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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1724

04/08/2013 Authored by Davnie
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; requiring a truth in taxation budget hearing;
1.3 repealing requirement for notice of proposed property taxes; amending Minnesota
1.4 Statutes 2012, sections 273.124, subdivision 13; 275.065, subdivisions 6, 7;
1.5 275.07, subdivision 1; 276.04, subdivision 2; 383E.21, subdivision 2; 469.1815,
1.6 subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 275;
1.7 repealing Minnesota Statutes 2012, section 275.065, subdivision 3.

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

1.9 Section 1. Minnesota Statutes 2012, section 273.124, subdivision 13, is amended to read:

1.10 Subd. 13. **Homestead application.** (a) A person who meets the homestead
1.11 requirements under subdivision 1 must file a homestead application with the county
1.12 assessor to initially obtain homestead classification.

1.13 (b) The format and contents of a uniform homestead application shall be prescribed
1.14 by the commissioner of revenue. The application must clearly inform the taxpayer that
1.15 this application must be signed by all owners who occupy the property or by the qualifying
1.16 relative and returned to the county assessor in order for the property to receive homestead
1.17 treatment.

1.18 (c) Every property owner applying for homestead classification must furnish to the
1.19 county assessor the Social Security number of each occupant who is listed as an owner
1.20 of the property on the deed of record, the name and address of each owner who does not
1.21 occupy the property, and the name and Social Security number of each owner's spouse who
1.22 occupies the property. The application must be signed by each owner who occupies the
1.23 property and by each owner's spouse who occupies the property, or, in the case of property
1.24 that qualifies as a homestead under subdivision 1, paragraph (c), by the qualifying relative.

2.1 If a property owner occupies a homestead, the property owner's spouse may not
2.2 claim another property as a homestead unless the property owner and the property owner's
2.3 spouse file with the assessor an affidavit or other proof required by the assessor stating that
2.4 the property qualifies as a homestead under subdivision 1, paragraph (e).

2.5 Owners or spouses occupying residences owned by their spouses and previously
2.6 occupied with the other spouse, either of whom fail to include the other spouse's name
2.7 and Social Security number on the homestead application or provide the affidavits or
2.8 other proof requested, will be deemed to have elected to receive only partial homestead
2.9 treatment of their residence. The remainder of the residence will be classified as
2.10 nonhomestead residential. When an owner or spouse's name and Social Security number
2.11 appear on homestead applications for two separate residences and only one application is
2.12 signed, the owner or spouse will be deemed to have elected to homestead the residence for
2.13 which the application was signed.

2.14 The Social Security numbers, state or federal tax returns or tax return information,
2.15 including the federal income tax schedule F required by this section, or affidavits or other
2.16 proofs of the property owners and spouses submitted under this or another section to
2.17 support a claim for a property tax homestead classification are private data on individuals as
2.18 defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data
2.19 may be disclosed to the commissioner of revenue, or, for purposes of proceeding under the
2.20 Revenue Recapture Act to recover personal property taxes owing, to the county treasurer.

2.21 (d) If residential real estate is occupied and used for purposes of a homestead by a
2.22 relative of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in
2.23 order for the property to receive homestead status, a homestead application must be filed
2.24 with the assessor. The Social Security number of each relative and spouse of a relative
2.25 occupying the property shall be required on the homestead application filed under this
2.26 subdivision. If a different relative of the owner subsequently occupies the property, the
2.27 owner of the property must notify the assessor within 30 days of the change in occupancy.
2.28 The Social Security number of a relative or relative's spouse occupying the property
2.29 is private data on individuals as defined by section 13.02, subdivision 12, but may be
2.30 disclosed to the commissioner of revenue, or, for the purposes of proceeding under the
2.31 Revenue Recapture Act to recover personal property taxes owing, to the county treasurer.

2.32 (e) The homestead application shall also notify the property owners that the
2.33 application filed under this section will not be mailed annually and that if the property
2.34 is granted homestead status for any assessment year, that same property shall remain
2.35 classified as homestead until the property is sold or transferred to another person, or
2.36 the owners, the spouse of the owner, or the relatives no longer use the property as their

3.1 homestead. Upon the sale or transfer of the homestead property, a certificate of value must
3.2 be timely filed with the county auditor as provided under section 272.115. Failure to
3.3 notify the assessor within 30 days that the property has been sold, transferred, or that the
3.4 owner, the spouse of the owner, or the relative is no longer occupying the property as a
3.5 homestead, shall result in the penalty provided under this subdivision and the property
3.6 will lose its current homestead status.

3.7 (f) If the homestead application is not returned within 30 days, the county will send a
3.8 second application to the present owners of record. ~~The notice of proposed property taxes~~
3.9 ~~prepared under section 275.065, subdivision 3, shall reflect the property's classification.~~ If
3.10 a homestead application has not been filed with the county by December 15, the assessor
3.11 shall classify the property as nonhomestead for the current assessment year for taxes
3.12 payable in the following year, provided that the owner may be entitled to receive the
3.13 homestead classification by proper application under section 375.192.

3.14 (g) At the request of the commissioner, each county must give the commissioner a
3.15 list that includes the name and Social Security number of each occupant of homestead
3.16 property who is the property owner, property owner's spouse, qualifying relative of a
3.17 property owner, or a spouse of a qualifying relative. The commissioner shall use the
3.18 information provided on the lists as appropriate under the law, including for the detection
3.19 of improper claims by owners, or relatives of owners, under chapter 290A.

3.20 (h) If the commissioner finds that a property owner may be claiming a fraudulent
3.21 homestead, the commissioner shall notify the appropriate counties. Within 90 days of
3.22 the notification, the county assessor shall investigate to determine if the homestead
3.23 classification was properly claimed. If the property owner does not qualify, the county
3.24 assessor shall notify the county auditor who will determine the amount of homestead
3.25 benefits that had been improperly allowed. For the purpose of this section, "homestead
3.26 benefits" means the tax reduction resulting from the classification as a homestead under
3.27 section 273.13, the taconite homestead credit under section 273.135, the residential
3.28 homestead and agricultural homestead credits under section 273.1384, and the
3.29 supplemental homestead credit under section 273.1391.

3.30 The county auditor shall send a notice to the person who owned the affected property
3.31 at the time the homestead application related to the improper homestead was filed,
3.32 demanding reimbursement of the homestead benefits plus a penalty equal to 100 percent
3.33 of the homestead benefits. The person notified may appeal the county's determination
3.34 by serving copies of a petition for review with county officials as provided in section
3.35 278.01 and filing proof of service as provided in section 278.01 with the Minnesota Tax
3.36 Court within 60 days of the date of the notice from the county. Procedurally, the appeal

4.1 is governed by the provisions in chapter 271 which apply to the appeal of a property tax
4.2 assessment or levy, but without requiring any prepayment of the amount in controversy. If
4.3 the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal
4.4 has been filed, the county auditor shall certify the amount of taxes and penalty to the county
4.5 treasurer. The county treasurer will add interest to the unpaid homestead benefits and
4.6 penalty amounts at the rate provided in section 279.03 for real property taxes becoming
4.7 delinquent in the calendar year during which the amount remains unpaid. Interest may be
4.8 assessed for the period beginning 60 days after demand for payment was made.

4.9 If the person notified is the current owner of the property, the treasurer may add the
4.10 total amount of homestead benefits, penalty, interest, and costs to the ad valorem taxes
4.11 otherwise payable on the property by including the amounts on the property tax statements
4.12 under section 276.04, subdivision 3. The amounts added under this paragraph to the ad
4.13 valorem taxes shall include interest accrued through December 31 of the year preceding
4.14 the taxes payable year for which the amounts are first added. These amounts, when added
4.15 to the property tax statement, become subject to all the laws for the enforcement of real or
4.16 personal property taxes for that year, and for any subsequent year.

4.17 If the person notified is not the current owner of the property, the treasurer may
4.18 collect the amounts due under the Revenue Recapture Act in chapter 270A, or use any of
4.19 the powers granted in sections 277.20 and 277.21 without exclusion, to enforce payment
4.20 of the homestead benefits, penalty, interest, and costs, as if those amounts were delinquent
4.21 tax obligations of the person who owned the property at the time the application related to
4.22 the improperly allowed homestead was filed. The treasurer may relieve a prior owner of
4.23 personal liability for the homestead benefits, penalty, interest, and costs, and instead extend
4.24 those amounts on the tax lists against the property as provided in this paragraph to the extent
4.25 that the current owner agrees in writing. On all demands, billings, property tax statements,
4.26 and related correspondence, the county must list and state separately the amounts of
4.27 homestead benefits, penalty, interest and costs being demanded, billed or assessed.

4.28 (i) Any amount of homestead benefits recovered by the county from the property
4.29 owner shall be distributed to the county, city or town, and school district where the
4.30 property is located in the same proportion that each taxing district's levy was to the total
4.31 of the three taxing districts' levy for the current year. Any amount recovered attributable
4.32 to taconite homestead credit shall be transmitted to the St. Louis County auditor to be
4.33 deposited in the taconite property tax relief account. Any amount recovered that is
4.34 attributable to supplemental homestead credit is to be transmitted to the commissioner of
4.35 revenue for deposit in the general fund of the state treasury. The total amount of penalty
4.36 collected must be deposited in the county general fund.

5.1 (j) If a property owner has applied for more than one homestead and the county
5.2 assessors cannot determine which property should be classified as homestead, the county
5.3 assessors will refer the information to the commissioner. The commissioner shall make
5.4 the determination and notify the counties within 60 days.

5.5 (k) In addition to lists of homestead properties, the commissioner may ask the
5.6 counties to furnish lists of all properties and the record owners. The Social Security
5.7 numbers and federal identification numbers that are maintained by a county or city
5.8 assessor for property tax administration purposes, and that may appear on the lists retain
5.9 their classification as private or nonpublic data; but may be viewed, accessed, and used by
5.10 the county auditor or treasurer of the same county for the limited purpose of assisting the
5.11 commissioner in the preparation of microdata samples under section 270C.12.

5.12 (l) On or before April 30 each year beginning in 2007, each county must provide the
5.13 commissioner with the following data for each parcel of homestead property by electronic
5.14 means as defined in section 289A.02, subdivision 8:

5.15 (i) the property identification number assigned to the parcel for purposes of taxes
5.16 payable in the current year;

5.17 (ii) the name and Social Security number of each occupant of homestead property
5.18 who is the property owner, property owner's spouse, qualifying relative of a property
5.19 owner, or spouse of a qualifying relative;

5.20 (iii) the classification of the property under section 273.13 for taxes payable in the
5.21 current year and in the prior year;

5.22 (iv) an indication of whether the property was classified as a homestead for taxes
5.23 payable in the current year because of occupancy by a relative of the owner or by a
5.24 spouse of a relative;

5.25 (v) the property taxes payable as defined in section 290A.03, subdivision 13, for the
5.26 current year and the prior year;

5.27 (vi) the market value of improvements to the property first assessed for tax purposes
5.28 for taxes payable in the current year;

5.29 (vii) the assessor's estimated market value assigned to the property for taxes payable
5.30 in the current year and the prior year;

5.31 (viii) the taxable market value assigned to the property for taxes payable in the
5.32 current year and the prior year;

5.33 (ix) whether there are delinquent property taxes owing on the homestead;

5.34 (x) the unique taxing district in which the property is located; and

5.35 (xi) such other information as the commissioner decides is necessary.

6.1 The commissioner shall use the information provided on the lists as appropriate
 6.2 under the law, including for the detection of improper claims by owners, or relatives
 6.3 of owners, under chapter 290A.

6.4 Sec. 2. [275.0645] TRUTH IN TAXATION.

6.5 Subdivision 1. Truth in taxation; budget meeting. (a) Notwithstanding any law
 6.6 or charter to the contrary, on or before September 1, each city with a population over
 6.7 2,500, counties, school districts, and metropolitan special taxing districts as defined in
 6.8 section 275.065, subdivision 3, paragraph (i), shall hold a public meeting in which the
 6.9 budget and levy will be discussed and public input allowed, prior to the final adoption
 6.10 and levy determination.

6.11 (b) At the meeting, which must not be scheduled before 6:00 p.m., the public must
 6.12 be allowed to speak. Each taxing jurisdiction must provide, to those in attendance,
 6.13 information including, but not limited to: (1) the jurisdiction's estimated proposed levy,
 6.14 prior final levy, and the percent change; (2) the tax rate for the jurisdiction's estimated
 6.15 proposed levy, current tax rate, and the percent change; and (3) a statement of reason for
 6.16 the increase or decrease from the prior year's levy, including the four most significant
 6.17 factors resulting in the change, and an accounting of the distribution of levy proceeds
 6.18 from the prior year. The county must provide a property percentile summary statement,
 6.19 consolidated for all applicable taxing jurisdictions, that identifies the proposed tax and
 6.20 current tax. The form of the percentile summary statement will be prescribed by the
 6.21 commissioner of the Department of Revenue. For purposes of this section, "estimated
 6.22 proposed levy" means the taxing jurisdiction's anticipated levy after consideration of
 6.23 significant factors impacting budget decisions.

6.24 (c) Notice of the budget meeting and the same budget and levy information required
 6.25 under paragraph (b) must also be published on the taxing jurisdiction's Web site within
 6.26 five days prior to the hearing and the same information must be published in a newspaper
 6.27 with county-wide circulation within ten days prior to the hearing. Each taxing jurisdiction
 6.28 may also utilize any available social media to provide notice of its budget meeting.

6.29 **EFFECTIVE DATE.** This section is effective for taxes payable in 2014.

6.30 Sec. 3. Minnesota Statutes 2012, section 275.065, subdivision 6, is amended to read:

6.31 Subd. 6. **Adoption of budget and levy.** (a) The property tax levy certified under
 6.32 section 275.07 by a city of any population, county, metropolitan special taxing district,
 6.33 regional library district, or school district must not exceed the proposed levy determined
 6.34 under subdivision 1, except by an amount up to the sum of the following amounts:

7.1 (1) the amount of a school district levy whose voters approved a referendum to
 7.2 increase taxes under section 123B.63, subdivision 3, or 126C.17, subdivision 9, after
 7.3 the proposed levy was certified;

7.4 (2) the amount of a city or county levy approved by the voters after the proposed
 7.5 levy was certified;

7.6 (3) the amount of a levy to pay principal and interest on bonds approved by the
 7.7 voters under section 475.58 after the proposed levy was certified;

7.8 (4) the amount of a levy to pay costs due to a natural disaster occurring after the
 7.9 proposed levy was certified, if that amount is approved by the commissioner of revenue
 7.10 under subdivision 6a;

7.11 (5) the amount of a levy to pay tort judgments against a taxing authority that become
 7.12 final after the proposed levy was certified, if the amount is approved by the commissioner
 7.13 of revenue under subdivision 6a;

7.14 (6) the amount of an increase in levy limits certified to the taxing authority by the
 7.15 commissioner of education or the commissioner of revenue after the proposed levy was
 7.16 certified;

7.17 (7) the amount required under section 126C.55;

7.18 (8) the levy to pay emergency debt certificates under section 475.755 authorized and
 7.19 issued after the proposed levy was certified; and

7.20 (9) the amount of unallotment under section 16A.152 that was recertified under
 7.21 section 275.07, subdivision 6.

7.22 (b) This subdivision does not apply to towns and special taxing districts other than
 7.23 regional library districts and metropolitan special taxing districts.

7.24 (c) Notwithstanding the requirements of this section, the employer is required to
 7.25 meet and negotiate over employee compensation as provided for in chapter 179A.

7.26 (d) For purposes of this subdivision, "metropolitan special taxing districts" means
 7.27 the following taxing districts in the seven-county metropolitan area that levy a property
 7.28 tax for any of the specified purposes listed below:

7.29 (1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325,
 7.30 473.446, 473.521, 473.547, or 473.834;

7.31 (2) Metropolitan Airports Commission under section 473.667, 473.671, or 473.672;
 7.32 and

7.33 (3) Metropolitan Mosquito Control Commission under section 473.711.

7.34 For purposes of this section, any levies made by the regional rail authorities in the
 7.35 county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter
 7.36 398A shall be included with the appropriate county's levy.

8.1 **EFFECTIVE DATE.** This section is effective for taxes payable in 2014.

8.2 Sec. 4. Minnesota Statutes 2012, section 275.065, subdivision 7, is amended to read:

8.3 Subd. 7. **Certification of compliance.** At the time the taxing authority certifies its
8.4 tax levy under section 275.07, it shall certify to the commissioner of revenue its compliance
8.5 with this section. The certification must contain the information required by the
8.6 commissioner of revenue to determine compliance with this section and section 275.0645.
8.7 If the commissioner determines that the taxing authority has failed to substantially comply
8.8 with the requirements of this section, the commissioner of revenue shall notify the county
8.9 auditor. The decision of the commissioner is final. When fixing rates under section 275.08
8.10 for a taxing authority that has not complied with this section, the county auditor must use
8.11 the taxing authority's previous year's levy, plus any additional amounts necessary to pay
8.12 principal and interest on general obligation bonds of the taxing authority for which its
8.13 taxing powers have been pledged if the bonds were issued before 1989.

8.14 **EFFECTIVE DATE.** This section is effective for taxes payable in 2014.

8.15 Sec. 5. Minnesota Statutes 2012, section 275.07, subdivision 1, is amended to read:

8.16 Subdivision 1. **Certification of levy.** (a) Except as provided under paragraph (b),
8.17 the taxes voted by cities, counties, school districts, and special districts shall be certified
8.18 by the proper authorities to the county auditor on or before five working days after
8.19 December 20 in each year. A town must certify the levy adopted by the town board to
8.20 the county auditor by September 15 each year. If the town board modifies the levy at a
8.21 special town meeting after September 15, the town board must recertify its levy to the
8.22 county auditor on or before five working days after December 20. If a city, town, county,
8.23 school district, or special district fails to certify its levy by that date, its levy shall be the
8.24 amount levied by it for the preceding year.

8.25 (b)(i) The taxes voted by counties under sections 103B.241, 103B.245, and 103B.251
8.26 shall be separately certified by the county to the county auditor on or before five working
8.27 days after December 20 in each year. The taxes certified shall not be reduced by the county
8.28 auditor by the aid received under section 273.1398, subdivision 3. If a county fails to
8.29 certify its levy by that date, its levy shall be the amount levied by it for the preceding year.

8.30 (ii) For purposes of ~~the proposed property tax notice under section 275.065 and~~
8.31 the property tax statement under section 276.04, for the first year in which the county
8.32 implements the provisions of this paragraph, the county auditor shall reduce the county's
8.33 levy for the preceding year to reflect any amount levied for water management purposes
8.34 under clause (i) included in the county's levy.

9.1 **EFFECTIVE DATE.** This section is effective for taxes payable in 2014.

9.2 Sec. 6. Minnesota Statutes 2012, section 276.04, subdivision 2, is amended to read:

9.3 Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the
9.4 printing of the tax statements. The commissioner of revenue shall prescribe the form of
9.5 the property tax statement and its contents. The tax statement must not state or imply that
9.6 property tax credits are paid by the state of Minnesota. The statement must contain a
9.7 tabulated statement of the dollar amount due to each taxing authority and the amount of the
9.8 state tax from the parcel of real property for which a particular tax statement is prepared.
9.9 The dollar amounts attributable to the county, the state tax, the voter approved school tax,
9.10 the other local school tax, the township or municipality, and the total of the metropolitan
9.11 special taxing districts as defined in section ~~275.065, subdivision 3, paragraph (i)~~ 275.065,
9.12 subdivision 6, paragraph (d), must be separately stated. The amounts due all other special
9.13 taxing districts, if any, may be aggregated except that any levies made by the regional
9.14 rail authorities in the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or
9.15 Washington under chapter 398A shall be listed on a separate line directly under the
9.16 appropriate county's levy. If the county levy under this paragraph includes an amount for a
9.17 lake improvement district as defined under sections 103B.501 to 103B.581, the amount
9.18 attributable for that purpose must be separately stated from the remaining county levy
9.19 amount. In the case of Ramsey County, if the county levy under this paragraph includes an
9.20 amount for public library service under section 134.07, the amount attributable for that
9.21 purpose may be separated from the remaining county levy amount. The amount of the
9.22 tax on homesteads qualifying under the senior citizens' property tax deferral program
9.23 under chapter 290B is the total amount of property tax before subtraction of the deferred
9.24 property tax amount. The amount of the tax on contamination value imposed under
9.25 sections 270.91 to 270.98, if any, must also be separately stated. The dollar amounts,
9.26 including the dollar amount of any special assessments, may be rounded to the nearest
9.27 even whole dollar. For purposes of this section whole odd-numbered dollars may be
9.28 adjusted to the next higher even-numbered dollar. The amount of market value excluded
9.29 under section 273.11, subdivision 16, if any, must also be listed on the tax statement.

9.30 (b) The property tax statements for manufactured homes and sectional structures
9.31 taxed as personal property shall contain the same information that is required on the
9.32 tax statements for real property.

9.33 (c) Real and personal property tax statements must contain the following information
9.34 in the order given in this paragraph. The information must contain the current year tax

10.1 information in the right column with the corresponding information for the previous year
 10.2 in a column on the left:

10.3 (1) the property's estimated market value under section 273.11, subdivision 1;

10.4 (2) the property's homestead market value exclusion under section 273.13,
 10.5 subdivision 35;

10.6 (3) the property's taxable market value after reductions under sections 273.11,
 10.7 subdivisions 1a and 16, and 273.13, subdivision 35;

10.8 (4) the property's gross tax, before credits;

10.9 (5) for homestead agricultural properties, the credit under section 273.1384;

10.10 (6) any credits received under sections 273.119; 273.1234 or 273.1235; 273.135;
 10.11 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of
 10.12 credit received under section 273.135 must be separately stated and identified as "taconite
 10.13 tax relief"; and

10.14 (7) the net tax payable in the manner required in paragraph (a).

10.15 (d) If the county uses envelopes for mailing property tax statements and if the county
 10.16 agrees, a taxing district may include a notice with the property tax statement notifying
 10.17 taxpayers when the taxing district will begin its budget deliberations for the current
 10.18 year, and encouraging taxpayers to attend the hearings. If the county allows notices to
 10.19 be included in the envelope containing the property tax statement, and if more than
 10.20 one taxing district relative to a given property decides to include a notice with the tax
 10.21 statement, the county treasurer or auditor must coordinate the process and may combine
 10.22 the information on a single announcement.

10.23 Sec. 7. Minnesota Statutes 2012, section 383E.21, subdivision 2, is amended to read:

10.24 Subd. 2. **Treatment of levy.** Notwithstanding ~~sections 275.065, subdivision 3, and~~
 10.25 section 276.04, the county may report the tax attributable to any levy to pay principal and
 10.26 interest on bonds or notes issued under this section as a separate line item on the proposed
 10.27 property tax notice and the property tax statement. Notwithstanding any provision in
 10.28 chapter 275 or 373 to the contrary, bonds or notes issued by Anoka County under this
 10.29 section must not be included in the computation of the net debt of Anoka County.

10.30 Sec. 8. Minnesota Statutes 2012, section 469.1815, subdivision 1, is amended to read:

10.31 Subdivision 1. **Inclusion in proposed and final levies.** The political subdivision
 10.32 must add to its levy amount for the current year under sections 275.065 and 275.07 the
 10.33 total estimated amount of all current year abatements granted. If all or a portion of an
 10.34 abatement levy for a prior year was uncollected, the political subdivision may add the

11.1 uncollected amount to its abatement levy for the current year. The tax amounts shown
11.2 ~~on the proposed notice under section 275.065, subdivision 3,~~ and on the property tax
11.3 statement under section 276.04, subdivision 2, are the total amounts before the reduction
11.4 of any abatements that will be granted on the property.

11.5 Sec. 9. **REPEALER.**

11.6 Minnesota Statutes 2012, section 275.065, subdivision 3, is repealed.

11.7 **EFFECTIVE DATE.** This section is effective for taxes payable in 2014.

275.065 PROPOSED PROPERTY TAXES; NOTICE.

Subd. 3. **Notice of proposed property taxes.** (a) The county auditor shall prepare and the county treasurer shall deliver after November 10 and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes. Upon written request by the taxpayer, the treasurer may send the notice in electronic form or by electronic mail instead of on paper or by ordinary mail.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority proposes to collect for taxes payable the following year. In the case of a town, or in the case of the state general tax, the final tax amount will be its proposed tax. The notice must clearly state for each city that has a population over 500, county, school district, regional library authority established under section 134.201, and metropolitan taxing districts as defined in paragraph (i), the time and place of a meeting for each taxing authority in which the budget and levy will be discussed and public input allowed, prior to the final budget and levy determination. The taxing authorities must provide the county auditor with the information to be included in the notice on or before the time it certifies its proposed levy under subdivision 1. The public must be allowed to speak at that meeting, which must occur after November 24 and must not be held before 6:00 p.m. It must provide a telephone number for the taxing authority that taxpayers may call if they have questions related to the notice and an address where comments will be received by mail, except that no notice required under this section shall be interpreted as requiring the printing of a personal telephone number or address as the contact information for a taxing authority. If a taxing authority does not maintain public offices where telephone calls can be received by the authority, the authority may inform the county of the lack of a public telephone number and the county shall not list a telephone number for that taxing authority.

(d) The notice must state for each parcel:

(1) the market value of the property as determined under section 273.11, and used for computing property taxes payable in the following year and for taxes payable in the current year as each appears in the records of the county assessor on November 1 of the current year; and, in the case of residential property, whether the property is classified as homestead or nonhomestead. The notice must clearly inform taxpayers of the years to which the market values apply and that the values are final values;

(2) the items listed below, shown separately by county, city or town, and state general tax, net of the residential and agricultural homestead credit under section 273.1384, voter approved school levy, other local school levy, and the sum of the special taxing districts, and as a total of all taxing authorities:

(i) the actual tax for taxes payable in the current year; and

(ii) the proposed tax amount.

If the county levy under clause (2) includes an amount for a lake improvement district as defined under sections 103B.501 to 103B.581, the amount attributable for that purpose must be separately stated from the remaining county levy amount.

In the case of a town or the state general tax, the final tax shall also be its proposed tax unless the town changes its levy at a special town meeting under section 365.52. If a school district has certified under section 126C.17, subdivision 9, that a referendum will be held in the school district at the November general election, the county auditor must note next to the school district's proposed amount that a referendum is pending and that, if approved by the voters, the tax amount may be higher than shown on the notice. In the case of the city of Minneapolis, the levy for Minneapolis Park and Recreation shall be listed separately from the remaining amount of the city's levy. In the case of the city of St. Paul, the levy for the St. Paul Library Agency must be listed separately from the remaining amount of the city's levy. In the case of Ramsey County, any amount levied under section 134.07 may be listed separately from the remaining amount of the county's levy. In the case of a parcel where tax increment or the fiscal disparities areawide tax under chapter 276A or 473F applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease between the total taxes payable in the current year and the total proposed taxes, expressed as a percentage.

For purposes of this section, the amount of the tax on homesteads qualifying under the senior citizens' property tax deferral program under chapter 290B is the total amount of property tax before subtraction of the deferred property tax amount.

APPENDIX

Repealed Minnesota Statutes: 13-2922

(e) The notice must clearly state that the proposed or final taxes do not include the following:

- (1) special assessments;
- (2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda and school district levy referenda;
- (3) a levy limit increase approved by the voters by the first Tuesday after the first Monday in November of the levy year as provided under section 275.73;
- (4) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;
- (5) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and
- (6) the contamination tax imposed on properties which received market value reductions for contamination.

(f) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(g) If the notice the taxpayer receives under this section lists the property as nonhomestead, and satisfactory documentation is provided to the county assessor by the applicable deadline, and the property qualifies for the homestead classification in that assessment year, the assessor shall reclassify the property to homestead for taxes payable in the following year.

(h) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:

- (1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or
- (2) post a copy of the notice in a conspicuous place on the premises of the property.

The notice must be mailed or posted by the taxpayer by November 27 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

(i) For purposes of this subdivision and subdivision 6, "metropolitan special taxing districts" means the following taxing districts in the seven-county metropolitan area that levy a property tax for any of the specified purposes listed below:

(1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325, 473.446, 473.521, 473.547, or 473.834;

(2) Metropolitan Airports Commission under section 473.667, 473.671, or 473.672; and

(3) Metropolitan Mosquito Control Commission under section 473.711.

For purposes of this section, any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be included with the appropriate county's levy.

(j) The governing body of a county, city, or school district may, with the consent of the county board, include supplemental information with the statement of proposed property taxes about the impact of state aid increases or decreases on property tax increases or decreases and on the level of services provided in the affected jurisdiction. This supplemental information may include information for the following year, the current year, and for as many consecutive preceding years as deemed appropriate by the governing body of the county, city, or school district. It may include only information regarding:

(1) the impact of inflation as measured by the implicit price deflator for state and local government purchases;

(2) population growth and decline;

(3) state or federal government action; and

(4) other financial factors that affect the level of property taxation and local services that the governing body of the county, city, or school district may deem appropriate to include.

The information may be presented using tables, written narrative, and graphic representations and may contain instruction toward further sources of information or opportunity for comment.