

**SENATE  
STATE OF MINNESOTA  
NINETY-FOURTH SESSION**

**S.F. No. 419**

(SENATE AUTHORS: EICHORN and Bahr)

DATE  
01/21/2025

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Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to taxation; property; limiting valuation increase on residential properties;  
1.3 modifying property tax rates; amending Minnesota Statutes 2024, sections 273.11,  
1.4 by adding a subdivision; 275.08, by adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2024, section 273.11, is amended by adding a subdivision  
1.7 to read:

1.8 Subd. 24. **Limited residential market value.** (a) In the case of all property classified  
1.9 as agricultural homestead or nonhomestead and residential homestead or nonhomestead,  
1.10 the assessor shall compare the value with the taxable portion of the value determined in the  
1.11 preceding assessment. For assessment year 2025 and thereafter, the amount of the increase  
1.12 shall not exceed two percent of the value in the preceding assessment.

1.13 (b) When property in paragraph (a) is sold, a county assessor may reassess the residential  
1.14 property at the current fair market value for the property.

1.15 (c) The limitation in paragraph (a) shall not apply to increases in value due to  
1.16 improvements.

1.17 **EFFECTIVE DATE.** This section is effective for assessment year 2025 and thereafter.

1.18 Sec. 2. Minnesota Statutes 2024, section 275.08, is amended by adding a subdivision to  
1.19 read:

1.20 Subd. 5. **Residential property tax adjustment.** Before the county auditor spreads the  
1.21 taxes, when calculating the net tax capacity and local tax rates, the county auditor shall  
1.22 adjust the amounts for parcels classified as agricultural homestead, agricultural

2.1 nonhomestead, residential homestead, and residential nonhomestead so that the property  
2.2 tax for each parcel is limited to one percent of the current year assessment value for each  
2.3 parcel.

2.4 **EFFECTIVE DATE.** This section is effective for property taxes payable in 2026 and  
2.5 thereafter.