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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1721

02/13/2023 Authored by Lee, K.; Quam; Norris; Youakim; O'Driscoll and others
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; property; modifying the interest rate on delinquent property
1.3 taxes; amending Minnesota Statutes 2022, sections 279.03, subdivision 1a; 282.261,
1.4 subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2022, section 279.03, subdivision 1a, is amended to read:

1.7 Subd. 1a. Rate. (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), interest on
1.8 delinquent property taxes, penalties, and costs unpaid on or after January 1 is payable at the
1.9 per annum rate determined in section 270C.40, subdivision 5. ~~If the rate so determined is~~
1.10 ~~less than ten percent, the rate of interest is ten percent.~~ The maximum per annum rate is 14
1.11 percent if the rate specified under section 270C.40, subdivision 5, exceeds 14 percent. The
1.12 rate is subject to change on January 1 of each year.

1.13 (b) If a person is the owner of one or more parcels of property on which taxes are
1.14 delinquent, and the delinquent taxes are more than 25 percent of the prior year's school
1.15 district levy, interest on the delinquent property taxes, penalties, and costs unpaid is payable
1.16 at twice the rate determined under paragraph (a) for the year.

1.17 (c) A county board, by resolution, may establish an interest rate lower than the interest
1.18 rate determined under paragraph (a).

1.19 EFFECTIVE DATE. This section is effective for property taxes, penalties, and costs
1.20 determined to be delinquent on or after January 1, 2024.

2.1 Sec. 2. Minnesota Statutes 2022, section 282.261, subdivision 2, is amended to read:

2.2 Subd. 2. **Interest rate.** (a) Except as provided under paragraph (b), the unpaid balance
2.3 on any repurchase contract approved by the county board is subject to interest at the rate
2.4 determined in section 279.03, subdivision 1a. The interest rate is subject to change each
2.5 year on the unpaid balance in the manner provided for rate changes in section 279.03,
2.6 subdivision 1a.

2.7 (b) A county board, by resolution, or a county auditor, if delegated the responsibility to
2.8 administer tax-forfeited land assigned to the county board as provided under section 282.135,
2.9 may establish an interest rate lower than the interest rate determined under paragraph (a).

2.10 **EFFECTIVE DATE.** This section is effective January 1, 2024.