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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 491

02/02/2015 Authored by Heintzeman, Lueck, Kresha, Howe, Newberger 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 due dates and penalties; amending
1.3 Minnesota Statutes 2014, section 279.01, subdivisions 1, 3.
1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2014, section 279.01, subdivision 1, is amended to read:

1.6 Subdivision 1. **Due dates; penalties.** ~~Except as provided in subdivisions 3 to 5,~~
1.7 ~~on May 16 or 21 days after the postmark date on the envelope containing the property~~
1.8 ~~tax statement, whichever is later, a penalty accrues and thereafter is charged upon all~~
1.9 ~~unpaid taxes on real estate on the current lists in the hands of the county treasurer. The~~
1.10 (a) When the taxes against any tract or lot exceed \$100, one-half of the amount of tax
1.11 due must be paid prior to May 16, and the remaining one-half must be paid prior to the
1.12 following October 16. If either tax amount is unpaid as of its due date, a penalty is
1.13 imposed at a rate of two percent on homestead property until May 31 and four percent
1.14 on nonhomestead property. If complete payment has not been made by the first day of
1.15 the month following either due date, an additional penalty of two percent on June 1. The
1.16 penalty on nonhomestead property is at a rate of four percent until May 31 homestead
1.17 property and eight four percent on June 1. This penalty does not accrue until June 1 of
1.18 each year, or 21 days after the postmark date on the envelope containing the property
1.19 tax statements, whichever is later, on commercial use real property used for seasonal
1.20 residential recreational purposes and classified as class 1c or 4c, and on other commercial
1.21 use real property classified as class 3a, provided that over 60 percent of the gross income
1.22 earned by the enterprise on the class 3a property is earned during the months of May,
1.23 June, July, and August. In order for the first half of the tax due on class 3a property to be
1.24 paid after May 15 and before June 1, or 21 days after the postmark date on the envelope

2.1 ~~containing the property tax statement, whichever is later, without penalty, the owner of~~
2.2 ~~the property must attach an affidavit to the payment attesting to compliance with the~~
2.3 ~~income provision of this subdivision~~ nonhomestead property is imposed. Thereafter,
2.4 for both homestead and nonhomestead property, on the first day of each subsequent
2.5 ~~month beginning July 1, up to and including October 1 following~~ through December, an
2.6 additional penalty of one percent for each month accrues and is charged on all such unpaid
2.7 taxes provided that if the due date was extended beyond May 15 as the result of any delay
2.8 in mailing property tax statements no additional penalty shall accrue if the tax is paid by
2.9 the extended due date. If the tax is not paid by the extended due date, then all penalties
2.10 that would have accrued if the due date had been May 15 shall be charged. When the taxes
2.11 against any tract or lot exceed \$100, one-half thereof may be paid prior to May 16 or
2.12 21 days after the postmark date on the envelope containing the property tax statement,
2.13 whichever is later; and, if so paid, no penalty attaches; the remaining one-half may be
2.14 paid at any time prior to October 16 following, without penalty; but, if not so paid, then
2.15 a penalty of two percent accrues thereon for homestead property and a penalty of four
2.16 percent on nonhomestead property. Thereafter, for homestead property, on the first day of
2.17 November an additional penalty of four percent accrues and on the first day of December
2.18 following, an additional penalty of two percent accrues and is charged on all such unpaid
2.19 taxes. Thereafter, for nonhomestead property, on the first day of November and December
2.20 following, an additional penalty of four percent for each month accrues and is charged on
2.21 all such unpaid taxes. If one-half of such taxes are not paid prior to May 16 or 21 days
2.22 after the postmark date on the envelope containing the property tax statement, whichever
2.23 is later, the same may be paid at any time prior to October 16, with accrued penalties to the
2.24 date of payment added, and thereupon no penalty attaches to the remaining one-half until
2.25 October 16 following the penalty must not exceed eight percent in the case of homestead
2.26 property, or 12 percent in the case of nonhomestead property.

2.27 (b) If the property tax statement was not postmarked prior to April 25, the first
2.28 half payment due date in paragraph (a) shall be 21 days from the postmark date of the
2.29 property tax statement, and all penalties referenced in paragraph (a) shall be determined
2.30 with regard to the later due date.

2.31 (c) In the case of a tract or lot with taxes of \$100 or less, the due date and penalties
2.32 as specified in paragraph (a) or (b) for the first half payment shall apply to the entire
2.33 amount of the tax due.

2.34 (d) For commercial use real property used for seasonal residential recreational
2.35 purposes and classified as class 1c or 4c, and on other commercial use real property
2.36 classified as class 3a, provided that over 60 percent of the gross income earned by the

3.1 enterprise on the class 3a property is earned during the months of May, June, July, and
 3.2 August, the first half payment is due prior to June 1. For a class 3a property to qualify
 3.3 for the later due date, the owner of the property must attach an affidavit to the payment
 3.4 attesting to compliance with the income requirements of this paragraph.

3.5 (e) This section applies to payment of personal property taxes assessed against
 3.6 improvements to leased property, except as provided by section 277.01, subdivision 3.

3.7 (f) A county may provide by resolution that in the case of a property owner that has
 3.8 multiple tracts or parcels with aggregate taxes exceeding \$100, payments may be made in
 3.9 installments as provided in this subdivision.

3.10 (g) The county treasurer may accept payments of more or less than the exact amount
 3.11 of a tax installment due. Payments must be applied first to the oldest installment that is due
 3.12 but which has not been fully paid. If the accepted payment is less than the amount due,
 3.13 payments must be applied first to the penalty accrued for the year or the installment being
 3.14 paid. Acceptance of partial payment of tax does not constitute a waiver of the minimum
 3.15 payment required as a condition for filing an appeal under section 278.03 or any other law,
 3.16 nor does it affect the order of payment of delinquent taxes under section 280.39.

3.17 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2016.

3.18 Sec. 2. Minnesota Statutes 2014, section 279.01, subdivision 3, is amended to read:

3.19 Subd. 3. **Agricultural property.** ~~(a) In the case of class 1b agricultural homestead,~~
 3.20 ~~class 2a agricultural homestead property, and class 2a agricultural nonhomestead property,~~
 3.21 ~~no penalties shall attach to the second one-half property tax payment as provided in this~~
 3.22 ~~section if paid by November 15. Thereafter for class 1b agricultural homestead and class~~
 3.23 ~~2a homestead property, on November 16 following, a penalty of six percent shall accrue~~
 3.24 ~~and be charged on all such unpaid taxes and on December 1 following, an additional two~~
 3.25 ~~percent shall be charged on all such unpaid taxes. Thereafter for class 2a agricultural~~
 3.26 ~~nonhomestead property, on November 16 following, a penalty of eight percent shall accrue~~
 3.27 ~~and be charged on all such unpaid taxes and on December 1 following, an additional four~~
 3.28 ~~percent shall be charged on all such unpaid taxes, penalties shall attach as provided in~~
 3.29 subdivision 1.

3.30 If the owner of class 1b agricultural homestead or class 2a agricultural property
 3.31 receives a consolidated property tax statement that shows only an aggregate of the taxes
 3.32 and special assessments due on that property and on other property not classified as class
 3.33 1b agricultural homestead or class 2a agricultural property, the aggregate tax and special
 3.34 assessments shown due on the property by the consolidated statement will be due on
 3.35 November 15.

4.1 ~~(b) Notwithstanding paragraph (a), for taxes payable in 2010 and 2011, for any class~~
4.2 ~~2b property that was subject to a second-half due date of November 15 for taxes payable~~
4.3 ~~in 2009, the county shall not impose, or if imposed, shall abate penalty amounts in excess~~
4.4 ~~of those that would apply as if the second-half due date were November 15.~~

4.5 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2016.