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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. **1804**

04/24/2013 Authored by Davnie
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; property; modifying provisions for payment of delinquent
1.3 taxes; amending Minnesota Statutes 2012, sections 279.37, subdivisions 1a,
1.4 2; 281.14; 281.17.

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

1.6 Section 1. Minnesota Statutes 2012, section 279.37, subdivision 1a, is amended to read:

1.7 Subd. 1a. **Class 3a property.** (a) The delinquent taxes upon a parcel of property
1.8 which was classified class 3a, for the previous year's assessment ~~and had a total market~~
1.9 ~~value of \$500,000 or less for that same assessment~~ shall be eligible to be composed into a
1.10 confession of judgment with the approval of the county auditor. Property qualifying under
1.11 this subdivision shall be subject to the same provisions as provided in this section except
1.12 as provided in paragraphs (b) to ~~(e)~~ (f).

1.13 (b) Current year taxes and penalty due at the time the confession of judgment
1.14 is entered must be paid.

1.15 (c) The down payment must include all special assessments due in the current tax
1.16 year, all delinquent special assessments, and 20 percent of the ad valorem tax, penalties,
1.17 and interest accrued against the parcel. The balance remaining is payable in four equal
1.18 annual installments. A municipality as defined in section 429.011, cities of the first class,
1.19 and other special assessment authorities, who have certified special assessments against
1.20 any parcel of property, may, through resolution, waive the requirement of payment of all
1.21 current and delinquent special assessments at the time the confession is entered. If the
1.22 municipality, city, or authority grants the waiver, 100 percent of all current year taxes,
1.23 special assessments, and penalties due at the time, along with 20 percent of all delinquent

2.1 taxes, special assessments, penalties, interest, and fees must be paid. The balance
 2.2 remaining shall be subject to and included in the installment plan.

2.3 (d) When there are current and delinquent special assessments certified and billed
 2.4 against a parcel, the assessment authority or municipality as defined in section 429.011
 2.5 may abate under section 375.192, subdivision 2, all special assessments and the penalty
 2.6 and interest affiliated with the special assessments, and reassess the special assessments,
 2.7 penalties, and interest accrued thereon, under section 429.071, subdivision 2. The
 2.8 municipality shall notify the county auditor of its intent to reassess as a precondition
 2.9 to the entry of the confession of judgment. Upon the notice to abate and reassess, the
 2.10 municipality shall, through resolution, notify the county auditor to remove all current
 2.11 and delinquent special assessments and the accrued penalty and interest on the special
 2.12 assessments, and the payment of all or a portion of the current and delinquent assessments
 2.13 shall not be required as part of the down payment due at the time the confession of
 2.14 judgment is entered in accordance with paragraph (c).

2.15 ~~(d)~~ (e) The amounts entered in judgment bear interest at the rate provided in section
 2.16 279.03, subdivision 1a, commencing with the date the judgment is entered. The interest
 2.17 rate is subject to change each year on the unpaid balance in the manner provided in section
 2.18 279.03, subdivision 1a.

2.19 (f) The county auditor may require conditions on properties including, but not
 2.20 limited to, environmental remediation action plan requirements, restrictions, or covenants,
 2.21 when considering a request for approval of eligibility for composition into a confession of
 2.22 judgment for delinquent taxes upon a parcel of property which was classified class 3a, for
 2.23 the previous year's assessment.

2.24 Sec. 2. Minnesota Statutes 2012, section 279.37, subdivision 2, is amended to read:

2.25 Subd. 2. **Installment payments.** The owner of any such parcel, or any person to
 2.26 whom the right to pay taxes has been given by statute, mortgage, or other agreement, may
 2.27 make and file with the county auditor of the county in which the parcel is located a written
 2.28 offer to pay the current taxes each year before they become delinquent, or to contest the
 2.29 taxes under Minnesota Statutes 1941, sections 278.01 to 278.13, and agree to confess
 2.30 judgment for the amount provided, as determined by the county auditor. By filing the
 2.31 offer, the owner waives all irregularities in connection with the tax proceedings affecting
 2.32 the parcel and any defense or objection which the owner may have to the proceedings, and
 2.33 also waives the requirements of any notice of default in the payment of any installment or
 2.34 interest to become due pursuant to the composite judgment to be so entered. Unless the
 2.35 property is subject to subdivision 1a, with the offer, the owner shall (i) tender one-tenth of

3.1 the amount of the delinquent taxes, costs, penalty, and interest, and shall (ii) tender all
 3.2 current year taxes and penalty due at the time the confession of judgment is entered. In the
 3.3 offer, the owner shall agree to pay the balance in nine equal installments, with interest as
 3.4 provided in section 279.03, payable annually on installments remaining unpaid from time
 3.5 to time, on or before December 31 of each year following the year in which judgment
 3.6 was confessed. The offer must be substantially as follows:

3.7 "To the court administrator of the district court of county, I,,
 3.8 am the owner of the following described parcel of real estate located in
 3.9 county, Minnesota:

3.10 Upon that real estate there are delinquent taxes for the year, and
 3.11 prior years, as follows: (here insert year of delinquency and the total amount of delinquent
 3.12 taxes, costs, interest, and penalty). By signing this document I offer to confess judgment in
 3.13 the sum of \$..... and waive all irregularities in the tax proceedings affecting these taxes and
 3.14 any defense or objection which I may have to them, and direct judgment to be entered for
 3.15 the amount stated above, minus the sum of \$....., to be paid with this document, which
 3.16 is one-tenth or one-fifth of the amount of the taxes, costs, penalty, and interest stated above.
 3.17 I agree to pay the balance of the judgment in nine or four equal, annual installments, with
 3.18 interest as provided in section 279.03, payable annually, on the installments remaining
 3.19 unpaid. I agree to pay the installments and interest on or before December 31 of each year
 3.20 following the year in which this judgment is confessed and current taxes each year before
 3.21 they become delinquent, or within 30 days after the entry of final judgment in proceedings
 3.22 to contest the taxes under Minnesota Statutes, sections 278.01 to 278.13.

3.23 Dated,"

3.24 Sec. 3. Minnesota Statutes 2012, section 281.14, is amended to read:

3.25 **281.14 EXPIRATION OF TIME FOR REDEMPTION.**

3.26 The time for redemption from any tax sale, whether made to the state or to a private
 3.27 person, shall not expire until notice of expiration of redemption, as provided in section
 3.28 ~~281.13~~ 281.17, shall have been given.

3.29 Sec. 4. Minnesota Statutes 2012, section 281.17, is amended to read:

3.30 **281.17 PERIOD FOR REDEMPTION.**

3.31 Except for properties for which the period of redemption has been limited under
 3.32 sections 281.173 and 281.174, the following periods for redemption apply.

4.1 The period of redemption for all lands sold to the state at a tax judgment sale shall
4.2 be three years from the date of sale to the state of Minnesota ~~if the land is within an~~
4.3 ~~incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section~~
4.4 ~~273.13, subdivision 22; (b) homesteaded agricultural land as defined in section 273.13,~~
4.5 ~~subdivision 23, paragraph (a); or (c) seasonal residential recreational land as defined in~~
4.6 ~~section 273.13, subdivision 22, paragraph (c), or 25, paragraph (d), clause (1), for which~~
4.7 ~~the period of redemption is five years from the date of sale to the state of Minnesota.~~

4.8 The period of redemption for homesteaded lands as defined in section 273.13,
4.9 subdivision 22, located in a targeted neighborhood as defined in Laws 1987, chapter 386,
4.10 article 6, section 4, and sold to the state at a tax judgment sale is three years from the date
4.11 of sale. The period of redemption for all lands located in a targeted neighborhood as
4.12 defined in Laws 1987, chapter 386, article 6, section 4, except (1) homesteaded lands as
4.13 defined in section 273.13, subdivision 22, and (2) for periods of redemption beginning
4.14 after June 30, 1991, but before July 1, 1996, lands located in the Loring Park targeted
4.15 neighborhood on which a notice of lis pendens has been served, and sold to the state at a
4.16 tax judgment sale is one year from the date of sale.

4.17 The period of redemption for all real property constituting a mixed municipal solid
4.18 waste disposal facility that is a qualified facility under section 115B.39, subdivision 1, is
4.19 one year from the date of the sale to the state of Minnesota.

4.20 ~~The period of redemption for all other lands sold to the state at a tax judgment~~
4.21 ~~sale shall be five years from the date of sale, except that the period of redemption for~~
4.22 ~~nonhomesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph~~
4.23 ~~(b), shall be two years from the date of sale if at that time that property is owned by a~~
4.24 ~~person who owns one or more parcels of property on which taxes are delinquent, and the~~
4.25 ~~delinquent taxes are more than 25 percent of the prior year's school district levy.~~