

SENATE

STATE OF MINNESOTA

EIGHTY-EIGHTH LEGISLATURE

S.F. No. 905

(SENATE AUTHORS: NIENOW, Hall and Benson)

DATE	D-PG	OFFICIAL STATUS
02/28/2013	454	Introduction and first reading Referred to Taxes

1.1

A bill for an act

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relating to taxation; modifying property tax due dates; amending Minnesota

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Statutes 2012, sections 279.01, subdivision 1, by adding a subdivision; 279.02.

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

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Section 1. Minnesota Statutes 2012, section 279.01, subdivision 1, is amended to read:

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Subdivision 1. **Due dates; penalties.** Except as provided in ~~subdivision~~ subdivisions

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~~3 or 4~~ to 5, on May 16 or 21 days after the postmark date on the envelope containing the

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property tax statement, whichever is later, a penalty accrues and thereafter is charged upon

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all unpaid taxes on real estate on the current lists in the hands of the county treasurer. The

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penalty is at a rate of two percent on homestead property until May 31 and four percent on

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June 1. The penalty on nonhomestead property is at a rate of four percent until May 31 and

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eight percent on June 1. This penalty does not accrue until June 1 of each year, or 21 days

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after the postmark date on the envelope containing the property tax statements, whichever

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is later, on commercial use real property used for seasonal residential recreational purposes

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and classified as class 1c or 4c, and on other commercial use real property classified as

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class 3a, provided that over 60 percent of the gross income earned by the enterprise on the

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class 3a property is earned during the months of May, June, July, and August. In order for

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the first half of the tax due on class 3a property to be paid after May 15 and before June 1,

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or 21 days after the postmark date on the envelope containing the property tax statement,

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whichever is later, without penalty, the owner of the property must attach an affidavit

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to the payment attesting to compliance with the income provision of this subdivision.

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Thereafter, for both homestead and nonhomestead property, on the first day of each month

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beginning July 1, up to and including October 1 following, an additional penalty of one

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percent for each month accrues and is charged on all such unpaid taxes provided that if the

due date was extended beyond May 15 as the result of any delay in mailing property tax statements no additional penalty shall accrue if the tax is paid by the extended due date. If the tax is not paid by the extended due date, then all penalties that would have accrued if the due date had been May 15 shall be charged. When the taxes against any tract or lot exceed \$100, one-half thereof may be paid prior to May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later; and, if so paid, no penalty attaches; the remaining one-half may be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of two percent accrues thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the first day of November an additional penalty of four percent accrues and on the first day of December following, an additional penalty of two percent accrues and is charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the first day of November and December following, an additional penalty of four percent for each month accrues and is charged on all such unpaid taxes. If one-half of such taxes are not paid prior to May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and thereupon no penalty attaches to the remaining one-half until October 16 following.

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

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

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

Sec. 2. Minnesota Statutes 2012, section 279.01, is amended by adding a subdivision to read:

Subd. 5. **Federal active service exception.** In the case of a homestead property owned by an individual who is on federal active service, as defined in section 190.05, subdivision 5c, a six-month grace period is granted for complying with the due dates

imposed by subdivision 1. During this period, no late fees or penalties shall accrue against the property. The due date for property taxes owed under this chapter for an individual covered by this subdivision shall be November 16 for taxes due on May 16, and April 16 of the following year for taxes due on October 16. A taxpayer making a payment under this subdivision must accompany the payment with a signed copy of the taxpayer's orders or form DD214 showing the dates of active service which clearly indicate that the taxpayer was in active service on the date the payment was due. This grace period applies to all homestead property owned by individuals on federal active service, as defined in section 190.05, subdivision 5c, for all of that property's due dates which fall on a day that is included in the taxpayer's federal active service.

Sec. 3. Minnesota Statutes 2012, section 279.02, is amended to read:

**279.02 DUTIES OF COUNTY AUDITOR AND TREASURER.**

Subdivision 1. Delinquent property; rates. On the first business day in January, of each year, the county treasurer shall return the tax lists on hand to the county auditor, who shall compare the same with the statements receipted for by the treasurer on file in the auditor's office and each tract or lot of real property against which the taxes, or any part thereof, remain unpaid, shall be deemed delinquent, and thereupon an additional penalty of two percent on the amount of the original tax remaining unpaid shall immediately accrue and thereafter be charged upon all such delinquent taxes; and any auditor who shall make out and deliver any statement of delinquent taxes without including therein the penalties imposed by law, and any treasurer who shall receive payment of such taxes without including in such payment all items as shown on the auditor's statement, shall be liable to the county for the amounts of any items omitted.

Subd. 2. Federal active service exception. Notwithstanding subdivision 1, a homestead property owned by an individual who is on federal active service, as defined in section 190.05, subdivision 5c, shall not be deemed delinquent under this section if the due dates imposed under section 279.01 fall on a day in which the individual was on federal active service.