

FAQs – Homestead Market Value Exclusion

What is Market Value Exclusion?

Homestead market value exclusion is a statutory reduction in the value subject to tax for certain property that is occupied as a person's primary place of residence.

Why should I file for homestead?

Property taxes are lower on owner-occupied property than they are on other residences, commercial property or apartments.

How does a property I own qualify for homestead market value exclusion?

To qualify for homestead market value exclusion, you must meet all of the following requirements:

- You **must** be one of the owners of the property, or be a qualifying relative of at least one of the owners. To be a qualifying relative of the owner, you must be the owner's child or stepchild, parent or stepparent, grandchild, grandparent, brother, sister, aunt, uncle, niece, or nephew. This relationship may exist through marriage.
- You **must** occupy the property as your primary place of residence.
- You **must** be a Minnesota resident. (If a residential class property is the primary residence of a qualifying relative of an owner, it is not necessary for the owner to be a Minnesota resident.)

What do I have to do to receive a homestead market value credit for my property?

- You **must** qualify for homestead as outlined above. You will be required to show proof of ownership and proof of occupancy.
- You **can** file an initial homestead application at the Fillmore County Assessor's Office or call 507-765-3868 for an application.
- You **must** provide the names and Social Security numbers of **all** of the owners of the property, and if the property is not owner occupied, the names and Social Security numbers of the owner's relatives who occupy the property as their primary place of residence.
- **All** of the owners and, if the property is not owner occupied, **all** of the owners' relatives occupying the property **must** sign an initial homestead application.
- Certificate of Real Estate (CRV) Value **must be filed**. Whenever real estate is sold for a consideration in excess of \$1,000, the grantor, grantee, or legal agent of either shall file a Certificate of Value with the county auditor when the deed or other document is presented for recording. Filing a CRV is required pursuant to Minnesota Statute 272.115 and if not filed, the homestead cannot be granted.

Why must I provide my Social Security number?

Even though Social Security numbers are private information, under Minnesota State law, they must be provided before a homestead market value exclusion will be granted. Social Security numbers will be used to determine if owners or relatives of owners have applied for more than one homestead in the state.

Q6. Why is my spouse's name required on a homestead application?

According to Minnesota State Statute 273.124, Subd. 13, the homestead application must be signed by each owner who occupies the property and by each owner's spouse who occupies the property. The spouse must sign even if they are not listed on the deed of record.

When should I apply?

As soon as possible after you purchase and move into your home. If you purchase and occupy by December 1st of any year, and make application by December 15th, the following year's property tax will reflect the homestead rates.

Can I file for homestead on more than one property?

To be eligible for full homestead benefits, you must meet all of the qualifications for homestead on or before January 2 in the year for which you are applying.

You may also be eligible for full homestead benefits if you meet all of the qualifications for homestead on or before December 1 in the year for which you are applying. This is often called a "midyear" homestead.

In addition to your own homestead, you may be able to obtain a homestead for any property you own in which a qualifying relative lives as his or her primary place of residence.

Are the homestead market value exclusions on all properties the same?

No. The homestead market value exclusion is based on a number of factors.

- First, the homestead market value exclusion decreases as the property's market value increases.
- Second, not all properties are eligible for a full (100%) homestead market value exclusion.
- Third, there are other credits attached to homesteaded property, such as credits for the blind, disabled, or paraplegic that may also affect the amount of the homestead credit received.

How often do I have to apply for the homestead credit?

After the initial approval, the homestead classification will remain until the property is sold or the owner or the qualifying relative no longer uses it as a primary place of residence. The owner must notify the assessor within 30 days of any change in homestead status, i.e. the home sells, renters move in, relatives move out, etc. Upon the sale of the property, a Certificate of Real Estate Value must be filed with the county auditor as required under Minnesota Statute 272.115.

What will happen if I fail to comply with the homestead laws or file a false homestead?

If the assessor is not notified within 30 days that the property has been sold or is no longer being used as a primary place of residence, the homestead will be removed and penalties will be imposed.

Falsifying a homestead is punishable by imprisonment for not more than one year or payment of a fine of not more than \$3,000, or both.

What about homestead for property owned by a trust?

Certain trusts can qualify for homestead. A Certificate of Trust must be completed and approved by the County Assessor, or the Trust must be provided for the Assessor 's review. Call the Fillmore County Assessor's Office for further information at 507-765-3868.

Do Life Estates qualify for homestead?

Yes, as long as the life estate interest is shown on the deed, and the holder of the life estate meets all the homestead requirements.

Can a manufactured home receive homestead market value exclusion?

Yes, the owner/occupant must also apply and meet the requirements.

Is there anything else I should know about homesteads?

Every homestead is unique. Some homesteads involve property held under a trust agreement. Other property is purchased with lender requirements that may affect the homestead classification. You are encouraged to contact the Fillmore County Assessor's Office at 507-765-3868.

Are there Special Homesteads for the Blind and Disabled?

Minnesota Statute 273.13 subdivision 22 Class 1b provides a reduced class rate for homesteads of persons who are blind or permanently and totally disabled.

The application is due by October 1st. Call the Fillmore County Assessor's Office for further information at 507-765-3868.