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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-SEVENTH SESSION

**H. F. No. 2313**

02/15/2012 Authored by Rukavina

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; changing the interest rate on delinquent property  
1.3 taxes; amending Minnesota Statutes 2010, section 279.03, subdivisions 1a, 2.

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

1.5 Section 1. Minnesota Statutes 2010, section 279.03, subdivision 1a, is amended to read:

1.6 Subd. 1a. **Rate after December 31, 1990.** (a) Except as provided in ~~paragraph~~  
1.7 paragraphs (b) and (c), interest on delinquent property taxes, penalties, and costs unpaid  
1.8 on or after January 1, ~~1991~~, 2013, shall be payable at the per annum rate determined in  
1.9 section 270C.40, subdivision 5. If the rate so determined is less than four percent, the rate  
1.10 of interest shall be four percent. The maximum per annum rate shall be seven percent if  
1.11 the rate specified under section 270C.40, subdivision 5, exceeds seven percent. The rate is  
1.12 subject to change on January 1 of each year.

1.13 (b) Except as provided in paragraph (c), interest on delinquent taxes, penalties, and  
1.14 costs unpaid on or after January 1, 1991, and before January 1, 2013, shall be payable at  
1.15 the per annum rate determined in section 270C.40, subdivision 5. If the rate so determined  
1.16 is less than ten percent, the rate of interest shall be ten percent. The maximum per annum  
1.17 rate shall be 14 percent if the rate specified under section 270C.40, subdivision 5, exceeds  
1.18 14 percent. The rate shall be subject to change on January 1 of each year.

1.19 ~~(b)~~ (c) If a person is the owner of one or more parcels of property on which taxes are  
1.20 delinquent, and the delinquent taxes are more than 25 percent of the prior year's school  
1.21 district levy, interest on the delinquent property taxes, penalties, and costs unpaid after  
1.22 January 1, 1992, shall be payable at twice the rate determined under paragraph (a) for  
1.23 the year.

2.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.2 Sec. 2. Minnesota Statutes 2010, section 279.03, subdivision 2, is amended to read:

2.3 Subd. 2. **Composite judgment.** Amounts included in composite judgments  
2.4 authorized by section 279.37, subdivision 1, ~~and~~ are subject to the following interest rates:

2.5 (a) Amounts confessed on or after July 1, 1982, and before January 1, 1991, are  
2.6 subject to interest at the rate determined pursuant to section 549.09.

2.7 (b) Amounts confessed ~~under this authority~~ on or after December 31, 1990, and  
2.8 before January 1, 2013, are subject to interest at the rate calculated under subdivision  
2.9 1a, paragraph (b).

2.10 (c) Amounts confessed on or after January 1, 2013, are subject to interest at the rate  
2.11 calculated under subdivision 1a, paragraph (a).

2.12 (d) During each calendar year, interest shall accrue on the unpaid balance of the  
2.13 composite judgment from the time it is confessed until it is paid. The rate of interest is  
2.14 subject to change each year in the same manner ~~that~~ as section 549.09 or subdivision 1a,  
2.15 whichever is applicable, for rate changes. Interest on the unpaid contract balance on  
2.16 judgments confessed before July 1, 1982, is payable at the rate applicable to the judgment  
2.17 at the time that it was confessed.

2.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.