

**PROPERTY TAX  
Interest Accrual Modified for  
Unpaid Special Assessments**

March 16, 2026

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of H.F. 238 (Johnson, W.) / S.F. 1709 (Housley) as introduced

Effective the day following final enactment for special assessments assessed on or after that date.

**EXPLANATION OF THE BILL**

Under current law, interest is added to special assessments that are paid in installments. Prior to November 15 of any year, property owners may prepay the whole remaining special assessment with interest accrued through December 31 of that year.

Under the proposal, if the amount of interest added to the installment payment is greater than the amount of interest accrued on the installment at the date of payment, then the difference would be considered an overpayment that the taxpayer could claim as a refund. The proposal would also modify the interest on prepayments of remaining special assessments to accrue through the date of payment instead of through December 31.

**REVENUE ANALYSIS DETAIL**

- Under the proposal, the total interest collected on special assessments by local jurisdictions (cities, townships, and counties) would be reduced.
- The proposal would have no impact on the state general fund.

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

<i>Transparency, Understandability, Simplicity &amp; Accountability</i>	Neutral
<i>Efficiency &amp; Compliance</i>	Neutral
<i>Equity (Vertical &amp; Horizontal)</i>	Neutral
<i>Stability &amp; 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  
<https://www.revenue.state.mn.us/revenue-analyses>

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