



Board of County Commissioners Agenda Request

3A
Agenda Item #

Requested Meeting Date: February 25, 2020

Title of Item: Property Tax Simplification Bill

<input checked="" type="checkbox"/> REGULAR AGENDA	Action Requested:	<input type="checkbox"/> Direction Requested
<input type="checkbox"/> CONSENT AGENDA		<input checked="" type="checkbox"/> Discussion Item
<input type="checkbox"/> INFORMATION ONLY		<input type="checkbox"/> Hold Public Hearing* <i>*provide copy of hearing notice that was published</i>

Submitted by: Mike Dangers	Department: County Assessor
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Presenter (Name and Title): Mike Dangers, County Assessor	Estimated Time Needed: 15 minutes
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Summary of Issue:

The Minnesota Property Tax System has more classifications than any other state in the US. This makes our system difficult to administer and difficult for people to understand.

I contacted Rep. Dale Lueck recently requesting him to consider sponsoring a bill that would take a step toward simplifying the system in Minnesota. This is House File 3276 from the last legislative session (90th Legislature). This Bill has not been introduced in this session since the chief author is no longer a representative.

Closely related to this topic is the taxation of short term vacation rental properties sometimes known as VRBOs. At the Board meeting, I plan to discuss the language of the simplification bill and concerns assessors have regarding the assessment of short term vacation rental properties.

Attached to this memo is a copy of our "simplified" classification code list that includes just the codes and short descriptions of property classifications that we use. This is meant to illustrate the complexity we deal with on a regular basis.

Alternatives, Options, Effects on Others/Comments:

Recommended Action/Motion:

Financial Impact:

Is there a cost associated with this request? Yes No

What is the total cost, with tax and shipping? \$

Is this budgeted? Yes No *Please Explain:*

Classification Code List				Revised:	5/14/2018
(Not including exempt, state assessed, utilities, or other codes not used in Aitkin County)					
MCIS Class Code	State Class Code	Class %	State Tx %	Value Range (Tier)	Property Type
101 2a		1.00%	0	up to \$500K	Agricultural Homestead House, Garage, & Site
101 2a		1.25%	0	over \$500K	Agricultural Homestead House, Garage, & Site
101 2a		0.50%	0	up to \$1.9Mil	Agricultural Homestead Buildings & Productive Land
101 2a		1.00%	0	over \$1.9Mil	Agricultural Homestead Buildings and Productive Land
102 2a		same as 101	0	tiers same as 101	Agricultural Homestead HGA & Productive Land & Ag Bldgs For Fractional Homestead
103 2a		same as 101	0	tiers same as 101	Agricultural Homestead HGA & Productive Land & Ag Bldgs For Ag Relative Homestead
104 2a		same as 101	0	tiers same as 101	Agricultural Homestead Productive Land & Ag Buildings For Actively Farming Situations
105 2a		same as 101	0	tiers same as 101	Agricultural Homestead Prod Land & Ag Buildings Non-Contiguous to Primary Parcels
106 2a		same as 101	0	tiers same as 101	Agricultural Homestead Prod Land & Ag Buildings Entity Owned Unused 1st Tier Value
108 4b(3)		1.25%	0	any value	Residential 2nd or 3rd House, Garage, and Site on Agricultural Homestead (was 207)
109 2a		1.00%	0	any value	Agricultural Non-Homestead Productive Land & Ag Buildings
111 2b		1.00%	0	any value	Rural Vacant Land Non-Platted Non-Homestead (Formerly Timber Class)
112 2c		0.65%	0	any value	Managed Timber (Application Required)
113 2a		same as 101	0	tiers same as 101	Agricultural Homestead HGA & Productive Land & Ag Bldgs Intensive Use Under 10 Ac
114 2a		same as 101	0	tiers same as 101	Agricultural Homestead Productive Land Exculsive Use Under 10 Acres
116 2e		1.00%	0	any value	Unmined Commercial Gravel Deposits
120 2b		same as 101	0	tiers same as 101	Rural Preserve (Application Required, Must Be Ag Homestead & In Green Acres)
121 2b		same as 101	0	tiers same as 101	Agricultural Homestead Non-Productive Land
122 2b		same as 101	0	tiers same as 101	Agricultural Homestead Non-Productive Land For Fractional Homestead
123 2b		same as 101	0	tiers same as 101	Agricultural Homestead Non-Productive Land For Ag Relative Homesteads
124 2b		same as 101	0	tiers same as 101	Agricultural Homestead Non-Productive Land For Actively Farming Situations
125 2b		same as 101	0	tiers same as 101	Agricultural Homestead Non-Productive Land Non-Contiguous to Primary Parcels
126 2b		same as 101	0	tiers same as 101	Agricultural Homestead Non-Productive Land Entity Owned Unused 1st Tier Value
129 2b		1.00%	0.00%	any value	Agricultural Non-Homestead Non-Productive Land
151 4c(12)		1.00%	0.4% X SRR Rate	up to \$76,000	Seasonal Recreational Residential
151 4c(12)		1.00%	1.00% x SRR Rate	\$76,000 to \$500,000	Seasonal Recreational Residential
151 4c(12)		1.25%	1.25% X SRR Rate	over \$500,000	Seasonal Recreational Residential
200 4b(1)		1.25%	0	any value	Residential 2 to 3 Unit Non-Homestead
201 1a		1.00%	0	up to \$500,000	Residential Homestead 1 to 3 Unit
201 1a		1.25%	0	Over \$500,000	Residential Homestead 1 to 3 Unit
202 1a		same as 201	0	tiers same as 201	Residential Homestead 1 to 3 Unit Fractional Homestead

203	1a	same as 201	0	tiers same as 201	Residential Homestead 1 to 3 Unit Previously Seasonal Under the Same Ownership
204	4bb	same as 201	0	tiers same as 201	Residential 1 Unit Non-Homestead OR HGA on Non-Homestead Ag Property
205	4a	1.25%	0	any value	Residential 4 or More Unit Non-Homestead (Apartments or Assisted Living)
206	1a	same as 201	0	tiers same as 201	Residential Homestead 1 Unit in a 4 or More Unit Apartment or Assisted Living
207	4b(1)	1.25%	0	any value	Residential Non-Homestead Previously Seasonal Under Current Ownership (4b(1))
208	4c(5)ii	0.75%	0	any value	Manufactured Home Park Coop Over 50% Shareholder Occupied
209	4c(5)ii	1.00%	0	any value	Manufactured Home Park Coop Less Than or Equal To 50% Shareholder Occupied
210	4c(5)i	1.25%	0	any value	Manufactured Home Parks
211	4b(4)	1.25%	0	any value	Vacant Residential Land (usually platted land in town) (was class 200)(4b(4))
214	4a	1.25%	0	any value	For Profit Hospitals
215	4c(5)iii	1.00%	0	any value	Manufactured Home Parks - education completed by owner
221	1c	0.50%	0	up to \$600,000	Resort or Campground on a Lake (Contiguous to a homestead; annual survey required)
221	1c	1.00%	0	\$600K to \$2.3M	Resort or Campground on a Lake (Contiguous to a homestead; annual survey required)
221	1c	1.25%	1.25% X SRR Rate	over \$2.3M	Resort or Campground on a Lake (Contiguous to a homestead; annual survey required)
222	4c(11)	1.00%	0	up to \$500,000	Marinas Under \$500,000 (Land Only)(Annual Application Required)
223	4c(11)	1.25%	0	over \$500,000	Marinas Over \$500,000 (Land Only)(Annual Application Required)
231	4c(10)	1.25%	0.00%	any value	Seasonal Restaurant on a Lake (Annual Application Required)
232	4c(1)	1.00%	1.00% x SRR Rate	up to \$500,000	Non-Homestead Resort (Seasonal Recreational Commercial; annual survey required)
232	4c(1)	1.25%	1.25% X SRR Rate	over \$500,000	Non-Homestead Resort (Seasonal Recreational Commercial; annual survey required)
233	3a	1.50%	1.50% x CommRate	up to \$150,000	Commercial (Any income producing property that doesn't qualify for another class)
233	3a	2.00%	2.00% x CommRate	over \$150,000	Commercial (Any income producing property that doesn't qualify for another class)
234	3a	1.50%	1.50% x CommRate	up to \$150,000	Industrial (Property used in the making of products; active pits and mini-storages)
234	3a	2.00%	2.00% x CommRate	over \$150,000	Industrial (Property used in the making of products; active pits and mini-storages)
237	4c(9)	1.25%	0	any value	Bed and Breakfast Up to 5 Units
238	4c(2)	1.25%	0	any value	Golf Courses
312	4c(3)i	1.50%	0	any value	Non-Profit Community Service Orgs Non-Revenue Producing (Application Required)
313	4c(3)ii	1.50%	1.50% x SRR Rate	any value	Non-Profit Community Service Orgs Revenue Producing (Annual Application Required)
314	4c(3)i	1.00%	0	any value	Chartered Military Veteran's Orgs Non-Revenue Producing (Application Required)
315	4c(3)ii	1.00%	1.50% x SRR Rate	any value	Chartered Military Veteran's Orgs Revenue Producing (Annual Application Required)
321	4d	0.75%	0	any value	Low Income Apartments (4d) 1 Unit (MHFA Application; We get a copy)
322	4d	0.75%	0	any value	Low Income Apartments (4d) 2 Units (MHFA Application; We get a copy)
323	4d	0.75%	0	any value	Low Income Apartments (4d) 3 Units (MHFA Application; We get a copy)
324	4d	0.75%	0	any value	Low Income Apartments (4d) 4 or More Units (MHFA Application; We get a copy)
395	5(2)	2.00%	0	any value	All Other Property (Doesn't fit requirements for any other class)
437	4c(7)	1.50%	0	any value	Non-Commercial Aircraft Hangars on Leased Public Land