

## CHAPTER 270

### DEPARTMENT OF REVENUE

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#### 270.02 DEPARTMENT OF REVENUE; COMMISSIONER OF REVENUE.

*[For text of subs 1 to 3, see M.S.1994]*

Subd. 3a. **Mission; efficiency.** It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;
- (5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;
- (6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and
- (7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

*[For text of subd 4, see M.S.1994]*

**History:** 1995 c 248 art 11 s 20

#### 270.0604 REVENUE NOTICES.

*[For text of subs 1 to 3, see M.S.1994]*

Subd. 4. **Issuance.** The issuance of revenue notices is at the discretion of the commissioner of revenue. The commissioner shall establish procedures governing the issuance of revenue notices and tax information bulletins. At least one week before publication of a revenue notice in the State Register, the commissioner shall provide a copy of the notice to the chairs of the taxes committee of the house of representatives and the taxes and tax laws committee of the senate.

*[For text of subd 5, see M.S.1994]*

**History:** 1995 c 1 s 1

#### 270.101 PERSONAL LIABILITY.

Subdivision 1. **Liability imposed.** A person who, either singly or jointly with others, has the control of, supervision of, or responsibility for filing returns or reports, paying taxes,

or collecting or withholding and remitting taxes and who fails to do so, or a person who is liable under any other law, is liable for the payment of taxes, penalties, and interest arising under chapters 295, 296, 297, 297A, and 297C, or sections 290.92 and 297E.02.

*[For text of subs 2 and 3, see M.S.1994]*

**History:** 1995 c 234 art 9 s 3

#### **270.47 RULES.**

The board shall establish the rules necessary to accomplish the purpose of section 270.41, and shall establish criteria required of assessing officials in the state. Separate criteria may be established depending upon the responsibilities of the assessor. The board shall prepare and give examinations from time to time to determine whether assessing officials possess the necessary qualifications for performing the functions of the office. Such tests shall be given immediately upon completion of courses required by the board, or to persons who already possess the requisite qualifications under the rules of the board.

**History:** 1995 c 264 art 16 s 1

#### **270.48 LICENSURE OF QUALIFIED PERSONS.**

The board shall license persons as possessing the necessary qualifications of an assessing official. Different levels of licensure may be established as to classes of property which assessors may be certified to assess at the discretion of the board. Every person, except a local or county assessor, regularly employed by the assessor to assist in making decisions regarding valuing and classifying property for assessment purposes shall be required to become licensed within three years of the date of employment. Licensure shall be required for local and county assessors as otherwise provided in sections 270.41 to 270.53.

**History:** 1995 c 264 art 16 s 2

#### **270.485 SENIOR ACCREDITATION.**

The legislature finds that the property tax system would be enhanced by requiring that every senior appraiser in the department of revenue's property tax division obtain senior accreditation from the state board of assessors. Every senior appraiser, including the department's regional representatives, and every county assessor within two years of the first appointment under section 273.061, must obtain senior accreditation from the state board of assessors. The board shall provide the necessary courses or training. If a department senior appraiser or regional representative fails to obtain or maintain senior accreditation, the failure shall be grounds for dismissal, disciplinary action, or corrective action. Except as provided in section 273.061, subdivision 2, paragraph (c), the commissioner must not approve the appointment of a county assessor who is not senior accredited by the state board of assessors. No employee hired by the commissioner as a senior appraiser or regional representative shall attain permanent status until the employee obtains senior accreditation.

**History:** 1995 c 264 art 16 s 3

**270.49** [Repealed, 1995 c 264 art 16 s 21]

**270.493** [Repealed, 1995 c 264 art 16 s 21]

#### **270.494 CERTAIN TOWNSHIPS AND CITIES OPTION TO ELECT TO REINSTATE THE OFFICE OF ASSESSOR.**

Notwithstanding the provisions of section 273.05, subdivision 1, a city or township in which the office of assessor has been eliminated because of failure to fill a vacancy in the office within 90 days pursuant to section 273.05, subdivision 1, may elect, with the approval of the commissioner, to have the office of assessor reinstated by hiring a certified or accredited assessor. This section shall not apply to Ramsey county or to cities and townships located in counties which have elected a county assessment system in accordance with section 273.055.

**History:** 1995 c 264 art 16 s 4

**270.50 EMPLOYMENT OF LICENSED ASSESSORS.**

No assessor shall be employed who has not been licensed as qualified by the board, provided the time to comply may be extended after application to the board upon a showing that licensed assessors are not available for employment. The board may license that a county or local assessor who has not received the training, but possesses the necessary qualifications for performing the functions of the office by the passage of an approved examination or may waive the examination if such person has demonstrated competence in performing the functions of the office for a period of time the board deems reasonable. The county or local assessing district shall assume the cost of training of its assessors in courses approved by the board for the purpose of obtaining the assessor's license to the extent of course fees, mileage, meals and lodging, and recognized travel expenses not paid by the state. If the governing body of any township or city fails to employ an assessor as required by sections 270.41 to 270.53, the assessment shall be made by the county assessor.

In the case of cities incorporated or townships organized after April 11, 1974, except cities or towns located in Ramsey county or which have elected a county assessor system in accordance with section 273.055, the board shall allow the city or town 90 days from the date of incorporation or organization to employ a licensed assessor.

**History:** 1995 c 264 art 16 s 5

**270.52 COSTS OF MAKING ASSESSMENTS.**

The cost of making any assessment provided in sections 270.41 to 270.53 shall be charged to the assessment district involved. The county auditor shall certify the costs incurred to the appropriate governing body not later than August 1 of each year, and if unpaid as of September 1, the county auditor shall levy a tax upon the taxable property of such taxing district sufficient to pay such costs. The amount so collected shall be credited to the general revenue fund of the county.

**History:** 1995 c 264 art 16 s 6

**270.53 EXISTING CONTRACTS FOR ASSESSMENT OF PROPERTY.**

Sections 270.41 to 270.53 shall not supersede existing contracts executed pursuant to section 273.072 or 471.59 except to the extent that such contracts may conflict with section 270.50 nor preclude contracts between a taxing district and the county for the assessment of property by the county assessor.

**History:** 1995 c 264 art 16 s 7

**270.69 LIEN FOR TAXES.**

*[For text of subs 1 to 9, see M.S.1994]*

**Subd. 10. Limitation for homestead property.** A lien imposed under this section upon property defined as homestead property in sections 510.01 and 510.02 may not be enforced against homestead property by levy under section 270.70, or by judgment lien foreclosure under chapter 550, but notwithstanding section 510.07, is enforceable against the proceeds from the sale, conveyance, or transfer of the homestead.

*[For text of subs 11 to 15, see M.S.1994]*

**History:** 1995 c 186 s 52; 1995 c 264 art 19 s 1

**270.70 LEVY AND DISTRAINT.**

*[For text of subs 1 to 7, see M.S.1994]*

Subd. 8. [Repealed, 1995 c 264 art 13 s 23]

Subd. 9. [Repealed, 1995 c 264 art 13 s 23]

Subd. 10. [Repealed, 1995 c 264 art 13 s 23]

*[For text of subs 11 to 18, see M.S.1994]*

**270.7002 PERSONAL LIABILITY FOR FAILURE TO HONOR A LEVY.**

Subdivision 1. **Surrender of property subject to levy.** A person who fails or refuses to surrender property or rights to property subject to a levy served on the person under section 270.70, 270.7001, or 290.92, subdivision 23, is liable in an amount equal to the value of the property or rights not surrendered, or the amount of taxes, penalties, and interest for the collection of which the levy was made, whichever is less. A financial institution need not surrender funds on deposit until ten days after service of the levy.

Subd. 2. **Penalty.** In addition to the personal liability imposed by subdivision 1, if a person required to surrender property or rights to property fails to do so without reasonable cause, the person is liable for a penalty equal to 25 percent of the amount under subdivision 1.

Subd. 3. **Person defined.** The term "person" as used in this section includes an officer or employee of a corporation or a member or employee of a partnership, who as such officer, employee, or member is under a duty to surrender the property or rights to property or to respond to the levy.

Subd. 4. **Order assessing liability.** The liability imposed by this section may, after demand to honor a levy has been made, be assessed by the commissioner within 60 days after service of the demand. The assessment may be based on information available to the commissioner. The assessment is presumed to be valid, and the burden is on the person assessed to show it is incorrect or invalid. An order assessing liability for failure to honor a levy is reviewable administratively under section 289A.65, and is appealable to tax court under chapter 271. The amount assessed, plus interest at the rate specified in section 270.75, may be collected by any remedy available to the commissioner for the collection of taxes. The proceeds collected are applied first to the liability of the original taxpayer to the extent of the liability under subdivision 1 plus interest, and then to the penalty under subdivision 2.

**History:** 1995 c 264 art 13 s 4

**270.72 TAX CLEARANCE; ISSUANCE OF LICENSES.**

Subdivision 1. **Tax clearance required.** The state or a political subdivision of the state may not issue, transfer, or renew, and must revoke, a license for the conduct of a profession, occupation, trade, or business, if the commissioner notifies the licensing authority that the applicant owes the state delinquent taxes, penalties, or interest. The commissioner may not notify the licensing authority unless the applicant taxpayer owes \$500 or more in delinquent taxes or has not filed returns. If the applicant taxpayer does not owe delinquent taxes but has not filed returns, the commissioner may not notify the licensing authority unless the taxpayer has been given 90 days' written notice to file the returns or show that the returns are not required to be filed. A licensing authority that has received a notice from the commissioner may issue, transfer, renew, or not revoke the applicant's license only if (a) the commissioner issues a tax clearance certificate and (b) the commissioner or the applicant forwards a copy of the clearance to the authority. The commissioner may issue a clearance certificate only if the applicant does not owe the state any uncontested delinquent taxes, penalties, or interest and has filed all required returns.

Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings given.

(a) "Taxes" are all taxes payable to the commissioner including penalties and interest due on the taxes.

(b) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action which contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the applicant has entered into a payment agreement and is current with the payments.

(c) "Applicant" means an individual if the license is issued to or in the name of an individual or the corporation or partnership if the license is issued to or in the name of a corporation or partnership. "Applicant" also means an officer of a corporation, a member of a partnership, or an individual who is liable for delinquent taxes, either for the entity for which the license is at issue or for another entity for which the liability was incurred, or personally as a licensee. In the case of a license transfer, "applicant" also means both the transferor and the transferee of the license. "Applicant" also means any holder of a license.

(d) "License" includes a contract for space rental at the Minnesota state fair.

(e) "Licensing authority" includes the Minnesota state fair board.

**Subd. 3. Notice and hearing.** (a) The commissioner, on notifying a licensing authority pursuant to subdivision 1 not to issue, transfer, or renew a license, must send a copy of the notice to the applicant. If the applicant requests, in writing, within 30 days of the date of the notice a hearing, a contested case hearing must be held. The hearing must be held within 45 days of the date the commissioner refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the applicant. The notice may be served personally or by mail.

(b) Prior to notifying a licensing authority pursuant to subdivision 1 to revoke a license, the commissioner must send a notice to the applicant of the commissioner's intent to require revocation of the license and of the applicant's right to a hearing under paragraph (a). A license is subject to revocation when 30 days have passed following the date of the notice in this paragraph without the applicant requesting a hearing, or, if a hearing is timely requested, upon final determination of the hearing under section 14.62, subdivision 1. A license shall be revoked by the licensing authority within 30 days after receiving notice from the commissioner to revoke.

(c) A hearing under this subdivision is in lieu of any other hearing or proceeding provided by law arising from any action taken under subdivision 1.

*[For text of subd 4, see M.S.1994]*

**History:** 1995 c 264 art 13 s 5-7

## **270.721 REVOCATION OF CORPORATE CERTIFICATES OF AUTHORITY TO DO BUSINESS IN THIS STATE.**

When a foreign corporation authorized to do business in this state under chapter 303 fails to comply with any tax laws administered by the commissioner of revenue, the commissioner may serve the secretary of state with a certified copy of an order finding such failure to comply. The secretary of state, upon receipt of the order, shall revoke the certificate of authority of the corporation to do business in this state, and shall reinstate the certificate under section 303.19 only when the corporation has obtained from the commissioner an order finding that the corporation is in compliance with state tax law. An order requiring revocation of a certificate shall not be issued unless the commissioner gives the corporation 30 days' written notice of the proposed order, specifying the violations of state tax law, and affording the corporation an opportunity to request a contested case hearing under chapter 14.

**History:** 1995 c 264 art 13 s 8

## **270.79 REFUNDS PAYABLE IN INSTALLMENTS.**

*[For text of subs 1 to 3, see M.S.1994]*

**Subd. 4. Refund procedures.** (a) If the commissioner determines that the cumulative refunds due all affected taxpayers will exceed \$50,000,000, the refund procedures in this subdivision apply.

(b) The refunds due shall be paid in five installments. The first installment will be paid during the calendar year following the later of the filing of the refund claim or the final judicial determination and subsequent installments will be paid at any time during each of the four succeeding calendar years.

(c) The commissioner shall compute the annual refund installment due under this subdivision, and notify the taxpayer of the total amount of the claim for refund which has been allowed.

(d) The installment paid each year equals 20 percent of the refund allowed unless the commissioner determines that the cumulative refunds due for a particular year under this section will exceed \$150,000,000. If the refunds payable will exceed that amount, they will be reduced pro rata with any balance remaining due payable with the final refund installment.

(e) Unless contrary to the provisions in this section, the provisions for refunds in the various tax types, including provisions related to the payment of interest, apply to the refunds subject to these provisions.

(f) The commissioner may establish a de minimis individual refund amount below which the installment provisions do not apply. The amount established under this paragraph is not subject to the provisions of chapter 14.

(g) If the commissioner of finance determines that it is in the best interest of the state, refunds payable under this section may be paid in fewer than five installments.

**History:** 1995 c 264 art 13 s 9