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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3403

03/21/2016 Authored by Lueck
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 the state to pay the costs of property
1.3 tax judgments against state-assessed property; appropriating money; amending
1.4 Minnesota Statutes 2014, section 278.12.

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

1.6 Section 1. Minnesota Statutes 2014, section 278.12, is amended to read:

1.7 **278.12 REFUNDS OF OVERPAYMENT.**

1.8 (a) If upon final determination the petitioner has paid more than the amount so
1.9 determined to be due, judgment shall be entered in favor of the petitioner for such excess;
1.10 and. In the case of a petition under section 273.372, relative to property value determined
1.11 by the commissioner of revenue, the petitioner may file a copy of the judgment with the
1.12 commissioner of revenue, who must issue a warrant for payment thereof within 30 days.
1.13 In the case of a judgment relative to any other property, upon filing a copy thereof of the
1.14 judgment with the county auditor, the auditor shall forthwith draw a warrant upon the
1.15 county treasurer for the payment thereof; provided that, with the consent of the petitioner,
1.16 the county auditor may, in lieu of drawing such warrant, issue to the petitioner a certificate
1.17 stating the amount of such judgment, which amount may be used to apply upon any taxes
1.18 due or to become due for the taxing district or districts whose taxes or assessments are
1.19 reduced, or their successors in the event of a reorganization or reincorporation of any such
1.20 taxing district. In the event the auditor shall issue a warrant for refund or certificates,
1.21 the amount thereof shall be charged to the state and other taxing districts in proportion
1.22 to the amount of their respective taxes included in the levy and deduct the same in the
1.23 subsequent distribution of any tax proceeds to the state or such taxing districts, and
1.24 upon receiving any such certificate in payment of other taxes, the amount thereof shall

2.1 be distributed to the state and other taxing districts in proportion to the amount of their
2.2 respective taxes included in the levy; provided that if in the judgment the levy of one or
2.3 more of the districts be found to be illegal, to the extent that the tax so levied is reduced on
2.4 account of the illegal levies, the amount to be charged back shall be charged to the districts
2.5 and the amount thereof deducted from any distributions thereafter made to them.

2.6 (b) A sum sufficient to make the payments required to be made by the commissioner
2.7 of revenue under paragraph (a) is annually appropriated from the general fund to the
2.8 commissioner of revenue.

2.9 **EFFECTIVE DATE.** This section is effective for judgments entered after May
2.10 31, 2016.