

Special Homestead for Property Owners who are Blind or Disabled (Class 1b)

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Property Tax Fact Sheet 13

Fact Sheet

This classification provides a reduced property tax classification rate the homestead property of an individual who is either:

1. permanently and totally disabled
2. legally blind

What is this special classification?

The “1b” classification provides a reduced class rate for homestead property of any person who qualifies as blind or as permanently and totally disabled. The 1b property tax classification provides a reduction in property taxes.

Who is eligible for Class 1b?

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

- (1) blind (as defined in Minnesota Statutes, section 256D.35)
- (2) permanently and totally disabled

What constitutes legal blindness for the classification?

Law defines “blind” as a person whose central visual acuity does not exceed 20/200 in the better eye with correcting lenses. If visual acuity is greater than 20/200, the condition must be 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.

What constitutes permanent and total disability for the classification?

For the purposes of 1b classification, permanent and total disability 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.

What are the qualifying agencies?

Examples of qualifying agencies are:

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

How does 1b classification work?

Qualifying applicants will receive a reduced property tax classification rate.

- The first \$50,000 market value has a class rate of 0.45 percent of its market value.
- The remaining market value has a class rate of 1.00% on up to \$500,000 and 1.25% above that.

Example: Assume you own a home 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.

$$\$50,000 \times 0.45 \text{ percent} = \$225.00$$

$$\$150,000 \text{ (remaining value)} \times 1.00 \text{ percent} = \$1,500.00$$

$$\$225.00 + \$1,500.00 = \mathbf{\$1,725.00}$$

Without class 1b, the previous example would pay \$2,000.00 in annual taxes. In this example, class 1b results 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.

Can my relative homestead qualify?

To qualify for class 1b 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.

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 you 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?

You must notify the county assessor within 30 days if your property is sold, if there is a change in occupancy, or if there is a change in your status or condition that would no longer warrant the special homestead.

If you fail to notify the assessor of such a change within 30 days, you will be subject to the penalties provided in law. 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.

Additionally, property receiving a market value exclusion for a veteran who is disabled is not eligible for 1b classification.

What if I have questions?

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