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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2959

04/01/2025

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The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law

1.1 A bill for an act
1.2 relating to government data practices; modifying data protection requirements in
1.3 certain property tax proceedings; amending Minnesota Statutes 2024, sections
1.4 13.51, subdivisions 2, 4; 271.06, subdivision 6; 278.05, subdivisions 3, 6.

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

1.6 Section 1. Minnesota Statutes 2024, section 13.51, subdivision 2, is amended to read:

1.7 Subd. 2. **Income property assessment data.** The following data collected by political
1.8 subdivisions and the state from individuals or business entities concerning income properties
1.9 are classified as private or nonpublic data pursuant to section 13.02, subdivisions 9 and 12:

- 1.10 (a) ~~detailed~~ income and expense figures;
- 1.11 (b) ~~average~~ vacancy ~~factors~~ rates;
- 1.12 ~~(c) verified net rentable areas or net usable areas, whichever is appropriate;~~
- 1.13 ~~(d)~~ (c) anticipated income and expenses;
- 1.14 ~~(e)~~ (d) projected vacancy ~~factors~~ rates; and
- 1.15 ~~(f)~~ (e) lease information.

1.16 Sec. 2. Minnesota Statutes 2024, section 13.51, subdivision 4, is amended to read:

1.17 Subd. 4. **Request for legal discovery of income property assessment data.** ~~Upon~~
1.18 ~~request by a party to a responsible authority or designee for legal discovery of income~~
1.19 ~~property assessment data, as defined in subdivision 2, the requesting party shall notify the~~
1.20 ~~owner of record of the property. (a) Notwithstanding section 13.03, subdivision 6, a~~
1.21 responsible authority or designee must not deny a request for legal discovery of income

2.1 property assessment data classified by subdivision 2 that is made by a party in a legal
 2.2 proceeding on the grounds that the data is classified as private or nonpublic data.

2.3 (b) Subject to a protective order or other order issued by the court in the underlying legal
 2.4 proceeding, a party receiving access to income property assessment data under paragraph
 2.5 (a), as well as any person directly involved in the legal proceeding through which the data
 2.6 was requested who properly receives income property assessment data from that party, must
 2.7 not:

2.8 (1) use the data for any purpose unrelated to the legal proceeding; or

2.9 (2) disseminate the data to a person not directly involved in the legal proceeding.

2.10 (c) A party in a Tax Court proceeding must not use, file, offer, or move to admit into
 2.11 evidence any income property assessment data classified by subdivision 2 unless the Tax
 2.12 Court first issues a protective order protecting the data from public disclosure, dissemination,
 2.13 access, and use.

2.14 Sec. 3. Minnesota Statutes 2024, section 271.06, subdivision 6, is amended to read:

2.15 Subd. 6. **Hearings; protective orders required; determination of issues; default.** (a)
 2.16 The Tax Court shall hear, consider, and determine without a jury every appeal de novo. A
 2.17 Tax Court judge may empanel an advisory jury upon the judge's motion. The Tax Court
 2.18 shall hold a public hearing in every case. The Tax Court must issue protective orders to
 2.19 protect private or nonpublic income property assessment data classified by section 13.51,
 2.20 subdivision 2, from public disclosure, dissemination, access, and use, and may review the
 2.21 data at issue in camera. All such parties shall have an opportunity to offer evidence and
 2.22 arguments at the hearing; provided, that the order of the commissioner or the appropriate
 2.23 unit of government in every case shall be prima facie valid. When an appeal to the Tax
 2.24 Court has been taken from an order or determination of the commissioner or from the
 2.25 appropriate unit of government, the proceeding shall be an original proceeding in the nature
 2.26 of a suit to set aside or modify the order or determination. In case no appellant shall appear
 2.27 the Tax Court shall enter its order affirming the order of the commissioner of revenue or
 2.28 the appropriate unit of government from which the appeal was taken. If the Department of
 2.29 Revenue's sales ratio study is introduced in Tax Court as evidence, the sales ratio data from
 2.30 the study shall be admissible as evidence only as provided in section 278.05, subdivision
 2.31 4.

3.1 (b) The commissioner, the taxpayer, and any other party to an appeal to the Tax Court
 3.2 may file all necessary notices, documents, and other necessary information with the Tax
 3.3 Court in a manner approved by the Tax Court.

3.4 Sec. 4. Minnesota Statutes 2024, section 278.05, subdivision 3, is amended to read:

3.5 Subd. 3. **Assessor's records; protective orders required; evidence.** (a) Assessor's
 3.6 records, ~~including certificates of real estate value, assessor's field cards and property appraisal~~
 3.7 ~~cards~~ shall be made available to the petitioner for inspection and copying and may be offered
 3.8 at the trial subject to the applicable rules of evidence and rules governing pretrial discovery
 3.9 ~~and~~. Assessor's records shall not be excluded from discovery or admissible evidence on the
 3.10 grounds that the documents and the information recorded thereon are confidential or classified
 3.11 as private data on individuals or nonpublic data by section 13.51, subdivision 2. Evidence
 3.12 of comparable sales of other property shall, within the discretion of the court, be admitted
 3.13 at the trial.

3.14 (b) The Tax Court must issue protective orders as required under section 271.06,
 3.15 subdivision 6.

3.16 (c) For purposes of this subdivision, "assessor's records" includes certificates of real
 3.17 estate value, assessor's field cards and property appraisal cards, and any other data classified
 3.18 by section 13.51, subdivision 2, regardless of whether the data:

3.19 (1) relates to the property that is the subject of the property tax petition; or

3.20 (2) is located within the assessor's file for the property that is the subject of the property
 3.21 tax petition.

3.22 Sec. 5. Minnesota Statutes 2024, section 278.05, subdivision 6, is amended to read:

3.23 Subd. 6. **Dismissal of petition; exclusion of certain evidence.** (a) In cases where the
 3.24 petitioner contests the valuation of income-producing property, the following information
 3.25 must be provided to the county assessor no later than August 1 of the taxes payable year:

3.26 (1) a year-end financial statement for the year prior to the assessment date;

3.27 (2) a year-end financial statement for the year of the assessment date;

3.28 (3) a rent roll on or near the assessment date listing the tenant name, lease start and end
 3.29 dates, base rent, square footage leased and vacant space;

4.1 (4) identification of all lease agreements not disclosed on a rent roll in the response to
 4.2 clause (3), listing the tenant name, lease start and end dates, base rent, and square footage
 4.3 leased;

4.4 (5) net rentable square footage of the building or buildings; and

4.5 (6) anticipated income and expenses in the form of a proposed budget for the year
 4.6 subsequent to the year of the assessment date.

4.7 (b) The information required to be provided to the county assessor under paragraph (a)
 4.8 does not include leases. ~~Failure to provide the information required in paragraph (a)~~ If the
 4.9 assessor has notified the petitioner in writing of a deficiency in the information provided
 4.10 under paragraph (a), and the petitioner fails to correct the deficiency within 30 days of
 4.11 receiving the notification, the deficiency shall result in the dismissal of the petition, unless
 4.12 ~~(1) the failure to provide it~~ the information was due to the unavailability of the information
 4.13 ~~at the time that the information was due, or (2) the petitioner was not aware of or informed~~
 4.14 ~~of the requirement to provide the information.~~

4.15 ~~If the petitioner proves that the requirements under clause (2) are met, the petitioner has an~~
 4.16 ~~additional 30 days to provide the information from the time the petitioner became aware of~~
 4.17 ~~or was informed of the requirement to provide the information, otherwise the petition shall~~
 4.18 ~~be dismissed.~~

4.19 (c) If, after the August 1 deadline set in paragraph (a), a county assessor determines that
 4.20 the actual leases in effect on the assessment date are necessary to properly evaluate the
 4.21 income-producing property, then a county assessor may require that the petitioner submit
 4.22 the leases. The petitioner must provide the requested information to the county assessor
 4.23 within 60 days of a county assessor's request. The Tax Court shall hear and decide any
 4.24 issues relating to subsequent information requests by a county assessor. Failure to provide
 4.25 the information required in this paragraph shall be addressed under Rules of Civil Procedure,
 4.26 rule 37.

4.27 (d) Provided that the information as contained in paragraph (a) is timely submitted to
 4.28 the county assessor, the county assessor shall furnish the petitioner at least five days before
 4.29 the hearing under this chapter with the property's appraisal, if any, which will be presented
 4.30 to the court at the hearing. The petitioner shall furnish to the county assessor at least five
 4.31 days before the hearing under this chapter with the property's appraisal, if any, which will
 4.32 be presented to the court at the hearing. An appraisal of the petitioner's property done by
 4.33 or for the county shall not be admissible as evidence if the county assessor does not comply

- 5.1 with the provisions in this paragraph. The petition shall be dismissed if the petitioner does
- 5.2 not comply with the provisions in this paragraph.