

MINNESOTA • REVENUE

PROPERTY TAX Delinquent Property Tax Payment Modifications

April 16, 2013

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue
Analysis of S.F. 1572 (Thompson) as introduced

Effective for taxes payable 2014 and thereafter.

EXPLANATION OF THE BILL

The bill makes several changes to property tax delinquency statutes. A confession of judgment market value cap of \$500,000 for class 3a commercial-industrial property is stricken, and a new county auditor approval requirement is added. A new section allowing cities of the first class to waive or abate repayment of a portion of special assessments is added. The county auditor may require conditions when considering a request for approval of a confession of judgment for delinquent taxes on a class 3a commercial-industrial parcel. The size and number of payments includes an option for four annual payments. A tax judgment sale redemption period of 5 years for homesteaded or seasonal residential recreational land is stricken, so that the redemption period for most parcels is three years. A redemption period of 2 years for owners of multiple delinquent properties is stricken.

REVENUE ANALYSIS DETAIL

- Timing of payments could potentially speed up or be stretched out compared to current law.
- The proposed modifications to the general property tax provisions may have an impact on the local tax base and tax rate in the future and may result in a small change in property tax refunds paid by the state.

PROPERTY TAX BENCHMARKS (Minn. Stat. § 270C.991)

<i>Transparency, Understandability, Simplicity & Accountability</i>	Neutral
<i>Efficiency & Compliance</i>	Neutral
<i>Equity (Vertical & Horizontal)</i>	Neutral
<i>Stability & Predictability</i>	Neutral
<i>Competitiveness for Businesses</i>	Neutral
<i>Responsiveness to Economic Conditions</i>	Neutral

The bill is scored on a three point scale (decrease, neutral, increase) for each principle in comparison to current law.

Source: Minnesota Department of Revenue
Property Tax Division - Research Unit
[www.revenue.state.mn.us/research_stats/
pages/revenue-analyses.aspx](http://www.revenue.state.mn.us/research_stats/pages/revenue-analyses.aspx)

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