

**2024 PROPERTY TAX AND LOCAL
GOVERNMENT AIDS
LEGISLATIVE BULLETIN**



Appeals, Legal Services, and Disclosure Division
600 N. Robert St.
St. Paul, MN 55146-2220

8/21/24 FINAL

SMALL CITIES ASSISTANCE

Small cities assistance appropriation. An uncodified provision appropriates \$11,350,000 in fiscal year 2025 only to the small cities assistance account under Minn. Stat. § 162.145, subd. 2, to be distributed in the July 2024 payment. Effective July 1, 2024. 2024 Minn. Laws, Ch. 127, Art. 1, § 9.

AFFORDABLE HOUSING AIDS

Local affordable housing aid. Minn. Stat. § 477A.35, was amended to add a definition of “locally funded housing expenditures” and to expand the definition of “qualifying projects”. Each accessible unit must also include a water closet and kitchen work surface if aid is used on new construction. Includes requirement that an aid recipient must annually certify compliance to the Minnesota Housing Finance Agency that the funds are used to supplement existing housing expenditures. Requires a city or county to repay funds to the Minnesota Housing Finance Agency if annual certification is not satisfied. Establishes timelines for a city or county to request the commissioner of revenue to stop payments and to resume payments. Effective beginning with aids payable in 2024. 2024 Minn. Laws, Ch. 127, Art. 15, §§ 27, 28, 29 and 30. Effective beginning with aids payable in 2025. 2024 Minn. Laws, Ch. 127, Art. 15, § 31.

Statewide local housing aid. Minn. Stat. § 477A.36, was amended to add a definition of “locally funded housing expenditures” and to expand the definition of “qualifying projects”. Each accessible unit must also include a water closet and kitchen work surface if aid is used on new construction. Includes requirement that an aid recipient must annually certify compliance to the Minnesota Housing Finance Agency that the funds are used to supplement existing housing expenditures. Requires a recipient to repay funds to the Minnesota Housing Finance Agency if annual certification is not satisfied. Establishes timelines for a recipient to request the commissioner of revenue to stop payments and to resume payments. Effective beginning with aids payable in 2024. 2024 Minn. Laws, Ch. 127, Art. 15, §§ 32, 33, 34 and 35. Effective beginning with aids payable in 2025. 2024 Minn. Laws, Ch. 127, Art. 15, § 36.

HOUSING SUPPORT ACCOUNT

Housing support account; transfer. Minn. Stat. §§ 16A.287 and 462A.43, were enacted to require the commissioner of management and budget to establish a housing support account. Annually appropriates \$450,000 starting in fiscal year 2025. Money appropriated to the account must provide housing support for Minnesotans. Effective May 25, 2024. 2024 Minn. Laws, Ch. 127, Art. 70, §§ 1 and 9.

TAX-FORFEITED PROPERTY

Delinquent real estate tax list. Minn. Stat. § 279.06, subd. 1, was amended to require the delinquent real estate tax list notice to include information about property tax relief programs, and where to obtain information about the property's unencumbered interest. The delinquent tax list form must be made available in multiple languages on websites of the Department of Revenue and counties. Effective beginning January 1, 2025. 2024 Minn. Laws, Ch. 127, Art. 70, § 2.

Redemption for tax-forfeited property. Minn. Stat. § 281.23, subd. 2, was amended to revise the notice of expiration of redemption form with information that tax forfeited property will be sold and an interested party may be entitled to excess proceeds by completing a claim form provided if there are excess proceeds. Effective for notices provided on or after May 25, 2024. 2024 Minn. Laws, Ch. 127, Art. 70, § 3.

Initial sale. Minn. Stat. § 282.005, was enacted to establish a process requiring counties to offer tax-forfeited properties for sale by public auction and allow interested parties to make a claim for surplus sale proceeds in response to the United States Supreme Court decision in *Tyler v. Hennepin County*, 598 U.S. 631 (2023). Notice of the public auction must be published in newspapers, websites, and other forums that serve diverse communities. At public auction, the property must first be offered for sale for at least 30 days at its estimated market value. If the property remains unsold at this initial price, the price may be reduced to a minimum bid of the delinquent taxes, special assessments, penalties, interest, and costs. If there is no minimum bid, the state is deemed to have purchased through a credit bid. The commissioner of revenue must create a claim form that the county auditor must mail to interested parties after a sale. Establishes a process for the county auditor to serve the claim form, deadlines for claims submissions, a process if multiple claims are submitted, and authorizes the county auditor to deposit surplus funds with the district court for an order to resolve a dispute about the surplus. Creates a process for mineral interests to be sold to the state for minimum bid of \$50 and a claims process requiring the commissioner of natural resources to determine the value if a claim is filed alleging the interests exceed the minimum bid. Effective for forfeitures occurring after December 31, 2023. 2024 Minn. Laws, Ch. 127, Art. 70, § 4.

Withdrawn from initial sale. Minn. Stat. § 282.007, was enacted to establish a process for the commissioner of natural resources to withhold or withdraw from the sale required under section 282.005 any property allowed to be withheld or withdrawn from sale in section 85.012 (state park lands), 85.013 (state recreation areas and wayside lands), 282.01, subdivision 8 (lands designated as a mining unit or subject to a mining permit or lease), or 282.018 (land on or

adjacent to public waters and wetlands). Mineral interests withheld or withdrawn from sale are not severed from the property and are not subject to a claim for surplus. If a property is withdrawn or withheld for sale, an interested party may repurchase the property prior to the initiation of the condemnation proceedings. Effective for forfeitures occurring after December 31, 2023. 2024 Minn. Laws, Ch. 127, Art. 70, § 5.

Duties of county auditor and commissioner. Minn. Stat. § 282.01, subd. 6(a), was amended to include the new tax-forfeited land sales (Minn. Stat. § 282.005) within the types of sales subject to duties of the county auditor and commissioner of revenue. Effective for forfeitures occurring after December 31, 2023. 2024 Minn. Laws, Ch. 127, Art. 70, § 6.

Sale of tax-forfeited land. Minn. Stat. § 282.0197, was enacted to require the county auditor to first offer tax-forfeited land subject to sale under sections 282.01 to 282.13 to the affected band of Indians for sale at the appraised value if that tax-forfeited land consists exclusively of land within the boundary of an Indian reservation. The county auditor must give written notice to the band and the band must submit a written offer to the county auditor within two weeks after receiving notice. The county auditor must accept an offer that matches or exceeds the appraised value. This section does not apply to a purchase of tax-forfeited land prior to a sale as provided under Minn. Stat. § 282.012. Effective July 1, 2025, and applies to lands forfeited on or after that date. 2024 Minn. Laws, Ch. 116, Art. 8, § 4.

Repurchase after forfeiture. Minn. Stat. § 282.241, subd. 1, was amended to clarify that any application to repurchase tax-forfeited property that is made available for sale pursuant to Minn. Stat. § 282.005 must occur before the sale. Effective for forfeitures occurring after December 31, 2023. 2024 Minn. Laws, Ch. 127, Art. 70, § 7.

Receipts for sale of tax-forfeited sales. Minn. Stat. § 282.301, was amended to require the county auditor to provide a receipt to the purchaser for any sale made under Minn. Stat. § 282.005. Effective for forfeitures occurring after December 31, 2023. 2024 Minn. Laws, Ch. 127, Art. 70, § 8.

Appropriation to the Department of Natural Resources An uncodified provision appropriates \$1,537,000 starting in fiscal year 2025 (with the same amount as the base in following fiscal years) to the commissioner of natural resources to perform the duties required by Minn. Stat. § 282.005 regarding tax-forfeited land and mineral interests. Effective July 1, 2024. 2024 Minn. Laws, Ch. 127, Art. 70, § 11.

Tax-forfeited lands settlement. An uncodified provision creates a process for counties to participate in a settlement agreement reached on February 28, 2024, settling litigation related to the retention of (1) tax-forfeited lands; (2) surplus proceeds from tax-forfeited sales; and (3) mineral rights. A county is deemed to participate if it does not affirmatively opt out by August 1, 2024. A county must make a good faith effort to sell all land that tax-forfeited between its applicable start date and December 31, 2023. The applicable start date is June 23, 2016, except for Hennepin County (August 16, 2012) and St. Louis County (June 2, 2016). Establishes a process to sell these tax-forfeited lands and sets the price and terms. Certain residential property must first be offered for sale to persons who intend to own and occupy the property or use it for

noncommercial personal use and the commissioner of revenue must create a form for a purchaser to certify their intent. A sale must be advertised in newspapers, websites and other forums that serve diverse communities. Requires a specific percentage of the sale proceeds, based on the sale date through June 30, 2029, to be remitted to the commissioner of management and budget for deposit in the general fund. A claims administrator will administer the \$109,000,000 appropriation and must return any unspent money on June 30, 2026. Each participating county must submit a report to the commissioner of management and budget by December 31, 2024, and each December 31 through 2029 with the tax-forfeiture parcels, efforts to sell and any purchase prices. The commissioner of management and budget must then issue a report by February 1, 2025, and each February 1 through 2029 to the legislative committees with jurisdiction over finance, environment and taxes. Effective May 18, 2024. 2024 Minn. Laws, Ch. 113, § 1. Effective May 25, 2024. 2024 Minn. Laws, Ch. 127, Art. 70, § 10 amended 2024 Minn. Laws, Ch. 113, § 1, subd. 2 creating subd. 2(a)(3)(v), subd. 2(a)(3)(vi) and subd. 2(b).

EMERGENCY AMBULANCE AID

Emergency ambulance aid. An uncodified provision creates a onetime appropriation in fiscal year 2025 of \$24,000,000 to the commissioner of revenue to administer emergency ambulance aid payments and the commissioner may retain up to \$60,000 for administrative costs. An eligible licensed ambulance service provider may apply to the commissioner of revenue and applications must be submitted by September 16, 2024, to both the commissioner and executive director of the Emergency Medical Services Regulatory Board. The commissioner and executive director must establish a process for verifying data on the applications. By September 20, 2024, the executive director must certify information to the commissioner for each eligible provider that applies for aid. The commissioner, in coordination with the executive director, must make calculations and the commissioner must make an aid payment by December 26, 2024, to each provider. Funds that are not spent on or encumbered for eligible uses by December 31, 2025, must be returned to the commissioner and cancel to the general fund. By February 15, 2026, each provider receiving aid must submit a report to the commissioner, the executive director and the chairs and ranking minority members of the taxes and property taxes legislative committees. Effective for aids payable in 2024. 2024 Minn. Laws, Ch. 122, Art. 4, § 1.

PROPERTY TAXES-GENERAL

Exempt mining business property. Minn. Stat. § 272.02, subd. 97, was amended to change the reference to the gross proceeds tax for property used in the business of mining to be consistent with Minn. Stat. § 298.015. Effective August 1, 2024. 2024 Minn. Laws, Ch. 85, § 84.

Private sale of tax-forfeited lands. Uncodified laws are created allowing certain counties to sell specific tax-forfeited lands by private sale. Effective May 22, 2024. 2024 Minn. Laws, Ch. 116, Art. 8, §§ 7 and 8 (Aitkin County), 10 (Crow Wing) and 17 and 18 (St. Louis County).

Repealer-Homestead valuation exclusion. Repealed Minn. Stat. § 273.11, subd. 16 (“The Old House”), which provided a valuation exclusion for certain improvements to homestead property made before January 2, 2003. This provision is no longer necessary because the exclusion expired for new qualifiers as of January 2, 2003, and the valuation exclusion applied for no more

than ten years after the improvements were made. Deletes references to Minn. Stat. § 273.11, subd. 16, from Minn. Stat. §§ 273.032; 273.121, subd. 1; 276.04, subd. 2; and 290A.04, subd. 2h. Effective August 1, 2024. 2024 Minn. Laws, Ch. 85, §§ 85, 86, 87, 92 and 115, subd. 8(a).