

**PROPERTY TAX
Tax-forfeited land sale documentation
modification**

April 02, 2019

	Yes	No
DOR Administrative Cost/Savings	X	

Department of Revenue

Analysis of S.F. 1275 (Westrom) as proposed to be amended by SCS1275A-2

Fund Impact

	FY2020	FY2021	FY2022	FY2023
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective for deeds issued after December 31, 2019.

EXPLANATION OF THE BILL

Under current law, the purchase price of tax-forfeited property must be paid in full before the state will issue a deed for the property.

Under the proposal, a deed would also be issued to the county auditor for mortgage-financed sales of tax-forfeited property before closing of the sale has occurred:

- For a deed to be issued under these circumstances, the county auditor would approve the sale based upon a written commitment from a licensed closing agent, title insurer, or title insurance agent that the funding of the purchase is held in an escrow account and available for disbursement upon receipt of the deed.
- The county auditor would hold the deed until it is requested by a licensed closing agent, title insurer, or title insurance agent to settle and close on the purchase of the property. If not requested within 30 days, the county auditor would return the deed to the state for cancellation.
- If the deed is delivered to a licensed closing agent, title insurer, or title insurance agent, but the closing does not occur within 10 days, the deed would be returned to the county auditor, who, upon receipt, would return the deed to the state for cancellation.
- A deed issued under this subdivision would not be effective until it is recorded. The county recorder or registrar of titles would not record the deed if it does not also contain a certification signed by the county auditor.

REVENUE ANALYSIS DETAIL

- The proposal may have an impact on the sales of tax-forfeited property.
- It is assumed that there would be no impact on the state general fund.

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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