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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2137

02/25/2014 Authored by Kresha, Howe, Normes and Anderson, P.,
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 tax due dates; modifying penalties; amending
1.3 Minnesota Statutes 2012, sections 273.125, subdivision 3; 277.01, subdivision 1;
1.4 Minnesota Statutes 2013 Supplement, section 279.01, subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2012, section 273.125, subdivision 3, is amended to read:

1.7 Subd. 3. **Tax statements; penalties; collections.** Not later than July 15 in the year
1.8 of assessment the county treasurer shall mail to the taxpayer a statement of tax due on
1.9 a manufactured home. The taxes are due on the last day of August, or 20 days after the
1.10 postmark date on the envelope containing the property tax statement, whichever is later,
1.11 except that if the tax exceeds \$50, one-half of the amount due may be paid on August 31,
1.12 or 20 days after the postmark date on the envelope containing the property tax statement,
1.13 whichever is later, and the remainder on November 15. Taxes remaining unpaid after
1.14 the due date are delinquent, and a penalty of ~~eight~~ six percent must be assessed and
1.15 collected as part of the unpaid taxes. The tax statement must contain a sentence notifying
1.16 the taxpayer that the title to the manufactured home cannot be transferred unless the
1.17 property taxes are paid.

1.18 **EFFECTIVE DATE.** This section is effective for taxes assessed on or after January
1.19 1, 2015.

1.20 Sec. 2. Minnesota Statutes 2012, section 277.01, subdivision 1, is amended to read:

1.21 Subdivision 1. **Due dates; penalty.** Except as provided in this subdivision and
1.22 subdivision 3, all unpaid personal property taxes shall be deemed delinquent on May 16
1.23 next after they become due or 21 days after the postmark date on the envelope containing

2.1 the property tax statement, whichever is later, and thereupon a penalty of ~~eight~~ six percent
 2.2 shall attach and be charged upon all such taxes. In the case of unpaid personal property
 2.3 taxes due and owing under section 272.01, subdivision 2, or 273.19, the first half shall
 2.4 become delinquent if not paid before May 16 or 21 days after the postmark date on the
 2.5 envelope containing the property tax statement, whichever is later, and the second half
 2.6 shall become delinquent if not paid before October 16; penalties for unpaid tax on such
 2.7 property are imposed under section 279.01, subdivision 1. This section shall not apply to
 2.8 property taxed under section 273.125, subdivision 8, paragraph (c).

2.9 A county may provide by resolution that in the case of a property owner that has
 2.10 multiple personal property tax statements with the aggregate taxes exceeding \$50,
 2.11 payments may be made in installments as provided in this subdivision.

2.12 **EFFECTIVE DATE.** This section is effective for taxes assessed on or after January
 2.13 1, 2015.

2.14 Sec. 3. Minnesota Statutes 2013 Supplement, section 279.01, subdivision 1, is
 2.15 amended to read:

2.16 Subdivision 1. **Due dates; penalties.** Except as provided in subdivisions 3 to 5, on
 2.17 May 16 or 21 days after the postmark date on the envelope containing the property tax
 2.18 statement, whichever is later, a penalty accrues and thereafter is charged upon all unpaid
 2.19 taxes on real estate on the current lists in the hands of the county treasurer. The penalty is
 2.20 at a rate of two percent on homestead property until May 31 and four percent on June 1.
 2.21 The penalty on nonhomestead property is at a rate of four percent until May 31 and ~~eight~~
 2.22 six percent on June 1. This penalty does not accrue until June 1 of each year, or 21 days
 2.23 after the postmark date on the envelope containing the property tax statements, whichever
 2.24 is later, on commercial use real property used for seasonal residential recreational purposes
 2.25 and classified as class 1c or 4c, and on other commercial use real property classified as
 2.26 class 3a, provided that over 60 percent of the gross income earned by the enterprise on the
 2.27 class 3a property is earned during the months of May, June, July, and August. In order for
 2.28 the first half of the tax due on class 3a property to be paid after May 15 and before June 1,
 2.29 or 21 days after the postmark date on the envelope containing the property tax statement,
 2.30 whichever is later, without penalty, the owner of the property must attach an affidavit to the
 2.31 payment attesting to compliance with the income provision of this subdivision. Thereafter,
 2.32 for both homestead and nonhomestead property, on the first day of each month beginning
 2.33 July 1, up to and including October 1 following, an additional penalty of one percent for
 2.34 each month accrues and is charged on all such unpaid taxes provided that if the due date
 2.35 was extended beyond May 15 as the result of any delay in mailing property tax statements

3.1 no additional penalty shall accrue if the tax is paid by the extended due date. No penalty
 3.2 calculated under this subdivision upon any class of property shall exceed six percent. If
 3.3 the tax is not paid by the extended due date, then all penalties that would have accrued if
 3.4 the due date had been May 15 shall be charged. When the taxes against any tract or lot
 3.5 exceed \$100, one-half thereof may be paid prior to May 16 or 21 days after the postmark
 3.6 date on the envelope containing the property tax statement, whichever is later; and, if so
 3.7 paid, no penalty attaches; the remaining one-half may be paid at any time prior to October
 3.8 16 following, without penalty; but, if not so paid, then a penalty of two percent accrues
 3.9 thereon for homestead property and a penalty of four percent on nonhomestead property.
 3.10 Thereafter, for homestead property, on the first day of November an additional penalty of
 3.11 four percent accrues ~~and on the first day of December following, an additional penalty of~~
 3.12 ~~two percent accrues~~ and is charged on all such unpaid taxes. Thereafter, for nonhomestead
 3.13 property, on the first day of November ~~and December~~ following, an additional penalty
 3.14 of ~~four~~ two percent ~~for each month~~ accrues and is charged on all such unpaid taxes. If
 3.15 one-half of such taxes are not paid prior to May 16 or 21 days after the postmark date on
 3.16 the envelope containing the property tax statement, whichever is later, the same may be
 3.17 paid at any time prior to October 16, with accrued penalties to the date of payment added,
 3.18 and thereupon no penalty attaches to the remaining one-half until October 16 following.

3.19 This section applies to payment of personal property taxes assessed against
 3.20 improvements to leased property, except as provided by section 277.01, subdivision 3.

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

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

3.31 **EFFECTIVE DATE.** This section is effective for taxes assessed on or after January
 3.32 1, 2015.