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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2657

03/03/2014 Authored by Davnie, Carlson, Sundin and Erhardt  
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; modifying the procedures for revocation of professional and  
1.3 occupational licenses for nonpayment of taxes; amending Minnesota Statutes  
1.4 2012, section 270C.72, subdivisions 1, 3.

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

1.6 Section 1. Minnesota Statutes 2012, section 270C.72, subdivision 1, is amended to read:

1.7 Subdivision 1. **Tax clearance required.** (a) The state or a political subdivision of  
1.8 the state may not issue, transfer, or renew, and must revoke, a license for the conduct of  
1.9 a profession, occupation, trade, or business, if the commissioner notifies the licensing  
1.10 authority that the applicant owes the state delinquent taxes payable to the commissioner,  
1.11 penalties, or interest. The commissioner may not notify the licensing authority unless the  
1.12 applicant taxpayer owes \$500 or more in delinquent taxes, penalties, or interest, or has  
1.13 not filed returns. If the applicant taxpayer does not owe delinquent taxes, penalties, or  
1.14 interest, but has not filed returns, the commissioner may not notify the licensing authority  
1.15 unless the taxpayer has been given 90 days' written notice to file the returns or show  
1.16 that the returns are not required to be filed.

1.17 (b) Within ten days after receipt of the notification from the commissioner under  
1.18 paragraph (a), the licensing authority must notify the license holder by certified mail of  
1.19 the potential revocation of the license for the applicable reason under paragraph (a).  
1.20 The notice must include a copy of the commissioner's notice to the licensing agency  
1.21 and information, in the form specified by the commissioner, on the licensee's option for  
1.22 receiving a tax clearance from the commissioner. The licensing authority must revoke the  
1.23 license 30 days after receiving the notice from the commissioner, unless it receives a tax  
1.24 clearance from the commissioner as provided in paragraph (c).

2.1 (c) A licensing authority that has received a notice from the commissioner may  
 2.2 issue, transfer, renew, or not revoke the applicant's license only if ~~(a)~~ (1) the commissioner  
 2.3 issues a tax clearance certificate and ~~(b)~~ (2) the commissioner or the applicant forwards a  
 2.4 copy of the clearance to the authority. The commissioner may issue a clearance certificate  
 2.5 only if the applicant does not owe the state any uncontested delinquent taxes, penalties, or  
 2.6 interest and has filed all required returns.

2.7 **EFFECTIVE DATE.** This section is effective July 1, 2014.

2.8 Sec. 2. Minnesota Statutes 2012, section 270C.72, subdivision 3, is amended to read:

2.9 Subd. 3. **Notice and hearing.** ~~(a) The commissioner, on notifying a licensing~~  
 2.10 ~~authority pursuant to subdivision 1 not to issue, transfer, or renew a license, must send a~~  
 2.11 ~~copy of the notice to the applicant. If the applicant requests, in writing, within 30 days~~  
 2.12 ~~of the date of the notice a hearing, a contested case hearing must be held. The hearing~~  
 2.13 ~~must be held within 45 days of the date the commissioner refers the case to the Office of~~  
 2.14 ~~Administrative Hearings. Notwithstanding any law to the contrary, the applicant must be~~  
 2.15 ~~served with 20 days' notice in writing specifying the time and place of the hearing and the~~  
 2.16 ~~allegations against the applicant. The notice may be served personally or by mail.~~

2.17 ~~(b)~~ (a) Prior to notifying a licensing authority pursuant to subdivision 1 to revoke a  
 2.18 license, the commissioner must send a notice to the applicant of the commissioner's intent  
 2.19 to require revocation of the license and of the applicant's right to a hearing ~~under paragraph~~  
 2.20 ~~(a). If the applicant requests a hearing in writing within 30 days of the date of the notice, a~~  
 2.21 ~~contested case hearing must be held. The hearing must be held within 45 days of the date~~  
 2.22 ~~the commissioner refers the case to the Office of Administrative Hearings. Notwithstanding~~  
 2.23 ~~any law to the contrary, the applicant must be served with 20 days notice in writing~~  
 2.24 ~~specifying the time and place of the hearing and the allegations against the applicant. The~~  
 2.25 ~~notice may be served personally or by mail. A license is subject to revocation when 30~~  
 2.26 ~~days have passed following the date of the notice in this paragraph without the applicant~~  
 2.27 ~~requesting a hearing, or, if a hearing is timely requested, upon final determination of the~~  
 2.28 ~~hearing under section 14.62, subdivision 1. A license shall be revoked by the licensing~~  
 2.29 ~~authority within 30 days after receiving notice from the commissioner to revoke.~~

2.30 (b) The commissioner may notify a licensing authority under subdivision 1 only  
 2.31 after the requirements of paragraph (a) have been satisfied.

2.32 (c) A hearing under this subdivision is in lieu of any other hearing or proceeding  
 2.33 provided by law arising from any action taken under subdivision 1.

2.34 **EFFECTIVE DATE.** This section is effective July 1, 2014.