

STATE OF MINNESOTA

A BILL FOR AN ACT

Relating to:

Establishing a temporary property tax freeze

Creating long-term caps on property tax increases

Providing an indefinite property tax freeze for retired homeowners aged 65 and older

Limiting property reassessments to verified improvements only

Requiring voter approval for excess property tax increases

Establishing transparency and taxpayer accountability protections

Section 1. Short Title

This act shall be known as the “Minnesota Property Tax Stability Act.”

Section 2. Purpose and Legislative Intent

The purpose of this act is to:

Provide immediate and predictable property tax relief to homeowners

Prevent sudden increases in mortgage payments caused by escrow adjustments tied to rising property taxes

Eliminate year-end escrow shortages and unexpected payment spikes

Stabilize rental costs by limiting sudden increases in landlord property tax expenses

Create a more predictable and stable housing market across Minnesota

Establish budget discipline within state and local government

Prevent sudden or excessive increases in property tax burdens

Ensure taxpayer approval for large-scale spending increases, returning power and control to the citizens

Section 3. Property Tax Freeze (Years 1–4)

(a) Beginning in the tax year following enactment, all property tax increases are frozen for a period of four (4) consecutive years.

(b) During this period:

No state, county, or local authority may increase the total property tax levy on any residential property

Property tax bills shall remain at the base-year amount

(c) This freeze applies regardless of increases in assessed property value.

Section 4. Post-Freeze Property Tax Cap

(a) Upon expiration of the four-year freeze, annual property tax increases shall be capped at one percent (1%) per year.

(b) This cap applies to:

State

County

Municipal and local taxing authorities

(c) Under no circumstances shall property taxes increase by more than 1% annually.

Section 5. Property Value Decrease Adjustment

(a) If a property's assessed market value decreases:

Property tax shall automatically decrease proportionally, with no cap applied

Section 6. Property Value Increase Limitation

(a) If a property's assessed value increases:

Property tax increases remain subject to the 1% annual cap

(b) Any increase beyond 1% shall not increase the tax burden beyond the cap.

Section 7. Voter Approval for Excess Tax Increases

(a) Any proposal to exceed the 1% cap must:

Be submitted to voters during a general or special election

(b) Approval requires no less than sixty percent (60%) of votes cast.

(c) The ballot must clearly state:

The purpose

The total cost

The duration

Section 8. Temporary Levy Adjustment and Reversion

(a) If voters approve a temporary property tax increase:

The increase shall apply for one (1) year only

(b) Any continuation:

Must be reapproved by voters under Section 7

(c) Upon expiration:

Property tax rates must revert to the prior base level, adjusted only by the allowable 1% annual cap, if applicable

Section 9. Enforcement and Compliance

(a) The Minnesota Department of Revenue shall:

Monitor compliance

Issue corrective actions

(b) Any excess tax collected must be:

Refunded or credited to taxpayers

Section 10. Effective Date

This act becomes effective beginning in the next tax year following enactment.

Section 11. Property Reassessment Limitations and Improvement-Based Adjustments

(a) Reassessment may occur only when:

A property undergoes new construction, renovation, or structural improvements with a cumulative value of thirty thousand dollars (\$30,000) or more within a two (2) year period, as verified through officially issued building permits

(b) The two (2) year period:

Shall begin from the date of the first issued permit related to the improvements

(c) Upon verification:

The city or appropriate authority may conduct a property appraisal

Property taxes may be adjusted based on the updated assessed value, subject to this act

(d) Limitations:

No reassessment based on speculation or perceived increases in value

Must be tied strictly to permit-documented improvements

(e) Violations:

Any improper reassessment shall be invalid

Any resulting tax increase must be reversed and refunded or credited

Section 12. Inflation Adjustment Limitation

(a) If inflation exceeds six percent (6%) in a given year:

The property tax cap may increase to no more than two percent (2%) for that year only

(b) This adjustment:

Does not carry forward

Automatically reverts to the one percent (1%) annual cap in the subsequent year

Section 13. New Construction and Development

(a) Newly constructed properties:

Shall be assessed at full market value upon completion

(b) Applies only to:

New structures, not existing properties

Section 14. Retired Homeowner Property Tax Protection

(a) Homeowners aged sixty-five (65) years or older:

Shall be eligible to freeze their property tax indefinitely at the current amount

(b) Once approved:

Property tax shall not increase for the duration of ownership, regardless of changes in market value

(c) Requirement:

The property must be the homeowner's primary residence (homestead)

(d) Exception:

Property tax may only change if:

The property qualifies under Section 11 (major improvements), OR

Ownership of the property is transferred

Section 15. Public Tax Transparency Requirement

(a) Any entity collecting property taxes must publish an annual public report including:

Total revenue collected

Allocation of funds

Project-level spending

(b) The report must be:

Easily accessible to the public online

(c) Distribution Requirement:

A summarized version of this report shall be included with or sent alongside annual property tax statements

(d) The summary must:

Be written in clear, plain language

Provide a breakdown of how taxpayer dollars are used

Section 16. Emergency Exception (Defined)

(a) Definition of Emergency:

An “emergency” shall be limited to:

Natural disasters (floods, tornadoes, wildfires, severe storms)

Public health emergencies declared by state or federal authorities

Critical infrastructure failures posing immediate risk to public safety

State or federally declared disasters affecting Minnesota

(b) An emergency shall not include:

Budget shortfalls

Revenue declines

Cost overruns

General economic conditions

(c) In a declared emergency:

A temporary property tax increase may be enacted

(d) Must:

Either receive 60% voter approval, OR

Be limited to one (1) year with full public disclosure

Section 17. Property Tax Transfer Upon Sale

(a) Upon the sale or transfer of a residential property:

The existing property tax base and assessed value shall carry over to the new owner

No reassessment shall occur solely due to the sale

(b) The sale price:

Shall not be used to increase assessed value or taxes

(c) The property remains subject to:

The 1% annual cap and all provisions of this act

(d) Exceptions:

Reassessment allowed only under Section 11 or new construction