

Special Homestead Classification: Class 1b

1b

Provides a reduced class rate for qualifying blind/disabled property owners

Property Tax Fact Sheet 1b

Fact Sheet

What is a Class 1b?

Class 1b provides a reduced class rate for homestead property of any person who qualifies as blind or as permanently and totally disabled. The Class 1b blind/disabled homestead is different than other homesteads because the qualification is specific to a person (and the disabling condition), rather than being predicated on the use of the property. As a result, 1b homestead classification follows the blind/disabled individual from one property to another. Class 1b is not an exemption from property taxes; it is a reduction in taxes.

Who is eligible for Class 1b?

Class 1b blind/disabled homestead is provided to any person who qualifies as:

- (1) blind as defined in M.S. 256D.35, or the blind person and the blind person's spouse;
- (2) permanently and totally disabled, or the disabled person and the disabled persons spouse; or
- (3) the surviving spouse of a permanently and totally disabled veteran who was receiving class 1b for the 2007 assessment year, taxes payable 2008.

Blind: "Blind" means the condition of a person whose central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or, if visual acuity is greater than 20/200, the condition is accompanied by limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees. When applying for class 1b an eye doctor's report or letter giving detail of the person's sight must be included. A statement by the individual is not sufficient.

Disabled: For the purposes of 1b classification, permanently and totally disabled describes a condition which is permanent in nature and totally

incapacitates a person from working at an occupation which brings the person an income. An individual who is permanently and totally disabled must be receiving payments from a qualifying agency because of their disability.

Examples of qualifying agencies are:

- Social Security Administration
- Veterans Administration
- Public or private pension plans
- Welfare Supplemental Security Income
- Workers Compensation

How does Class 1b work?

Qualifying applicants will receive a reduction in taxes as follows:

- First \$50,000 market value has a net class rate of 0.45 percent of its market value.
- The remaining market value has a class rate using the rates for residential or agricultural homestead property, whichever is appropriate.

Example: Assume you own a residential homestead with a Taxable Market Value of \$200,000. The first \$50,000 of that value is taxed at a rate of 0.45 percent instead of the normal 1.00 percent rate applied to residential homesteads of the same value.

$$\begin{aligned} \$50,000 \times 0.45 \text{ percent} &= && \$225.00 \\ \$150,000 \text{ (remaining value)} \times 1.00 \text{ percent} &= && \$1,500.00 \\ \$225.00 + \$1,500.00 &= && \mathbf{\$1,725.00} \end{aligned}$$

Without class 1b, and the corresponding reduction in taxes, the above example would pay **\$2,000.00** in annual taxes. In this example, qualifying for class 1b would result in a savings of **\$275.00** annually.

This is a simplified example. It does not take into account any additional tax costs or savings that may apply to your property. It also does not take into account the variation in local tax rates.

Relative Homesteads

To qualify as class 1b (blind or disabled) on a relative homestead, the qualifying relative living in the home must be the qualifying blind/disabled person.

- If you are blind/disabled and own a second home that a non-blind/disabled relative occupies as a homestead, that home is *not* eligible for the 1b homestead classification.
- If you are blind/disabled and occupy a home that is owned by a relative, that home may qualify for 1b homestead classification.

How do I apply?

To apply for class 1b blind/disabled homestead, you must complete the appropriate application with your county assessor by October 1st for taxes payable the next year. The onset of your disability or blindness must have occurred on or before June 30 of the year you are filing for the special homestead classification. You must attach the appropriate documentation proving that you are blind/ disabled.

- **Blind:** Provide a copy of a letter or current eye report signed by your eye doctor stating that you are legally blind.
- **Disabled:** Provide proof of disability payments from a qualifying agency. Provide a letter from a qualifying agency certifying that you are totally and permanently disabled (usually this is a copy of an initial disability award letter from the agency).

There are no annual applications for class 1b. If you qualify for class 1b it is permanent as long as occupy the homestead. However, if you move to a new location, you must notify the county assessor within 30 days of the change and the class 1b status will move with you.

What else should I know?

The county assessor must be notified within 30 days if your property qualifying for class 1b is sold, there is a change in occupancy, or there is a change in your status or condition that would no longer warrant the special homestead. If a you fail to notify the assessor of such a change within 30 days you will be subject to the penalties provided in Minnesota Statutes 273.124, subdivision 13 (fraudulent homestead penalties). The property will also lose its current classification as class 1b.

The 1b class expires with the death of the blind/disabled property owner. It does not extend to a spouse after death; the classification would be removed for the following assessment.

Property receiving the Disabled Veterans Homestead (Market Value Exclusion program) is not eligible for 1b classification.

What if I have questions?

If you need additional information or assistance contact your county assessor.

Le Sueur County Assessor's Office
88 S Park Ave
Le Center, MN 56057

Ph: (507) 357-8213

Special Homestead Classification: Class 1b Property

For homesteads of persons who are blind or permanently and totally disabled

Applications are due by October 1. Read instructions before completing.

Check if: This is my first application This is a change of address

Type or Print	Your first name and middle initial Last name Social Security number	Name of applicant
	Spouse's first name and M.I. Last name Social Security number	
	Address (cannot be a P.O. Box number) Date of Birth	
	City State Zip Code County	
Check all that apply	Property ID number or plat and parcel number (from property tax statement)	
	Do you own this property? <input type="checkbox"/> Yes <input type="checkbox"/> No	I have owned this property since: month: year:
	Does a relative own the property? <input type="checkbox"/> Yes <input type="checkbox"/> No	I have lived in this property since: month: year:
	Check all boxes that apply. If you are applying for the first time, you must attach the appropriate documentation certifying that you are blind or permanently and totally disabled. (See instructions to determine what information to provide.)	
	Check if: <input type="checkbox"/> I am legally blind <input type="checkbox"/> I am permanently and totally disabled	
	<i>The onset of you disability or blindness must have occurred on or before June 30 of the year you are filing for the special homestead classification.</i>	
	Check one box only: I own this property with: <input type="checkbox"/> No one else <input type="checkbox"/> My spouse only <input type="checkbox"/> My spouse and others <input type="checkbox"/> One other person (who is not my spouse) <input type="checkbox"/> Others (not including my spouse) <input type="checkbox"/> Home is owned by a relative. What is your relationship to the owner? _____	
	I have attached the appropriate documentation certifying that I am legally blind or permanently and totally disabled, and this documentation shows that the onset of my disability or blindness occurred before June 30 of the filing year. <input type="checkbox"/> Yes <input type="checkbox"/> No	
	I certify that I am not receiving the Disabled Veterans Homestead (Market Value Exclusion program). <input type="checkbox"/> Yes <input type="checkbox"/> No	
	Sign Here	Signature of owner: <i>I declare all information on this form is true, correct, and complete to the best of my knowledge and belief.</i>
Making false statements on this application is against the law Minnesota Statute 609.41 states that anyone giving false information in order to avoid or reduce their tax obligations is subject to a fine of up to \$3,000 and/or up to one year in prison.		
	Signature of applicant Signature of spouse Date Daytime phone	Application is <input type="checkbox"/> Approved <input type="checkbox"/> Denied for assessment year.
		For office use only to be completed by the county assessor
		Assessor's signature
		Date

Please return completed application and required attachments to your county assessor.

Instructions for Special Homestead Form: Class 1b

Who is eligible

You may qualify to receive a decrease in property taxes if:

- You can provide a letter or report from an eye doctor stating that you are *certified legally blind*.
- You are totally and permanently disabled and can provide proof of the disability.

Relative homesteads

Real estate that is occupied and used as a homestead by a blind/disabled relative of the property owner can qualify as class 1b property. In order to qualify for the special homestead, the relative living in the home must be the qualifying blind/disabled person.

How to apply

Complete the entire application fully and legibly. Attach all the proper documentation and mail to your county assessor by *October 1*. Applications must be received by to October 1 to apply for taxes payable the next year.

Do not include spouse information if the spouse did not live in the home the previous year or is deceased.

If you are married and own your home jointly, both you and your spouse must sign the application.

You will be notified of your eligibility within four to six weeks after receipt of your application. If you are approved, you will remain in the program as long as you own your home. If you move, you must complete a new application to acknowledge the change of address.

Required Attachments

If you are applying for the first time, you must attach the following to your application:

Blind- Attach a copy of a signed and approved letter or report from your eye doctor stating that you are legally blind. Legally blind is defined in Minnesota Statutes, section 256D.35 as a person whose visual acuity does not exceed 20/200 in the better eye with correcting lenses; or if visual acuity is greater than 20/200, the condition is accompanied by limitation in the fields of vision such that the widest diameter of the visual field subtends to an angle no greater than 20 degrees. Your report from a certified eye doctor must attest to either of these facts.

Disabled- Attach a letter from a qualified agency certifying that you are totally and permanently disabled and receive disability payments. Usually this is a copy of an initial disability award letter from the agency. Copies of SSA-1099 forms, check stubs or letters from a physician *are not* acceptable.

Use of Information

All information on this form is required by Minnesota Statutes 273.13, 273.1315, and 273.124 to properly identify you and determine if you qualify for the special homestead classification. Your Social Security number is required. If you do not provide the required information, your application may be delayed or denied.

Disabled Veterans

If you are a disabled veteran with a service-connected disability of 70 percent or more, you may

qualify for a market value exclusion. If you believe you may qualify for this exclusion, you will need to complete a separate application. Please contact your county assessor to learn more.

Penalties

Making false statements on this application is against the law. Minnesota Statutes, section 609.41 states that anyone giving false information in order to avoid or reduce their tax obligations is subject to a fine of up to \$3,000 and/or up to one year in prison.

Renewing your special homestead classification

If this property is granted the special homestead classification, it is not necessary for you to reapply. However, the county assessor may require you to provide an additional application or other proof deemed necessary to verify that you continue to qualify for the special homestead classification.

If you sell, move, or change your marital status

If this property is sold, you or your spouse changes his/her primary residence, or you change your marital status, state law requires you to notify the county assessor within thirty days.

If you fail to notify the county assessor within 30 days of the change, the property may be assessed the tax that is due on the property based on its correct property class plus a penalty equal to the same amount.

Information and assistance

If you need additional information or assistance, contact your county assessor.

Return Application to:

Le Sueur County Assessor's Office
88 S Park Ave
Le Center, MN 56057
Ph: (507) 357-8213