Property Tax Division regarding relative agricultural homestead for property held in a trust. You provided us with the follow scenario and question.

Scenario:

- A married couple own and occupy 80 acres of agricultural land.
- The property had been receiving an occupied agricultural homestead on the parcel and had linked agricultural homestead to four additional parcels in the county.
- The couple deeded the five parcels to their two children.
- The children set up a trust the property will be held under, naming them as the grantors.
- The parents are still occupying the 80-acre parcel.
- One child lives in Minnesota and the other resides in North Dakota.

Question: How should homestead be applied in this scenario?

Answer: Based on the information provided, the property would qualify for a 50% relative agricultural homestead. A requirement to receive relative agricultural homestead when property is owned by a trust is that the grantor must be a Minnesota resident, and only one of the two grantors is currently a MN resident. The house, garage, and first acre of residence could receive a 50% residential relative homestead in addition to the 50% relative agricultural homestead, since relative residential homestead only requires the qualifying relative to be a MN resident, the owner does not need to be a Minnesota resident.

If all linking requirements are met, the other four parcels could potentially receive the 50% agricultural homestead, based on the child residing within 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

DEPARTMENT OF REVENUE

March 5, 2024

Dear Alyssa,

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

Scenario:

- John, James, Jim, and Jan are all siblings and Minnesota residents living within the county.
- Parcel A is owned jointly by the four siblings and has a home and 120 acres if agricultural land.
- John occupies Parcel A.
- Parcel B is agricultural land jointly owned by all siblings.
- Parcel C is owned by John Individually.
- James has his own established agricultural homestead (parcel D).
- Jim and Jan each have their own residential homesteads (parcels E and F).

Question: How should homestead be applied in this situation?

Answer: From the information provided, and assuming that all properties are located within four cities or townships of each other and that the land is being farmed by a qualifying person, the properties qualify for differing levels of homestead.

Parcel A - House & 120 acres	Parcel B - Bareland	Parcel C - Bareland
• Owned: John, James, Jim, Jan • Occupied: John	• Owned: John, James, Jim, Jan • Occupied: N/A	• Owned: John • Occupied: N/A

Parcel D	Parcel E	Parcel F
• Owned: James • Occupied: James	• Owned: Jim • Occupied: Jim	• Owned: Jan • Occupied: Jan

In this situation, we would need to look at the HGA and the remaining land separately for Parcel A. In regard to Parcel A's HGA, John would qualify for 25% owner-occupied agricultural homestead, 25% residential relative homestead on behalf of James, and 50% relative agricultural homestead on behalf of Jan and Jim. The remaining land would qualify for a 25% agricultural homestead on behalf of John, 25% relative agricultural homestead on behalf of Jim, and 25% relative agricultural homestead on behalf of Jan. Furthermore, James is able to link his

agricultural homestead and contribute 25% of the homestead. This means that parcel A would qualify for 100% homestead.

Parcel B would qualify for a 25% agricultural homestead on behalf of John, 25% relative agricultural homestead on behalf of Jim, and 25% relative agricultural homestead on behalf of Jan. As this is bare land, James is able to link his agricultural homestead and contribute 25% of the homestead. This means that parcel B would qualify for 100% homestead.

As the base homestead sets precedence over the other parcels located within 4 cities and townships, Parcel C would qualify for a 25% homestead on behalf of John.

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

DEPARTMENT OF REVENUE

June 26, 2024

Dear Liz,

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

Scenario:

- A property owner has applied for special agricultural homestead.
- The property in question is over 40 acres, and the property owner and farmer reside within four cities and townships.
- The property is entirely pasture and is classified as 2a agricultural.

Question: Does the property qualify for special agricultural homestead?

Answer: The biggest difference between occupied and special agricultural homestead is that in order to qualify for special agricultural homestead, the property must be **actively farmed** by the owner, a qualifying relative, or an operating entity that the owner is a qualifying person of. "Actively farming" is defined in the property tax administrator's manual as follows:

> *The person must participate in the day-to-day decision-making and labor on the farm. They must contribute to the administration and management of the farming operation and they must assume all or a portion of the financial risks and sharing in any profits or losses of the farm.*

There is nothing in the definition of actively farming or special agricultural homestead that would disallow pasture to not be able to meet the requirements. If the county has determined that the property meets the definitions for the agricultural classification and the farmer meets the definition of actively farming, then they would be eligible for 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: 651-556-6922

July 12, 2024

Lori,

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

Scenario:

- A married couple reside in a nursing home/assisted living facility.
- The facility is within four cities/townships from agricultural property that they own.
- The land is operated by a qualifying relative, who lives within four cities/townships of the property.
- The base parcel containing a residence was split off and sold.

Question 1: Does the couple qualify for special agricultural homestead while living in a nursing home?

Answer: If all other requirements are met, the property would qualify for special agricultural homestead even if the owners are in a nursing home. The owner and qualifying relative farming the property must live within four cities or townships of the agricultural property. If the nursing home is the owners' permanent residence and is within four cities or townships of the land being farmed, that would meet the qualification. Individual owned unoccupied agricultural land may still qualify for special agricultural homestead despite not owning a physical residence.

Question 2: Whose Social Security Number (SSN) would be associated with the homestead?

Answer: We recommend using the Establishing Agricultural Homestead Flowcharts found in Module 4 – Homesteads, of the Property Tax Administrators Manual to determine whose SSN is associated with the homestead. In the situation described where a qualifying relative of the owner is farming the special agricultural homestead, the homestead is associated with the owners. Therefore, the owners' SSNs should be linked to the agricultural homestead.

Question 3: Does it matter if the owners live more than four cities/townships away from the agricultural land?

Answer: Yes. If the nursing home is the owners' residence and is more than four cities/township from the agricultural property, the land would not qualify for special agricultural homestead.

Question 4: Would any of the above answers change if the owners lived in a rented apartment or in a residence where they were not the owners?

Answer: No. As long as the owner and active farmer (if applicable) live within four cities and townships, and all other requirements are met, the property could qualify for special agricultural homestead. There

is no requirement that the property owner maintain another homestead to establish 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: 651-556-6922

May 10, 2024

Dear Jessica,

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

Scenario:

- A 3.79-acre property contains a home and is receiving residential homestead.
- Part of the property is used to grow flowers that are cut and sold at farmer's markets.
- The property owner has also installed two hoop barns for sale of flowers on site.
- Recently the property owner purchased 10 additional contiguous acres.
- Five of the newly acquired acres are steep slopes.

Question: Is this property eligible for agricultural homestead?

Answer: From the information provided, it does not appear the property qualifies for the agricultural classification before or after the acquisition of the additional acreage. Prior to the acquisition, because the parcel was under 11 acres with a residence, it would only be eligible for the agricultural classification under "intensive use". Minnesota Statutes 273.13, subdivision 23(f)(2) lists those intensive uses as:

> *(i) for an intensive grain drying or storage operation, or for intensive machinery or equipment storage activities used to support agricultural activities on other parcels of property operated by the same farming entity;*
> *(ii) as a nursery, provided that only those acres used intensively to produce nursery stock are considered agricultural land; or*
> *(iii) for intensive market farming; for purposes of this paragraph, "market farming" 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.*

Statute defines agricultural products in M.S. 273 subd. 23 (i)(1) as "*livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing animals, horticultural and nursery stock, fruit of all kinds, vegetables, forage, grains, bees, and apiary products by the owner*." As this does not specifically include cut flowers, we would need to look to the language defining horticulture and nursery stock for qualification. While there is no specific definition for horticulture stock, statute does define nursery stock in M.S. 18H.02 where it specifically states that cut flowers are not defined as nursery stock:

> *"Nursery stock" means a plant intended for **planting or propagation**, including, but not limited to, trees, shrubs, vines, perennials, biennials, grafts, cuttings, and buds that may be sold for propagation, whether cultivated or wild, and all viable parts of these plants. Nursery stock **does not include**:*
> *(1) field and forage crops or sod;*
> *(2) seeds;*
> *(3) vegetable plants, bulbs, or tubers;*
> *(4) **cut material such as flowers** or other herbaceous or woody plants, unless stems or other portions are intended for propagation;*

(5) tropical plants;
(6) annuals; or
(7) Christmas trees.

Based on this, it does not appear that an exclusive use of producing cut flowers qualifies as an agricultural use.

Since the parcel is now greater than 11 acres, qualifying under intensive use provisions would no longer be an option for the next assessment year regardless of the agricultural use. Minnesota Statute 273.13, subdivision 23, requires a minimum of 10 contiguous acres used for agricultural purposes to classify a property as 2a agricultural. The information provided indicates that the property does not meet this requirement, both from an acreage and agricultural product standpoint.

The correct classification appears to be 1a residential homestead. If the assessor determines the use of the hoop barns is primarily commercial, a 1a/3a commercial split may be appropriate. Any portion of the property that is being used for commercial purposes should be classified as commercial, the remaining acres of the parcel would go with the use of the residential structure.

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

DEPARTMENT OF REVENUE

March 29, 2024

Dear Lora,

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

Scenario:

- A veteran owned and occupied their property on January 2, 2023, and received the homestead exclusion for veterans with a disability.
- A fire damaged the home in June, resulting in a total loss.
- An appraiser inspected the property in November and found that the house had been razed and the property vacant.
- The property owner was renting while waiting to rebuild.
- The county sent the property owner an application for local option disaster relief but did not get a response.
- The county removed the exclusion for the 2023 assessment year due to the property no longer being the veteran's primary residence.
- In January the property owner requested an exception to the local option disaster relief deadline stating he was hospitalized out of the county from November 2023 to January 2024.

Question: Was the county correct in removing the exclusion for the 2023 assessment year?

Answer: Yes. For the homestead market value exclusion for veterans with a disability, the exclusion must be removed as soon as the county is aware that the property no longer qualifies. While this is generally removed due to the veteran voluntarily leaving the property during the year, we unfortunately have not found an exception for a situation where the veteran was forced out of the property due to a disaster. The only process available to adjust the taxes due as a result of damage to the property is the local option disaster relief, which has a statutory deadline of the end of the year in which the damage occurred.

Subject to the county's abatement policy, a current year discretionary or hardship abatement may be considered. Any consideration would require an application to be submitted by the property owner, as neither the assessor nor the auditor has the authority to initiate any abatement process.

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

DEPARTMENT OF REVENUE

June 13, 2024

Dear Lora,

Thank you for submitting your question to the Property Tax Division regarding the Homestead Market Value Exclusion for Veterans with a Disability. You have provided the following scenario and question:

Scenario:

- A veteran and their spouse transferred their homestead to their children in 2017
- A life estate was retained for only the spouse
- The veteran applied for the Homestead Market Value Exclusion for Veterans with a Disability in 2021 and was denied due to not being on the deed or retaining a life estate
- The veteran passed away in 2022
- The surviving spouse receives DIC and applied in 2024 for the surviving spouse exclusion

Question: Is the surviving spouse eligible for the exclusion?

Answer: No. While Minnesota Statute 273.13, subdivision 34 (k) allows a spouse to apply for the full homestead exclusion, the veteran must have otherwise qualified for the exclusion before they passed away. Because the veteran did not meet the ownership requirements of M.S. 273.13, subd. 34 (a) at the time of death, the spouse would not be eligible for the exclusion.

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 26, 2024

Dear Gregg,

Thank you for submitting your question to the Property Tax Division regarding the surviving spouse carryover benefit for the Market Value Exclusion for Veterans with a Disability. You have provided the following scenario and questions:

Scenario:

- A qualifying veteran and their spouse owned and resided in a manufactured home located on land owned by four owners, one of which was the qualifying veteran.
- The property contains three homes, including the home occupied by the veteran and their spouse.
- The qualifying veteran has passed away.
- The heirs to the veteran's property filed affidavits of survivorship and were placed on the title.
- The surviving spouse has no interest in the title for the land.
- The manufactured home now has a personal property account in the name of the surviving spouse.

Question: Does the surviving spouse qualify for continuation of the exclusion?

Answer: If the assessor determines that the veteran homesteaded the manufactured home and the surviving spouse holds the legal or beneficial title to the manufactured home, the spouse would be eligible to continue the exclusion. They would be eligible to continue to receive the exclusion until such time as they remarry, sell, transfer, or otherwise dispose of the property. They would be able to move once and retain the exclusion, so long as they meet the requirements for the one-time move exception.

Please note that our opinion is based solely on the information provided. If any of the facts change, or new information is provided, 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

May 09, 2024

Meggie,

Thank you for contacting the Property Tax Division regarding property exemption under the economic development authority (EDA). You provided us with the follow scenario and question.

Scenario:

- Multiple residential parcels owned by a local EDA were platted and purchased in 2001.
- Some of the properties have been sold and residential properties have been developed.
- Other properties within the plat are vacant and owned by the EDA.

Question: Do vacant lots currently owned by the EDA qualify for exemption under Minnesota Statutes 272.02, subd. 39 or 272.02 subd. 8.?

Answer: M.S. 272.02 Subd. 39 section 2 states that property acquired between January 1, 2000, and December 31, 2010, may receive exemption for 15 years. The exceptions to this 15-year limitation are if property is held by a political subdivision for housing purposes or property that meets the conditions described in section 469.174, subdivision 10. Since some of the platted parcels have sold and been developed for housing purposes, the remaining parcels *may* qualify for exemption if the assessor determines the EDA is still actively marketing them for housing development. If it is determined that the remaining parcels are no longer being marketed and held for housing purposes, it would be appropriate to remove the exemption.

Question: If they qualified under 272.02, subd. 39., and have passed their 15-year limitation, can they qualify again on any of the parcels that are used for a possible road, or an open space for the neighborhood?

Answer: No, the only exceptions to the 15-year limitation are the ones described above. Until such time as a public road is constructed, or any public park or open space is created, if the assessor has determined the parcels are not exempt for housing purposes, the parcels would be taxable. It should be noted that the EDA will need to demonstrate a development plan to prove conditions under this section of statue continue to be met.

This opinion is based on the information provided. If additional information, such as proof that the EDA certified property to the city or county assessor for public use is provided, our opinion may be subject to change.

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

May 9, 2024

Dear Jean,

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

Scenario:

- A city's EDA has owned a building since 11/30/2004.
- A contract for deed was entered into with a buyer but the property reverted back to the EDA 8/4/2008.
- The property is commercial on the first floor and residential on the second floor both currently vacant.
- The property is on the market for $1 with incentives toward the costs of improvements.

Question: Is this property exempt due to being owned by the EDA?

Answer: No, as the EDA has owned the property for more than the 15-year limit in statute it would not qualify for exemption under Minnesota Statutes 272.02 Subdivision 39. Due to the commercial component of the property, the exception to this limit for property held for housing purposes would not apply.

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 24, 2024

Dear Randy,

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

Scenario:

- Two agricultural properties are held under a revocable trust.
- Parcel A is 221 acres and Parcel B is 40 acres.
- No structures are located on the two parcels.
- The properties are non-homesteaded and are currently classified as 2a agricultural and 2b rural vacant land.
- Both parcels were enrolled in the Conservation Reserve Program (CRP) in 2020, expiring in 2035.
- CRP payments are allowed to continue until it expires.
- The property was classed as Agricultural the year before enrollment.
- The properties were also enrolled in a perpetual Reinvest in Minnesota (RIM) easement in 2021 which was recorded in 2022.
- The RIM easement states that the parcels cannot be built on, cannot produce agricultural crops, cannot graze livestock, and no rights are granted to the public for access.
- The properties are currently enrolled in Green Acres, and Rural Preserve.
- The portions of the property enrolled in rural preserve may qualify for the program due to the property being enrolled in Green Acres for taxes payable in 2008.

Question One: Does the property still qualify for Green Acres after being enrolled in CRP and RIM?

Answer: No. While properties enrolled in CRP and RIM may still qualify for Green Acres if they were in agricultural use prior to enrollment, properties enrolled in a perpetual RIM easement are not eligible for Green Acres. Therefore, when the property owner entered into the perpetual RIM easement in 2021, the property no longer met the requirements for Green Acres.

Question Two: If the property no longer qualifies for Green Acres, will there be a Green Acres payback due? If so, what 3 years should it be done for?

Answer: Yes, the property would need to be removed from Green Acres for the 2024 assessment. A payback would then be required for the current year and the prior two years.

Question Three: Does the grandfathered Rural Preserve land program still qualify? If no, is there a Rural Preserve payback due? If so, what 3 years should it be done for?

Answer: The land would no longer qualify for Rural Preserve as one of the requirements of the program is that it must be contiguous to class 2a property enrolled in Green Acres. Because the property previously enrolled in

Green Acres no longer qualifies, the property also no longer qualifies for Rural Preserve. A payback would be due for this year and the prior two years.

Question Four: Should the agricultural classification remain on the RIM acres once the CRP expires?

Answer: Yes. Land enrolled in RIM and other similar federal of state conservation programs meets the definition of "agricultural purposes" if it was classified as agricultural property in the year prior to its enrollment in the conservation program. Based on the information provided, the property was classified as agricultural land prior to enrollment, and because there is at least 10 acres of land used for agricultural purposes, the land may receive the agricultural classification.

Question Five: Since the property is enrolled in a perpetual RIM Easement and cannot be built on or used for agricultural purposes, does that warrant any value adjustments?

Answer: Minnesota Statutes 273.117 prohibits assessors from reducing the value of a property subject to a conservation easement entered into after May 23, 2013. There are limited exceptions to this found in statute that should be reviewed on a case-by-case basis. The Property Tax Administrator's Manual states "The existence of a conservation easement may not decrease the property's value and may, in fact, add to a property's value. In addition, the value of neighboring properties may also be enhanced due to their proximity to land that is subject to a conservation easement."

Please note that our opinion is based solely on the information provided. If any of the facts change, or new information is provided, 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

DEPARTMENT OF REVENUE

May 9, 2024

Dear Samantha,

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

Scenario:

- A property is located in a plat from 1983.
- The property is approximately 15 acres and is being re-platted into 22 lots, 2 parks, and 3 outlots.
- This property has not been improved with any structures or roadways.

Question: Would this property be eligible for plat law treatment?

Answer: No. The Department of Revenue has advised that if there is no new land added to or deleted from the original plat, re-platting an already-platted parcel would not qualify that parcel for plat law. The parcels would be taxed at their full market value.

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

DEPARTMENT OF REVENUE

June 14, 2024

Dear Jason,

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

Scenario:

- A property has 115 deeded acres.
- The property abuts a lake which has receded over the past 150 years.
- Based on the legal description, the property measures 205 acres, a portion of which includes dried-out lakebed.

Question: Should the deeded acres or actual acres based on the legal description be used for the assessment?

Answer: The assessor must value the actual characteristics of the property which in this case involves valuing all 205 acres. It would not be appropriate to rely solely on any statement on a deed indicating the number of acres being conveyed in cases such as this where the acreage of the property described in the deed's property description clearly exceeds the stated deeded acres.

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

DEPARTMENT OF REVENUE

May 10, 2024

Dear Marti,

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 was receiving occupied agricultural homestead in assessment year 2022.
- In November 2022, the house was destroyed in a fire.
- The homestead was removed in 2023.
- The property owners began actively rebuilding in 2023.
- The property owners still have their mail delivered to the farm site and still have it listed as their permanent address.
- The property owners have an apartment but also lived in a camper at the farm site in 2023 during the summer.
- The property does not qualify for special agricultural homestead.

Question 1: Should homestead have been removed for the 2023 assessment?

Answer: In the unfortunate situations where a home is damaged in a disaster, the occupancy of the homestead may change. If the county determined that the property owners who had previously occupied the homestead now occupied an apartment as their permanent residence for the 2023 assessment, then it was correct to remove the homestead as the occupancy requirement was no longer met, and the property owners did not qualify for or apply for special agricultural homestead.

However, if the assessor determined upon further review that the property owners still maintained occupancy at the farm during 2023 due to bringing in temporary housing and maintaining all other determining factors for homestead, then it would be appropriate to have kept the homestead on the property for the 2023 assessment. This appears to be a reasonable conclusion due to the fact that they maintained a physical presence on the property in a camper during the summer and retained the farm as their permanent and mailing address.

Ultimately it is up to the assessor to determine whether or not a property owner meets or continues to meet occupancy requirements when granting or removing homestead. We recommend assessors work with property owners to review the different indicators of occupancy, some of which can be found in the “Homestead” module of the Property Tax Administrators Manual.

Question 2: If the homestead should have remained for the 2023 assessment, would it be appropriate for the county to grant an abatement of the difference in taxes for the 2024 payable year?

Answer: Yes, if the county finds that the property should have remained homesteaded for the 2023 assessment, the county would be able to abate the difference in taxes due for the 2024 payable year if allowed by county policies and procedures regarding abatement. The county has the authority to grant abatements for

almost any reason in the year in which taxes are due. The county should then also collect a new homestead application from the property owner for the 2024 assessment year moving forward.

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

DEPARTMENT OF REVENUE

May 9, 2024

Dear Jake,

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

Scenario:

- A property owner did not attend nor appeal at their Local Board of Appeal and Equalization (LBAE) meeting.
- The property owner stated that they received their tax statement but did not receive their valuation notice.
- The county mails both the tax statement and valuation notice in the same envelope.
- The county's vendor verified that the print file for the property contained the valuation notice and that it was mailed.
- The property owner contacted the township clerk seven days prior to the LBAE and was told the meeting date.
- The LBAE meeting date was posted in a local newspaper within the statutory deadline.
- The property owner claims that the newspaper in which the notice was published is not compliant with Minnesota Statutes 331A.04 Subd. 6.
- The property owner also claims they were told that an elected official can waive MN Statute 274.01 Subd. 1(f) and allow an appellant to appeal directly to the County Board of Appeal and Equalization (CBAE) without appealing first at the LBAE.

Question: Can the property owner appeal at the County Board of Appeal and Equalization?

Answer: No. Minnesota Statutes 274.01 Subd. 1(f) states in part that for jurisdictions with LBAE meetings: "*if a person feeling aggrieved by an assessment or classification fails to apply for a review of the assessment or classification, the person may not appear before the county board of appeal and equalization for a review.*" The paragraph then lists the two exceptions to this requirement:

- if an assessment was made after the local board meeting, or
- if the person can establish not having received their valuation notice at least five days before the LBAE meeting

While we encourage assessors to be lenient with the second exception, the property owner stated that they received their tax statement. Based on the information provided by the county and the vendor, it seems likely that the property owner also received their valuation notice, meaning that they do not qualify for the above exception to bypass appealing at the LBAE before appealing at the CBAE. There is no other mechanism in statute to allow a property owner who missed their LBAE meeting to appeal at the CBAE, including allowing for an elected official to waive this requirement.

Regarding the taxpayer's issue with the newspaper and how it relates to the LBAE requirements, Minnesota Statutes 274.01 Subd. 1 (a) requires that "*the clerk shall give published and posted notice of the meeting at least ten days before the date of the meeting.*" This requirement was met. If the property owner has issue with which newspaper the jurisdiction has elected to post their notice in, this is something that they should discuss with the jurisdiction.

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