

File Number: H.F. 1379
Version: As introduced

Date: March 14, 2017

Authors: Anderson, P. and Davnie

Subject: Tax forfeited land

Analyst: Christopher Kleman (christopher.kleman@house.mn)

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

Overview

H.F. 1379 provides for a number of changes related to tax forfeiture of real property, including provisions regarding county orders to cease business operations, right of entry, sale of property by the county through a real estate broker, online auctions, prohibited purchasers, sales of property on or adjacent to public waters, repurchase limits for nonhomestead property, evictions, and disposal of personal property held to enforce a lien.

Section

- 1 United States Postal Service postmark.** Requires that proof of timely mailing of current or delinquent property tax payments may not include postage that does not include a United States Postal Service postmark.
- 2 Class 3a property.** Strikes a paragraph related to a county's discretionary authority to require certain conditions when considering requests for confessions of judgment on class 3a property.
- 3 Conditions.** Creates a new subdivision that allows the county auditor to require certain conditions when considering requests for confessions of judgments on any parcel.
- 4 Period of redemption.** Clarifies that the period of redemption for properties sold at a tax judgment sale is three years, except for property in targeted communities and mixed municipal solid waste disposal facilities, which is one year. Also clarifies that the classification of the property as of the assessment year of the judgment is the classification used to determine the period of redemption.

Section

- 5** **Summons and complaint.** Allows a county to commence an action to reduce the period of redemption for abandoned property.
- 6** **Summons and complaint.** Allows a county to commence an action to reduce the period of redemption for vacant property.
- 7** **Businesses to cease operations after notice.** Allows the county auditor to require a business to cease operations after the auditor certifies that the redemption period has expired and title to the property has vested in the state. Limits county and state liability for such orders.
- 8** **Maintenance; expenditure of public funds.** Provides that the fee owner or manager of a tax forfeited property is not bound by any servitude, agreement, easement, or encumbrance that requires a public expenditure, but allows an owner or manager to spend public funds to maintain the property.
- 9** **Limited right of entry.**
- Subd. 1. Limited right of entry.** Allows the county auditor to enter a vacant or unoccupied property to protect it from waste or trespass, and allows an affidavit to be filed stating the property is vacant and unoccupied.
- Subd. 2. Authorized actions.** Allows the auditor to secure and protect the property.
- Subd. 3. Costs.** Allows the auditor to add the cost of protecting the property to the delinquent taxes due.
- Subd. 4. Scope.** Clarifies that this section does not limit any other rights the county auditor has under law.
- 10** **Sale; method; requirements; effects.** Adds a paragraph allowing a county board to sell individual parcels by alternate means, including through a real estate broker, provided that a buyer repurchasing a parcel must pay all taxes, assessments, penalties, and costs.
- 11** **Duties of commissioner after sale.** Requires the commissioner of revenue to issue a conveyance to the county auditor when the county auditor provides the commissioner a loan commitment or approval. The conveyance is good for 45 days; a title company may request the conveyance from the auditor, but must close the purchase within five days of that request.
- 12** **Online auction.** Allows the county auditor to sell tax-forfeited property through an online auction.
- 13** **Prohibited purchasers.** Broadens the number of prohibited purchasers of tax-forfeited land to include a person who is delinquent on property taxes for other properties, has a revoked rental license in the last five years, was a vendee on a canceled contract for a purchase of tax-forfeited property, or owns a property with a housing code violation. Clarifies that a prohibited purchaser may not use another person to make a purchase.
- 14** **Land on or adjacent to public waters.** Authorizes a county to sell property on or adjacent to public waters with written authorization from the commissioner of natural resources.
- 15** **List of lands for sale; notice; online auctions permitted.** Amends the notice requirements for sales pursuant to section 12.

Section

- 16** **Repurchase requirements.** Limits the length of time that an owner at the time of forfeiture may repurchase nonhomestead property from one year to six months.
- 17** **Forfeited lands list.** Makes technical and clarifying changes to the section of law relating to the list of properties withheld from sale for purchase by the state or a political subdivision of the state. Amends a reference pursuant to section 16.
- 18** **Grounds.** Authorizes evictions after the redemption period expires.
- 19** **Removal and storage of property.** Allows a plaintiff to dispose of personal property held to enforce a lien 60 days after the order to vacate.
- 20** **Repealer.** Repeals a notice requirement for parcels that have not been sold one year before the expiration of the redemption period.