

## CHAPTER 278

## REAL ESTATE TAXES; OBJECTIONS, DEFENSES

278.01	Defense or objection to tax on land; service and filing.	278.08	Interest.
278.02	Petition may include several parcels.	278.09	Certified copies to auditor and treasurer.
278.03	Payment of tax.	278.10	To be entered in judgment book.
278.04	Treasurer must stamp tax lists.	278.11	May pay full tax.
278.05	Trial of issues.	278.12	Refunds of overpayment.
278.06	Other statutes to apply.	278.13	Judgment to be final.
278.07	Judgment; amount; costs.		

**278.01 DEFENSE OR OBJECTION TO TAX ON LAND; SERVICE AND FILING.**

Subdivision 1. **Determination of validity.** Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the city or county, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of service, in the office of the clerk of the district court before the 16th day of May of the year in which the tax becomes payable. A property owner, other than a public utility, mining company, or the railroad company for which the original assessments are determined by the commissioner of revenue, may not appear before the district court or tax court unless a timely appearance in person, by counsel, or by written communication has been made before the county board of equalization as provided in section 274.13, to appeal the assessment of the property, or that he can establish that he did not receive notice of his market value at least ten days before the county board of review meeting. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to May 16 of the year in which the taxes are payable.

Subd. 2. **Homesteads.** Any person having any estate, right, title or interest in or lien upon any parcel which is classified as homestead under the provisions of section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12, who claims that said parcel has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class, in that portion of the county in which that parcel is located, for which the commissioner is able to establish and publish a sales ratio study as determined by the applicable real estate assessment/sales ratio study published by the commissioner of revenue, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of such service, in the office

# MINNESOTA STATUTES 1984

of the clerk of the district court before the 16th day of May of the year in which such tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court.

**Subd. 3. Exception.** The procedures established by this section are not available to contest the validity or amount of any special assessment made pursuant to chapters 429, 430, any special law or city charter.

**History:** 1935 c 300 s 1; 1977 c 118 s 3; 1977 c 423 art 4 s 8; 1978 c 672 s 9; 1978 c 749 s 1; 1980 c 443 s 2; 1982 c 523 art 17 s 1; 1983 c 342 art 7 s 9,10; 1984 c 502 art 11 s 4 (2126-1)

## 278.02 PETITION MAY INCLUDE SEVERAL PARCELS.

Such petition need not be in any particular form, but shall clearly identify the land involved and shall set forth in concise language the claim, defense, or objection asserted. Several parcels of land in or upon which the petitioner has an estate, right, title, interest, or lien may be included in the same petition.

**History:** 1935 c 300 s 2 (2126-2)

## 278.03 PAYMENT OF TAX.

If the proceedings instituted by the filing of the petition have not been completed before the 16th day of May next following the filing, the petitioner shall pay to the county treasurer 50 percent of the tax levied for such year against the property involved, unless permission to continue prosecution of the petition without such payment is obtained as herein provided. If the proceedings instituted by the filing of the petition have not been completed by the next October 16, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved if the unpaid balance is \$2,000 or less and 80 percent of the unpaid balance if the unpaid balance is over \$2,000, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the 16th day of May or the 16th day of October, may apply to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

(1) That the proposed review is to be taken in good faith;

(2) That there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and

(3) That it would work a hardship upon petitioner to pay the taxes due, the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due shall operate automatically to dismiss the petition and all proceedings thereunder unless the payment is waived by an order of the court permitting the petitioner to continue prosecution of the petition without payment. The county treasurer shall, upon

# MINNESOTA STATUTES 1984

5727

REAL ESTATE TAXES; OBJECTIONS, DEFENSES 278.05

request of the petitioner, issue duplicate receipts for the tax payment, one of which shall be filed by the petitioner in the proceeding.

**History:** 1935 c 300 s 3; 1937 c 483 s 1; 1978 c 672 s 10; 3Sp1981 c 2 art 1 s 34; 1983 c 342 art 7 s 11 (2126-3)

## 278.04 TREASURER MUST STAMP TAX LISTS.

Upon the filing of such petition, the county treasurer shall write or stamp opposite the description of such parcel on the tax list the notation, "Petition for review filed," and such parcel shall not be included in the delinquent tax list for such year.

**History:** 1935 c 300 s 4 (2126-4)

## 278.05 TRIAL OF ISSUES.

Subdivision 1. The petition, without any answer, return, or other pleading thereto, shall be tried at the next term of court. The court shall without delay summarily hear and determine the claims, objections or defenses made by the petition and shall direct judgment accordingly, and the trial shall disregard technicalities and matters of form not affecting the merits.

Subd. 2. **Responsible attorney; school district representatives.** If the property on which the taxes have been levied is located in a home rule charter or statutory city or town which employs its own certified assessor, the attorney for that governmental unit may, within 20 days after receipt by the governmental unit of the copy of the petition forwarded by the county auditor, give notice to the county attorney and to the petitioner or his attorney that the home rule charter or statutory city or town is taking charge of and prosecuting the proceeding. If the attorney for the home rule charter or statutory city or town does not give notice, the attorney of the county in which these taxes are levied shall take charge of and prosecute the proceedings, but the county board may employ any other attorney to assist him. If the school board has responded within 30 days of receipt to a notice provided pursuant to section 278.01, indicating that it desires to be notified of further proceedings in the case, a representative of the school district in which the property is located shall be notified of all proceedings and all offers to reduce valuations and shall be given an opportunity to appear and testify on any trial of the issues raised.

Subd. 3. Assessor's records, including certificates of real estate value, assessor's field cards and property appraisal cards shall be made available to the petitioner for inspection and copying and may be offered at the trial subject to the applicable rules of evidence and rules governing pre-trial discovery and shall not be excluded from discovery or admissible evidence on the grounds that the documents and the information recorded thereon are confidential or classified as private data on individuals. Evidence of comparable sales of other property shall, within the discretion of the court, be admitted at the trial.

Subd. 4. **Sales ratio studies as evidence.** The sales ratio studies published by the department of revenue, or any part of the studies, or any copy of the studies or records accumulated to prepare the studies which is prepared by the commissioner of revenue for the equalization aid review committee for use in determining school aids shall be admissible in evidence as a public record without the laying of a foundation if the sales prices used in the study are adjusted for the terms of the sale to reflect market value and are adjusted to reflect the difference in the date of sale compared to the assessment date. Additional evidence relevant to the sales ratio study is also admissible. No sales ratio study received into evidence shall be conclusive or binding on the court and evidence of its reliability or unreliability may be introduced by any party including, but not limited to, evidence of inadequate

# MINNESOTA STATUTES 1984

adjustment of sale prices for terms of financing, inadequate adjustment of sales prices to reflect the difference in the date of sale compared to the assessment date, and inadequate sample size.

No reduction in value on the grounds of discrimination shall be granted on the basis of a sales ratio study published by the department of revenue unless

- (a) the sales prices are adjusted for the terms of the sale to reflect market value,
- (b) the sales prices are adjusted to reflect the difference in the date of sale compared to the assessment date,
- (c) there is an adequate sample size, and
- (d) the median ratio of the class of property of the subject property in the same county, city, or town of the subject property is lower than the assessment ratio of the subject property by at least ten percent.

If the above criteria are met and a reduction in value on the grounds of discrimination is granted based upon the sales ratio study, the reduction shall reflect only the difference between the assessment/sales ratio of the subject property and 110 percent of the median ratio of the class of property of the subject property.

Subd. 5. Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that the parcel has been assessed at a valuation greater than its real or actual value, or that a parcel which is classified as homestead under the provisions of section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study, the attorney representing the state, county, city or town in the proceedings may serve on the petitioner, or his attorney, and file with the clerk of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or his attorney, gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, he may file the offer with proof of notice, and the clerk shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, unless a lower valuation than specified in the offer is found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, county, city or town, including interest at six percent on the tax based on the amount of the offer from and after the 16th day of October of the year the taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the 16th day of October of the year in which the taxes were payable, in which event interest shall not be taxable.

**History:** 1935 c 300 s 5; 1937 c 483 s 2; 1977 c 118 s 4; 1977 c 423 art 4 s 9; 1980 c 443 s 3; 1982 c 523 art 17 s 2; art 23 s 3; 1983 c 342 art 2 s 23; 1983 c 342 art 7 s 12; 1984 c 502 art 11 s 5 (2126-5)

## 278.06 OTHER STATUTES TO APPLY.

Sections 279.18, 279.19, 279.21, 279.23, 279.24, and 279.25 shall apply in so far as they are applicable thereto, except as herein otherwise provided. References in those sections to "answers" shall be understood as referring to petitions, and

# MINNESOTA STATUTES 1984

5729

REAL ESTATE TAXES; OBJECTIONS, DEFENSES 278.10

references to the "delinquent list" or "list" as referring to the tax list filed with the county treasurer.

**History:** 1935 c 300 s 6 (2126-6)

## **278.07 JUDGMENT; AMOUNT; COSTS.**

Judgment shall be for the amount of the taxes for the year as the court shall determine the same, less the amount paid thereon, if any. If the tax is sustained in the full amount levied, costs and disbursements shall be taxed and allowed as in delinquent tax proceedings and shall be included in the judgment. If the tax so determined shall be less than the amount thereof as levied, the court may, in its discretion, award disbursements to the petitioner, which shall be taxed and allowed and be deducted from the amount of the taxes as determined. If there be no judgment for taxes, a judgment may be entered determining the right of the parties and for the costs and disbursements as taxed and allowed.

**History:** 1935 c 300 s 7 (2126-7)

## **278.08 INTEREST.**

Subdivision 1. **Taxes due.** Whether or not the tax is sustained in full as levied and section 278.03 notwithstanding, the judgment shall include any interest which has accrued on the taxes for failure to pay the taxes or any part of the taxes as provided in sections 279.01 and 279.03. If the tax is reduced, no penalty shall be included in the judgment because of the failure to pay the reduced tax prior to entry of judgment. After the judgment is entered, it shall be subject to interest and penalty at the rates provided in chapter 279 for delinquent payment of property taxes.

Subd. 2. **Refund.** If the petitioner has overpaid the tax determined or stipulated to be due, the county auditor shall compute interest on the overpayment from the date of the filing of the petition for review or from the date of payment of the tax, whichever is later, until the date of issuance of the refund warrant. Interest shall be calculated on the overpayment at the rate provided in section 279.03 for delinquent property taxes for the levy year involved.

**History:** 1935 c 300 s 8; 1980 c 443 s 4; 1982 c 523 art 39 s 1 (2126-8)

## **278.09 CERTIFIED COPIES TO AUDITOR AND TREASURER.**

Upon entry of judgment a certified copy thereof shall be delivered to the county auditor and to the county treasurer if the tax list be still in the treasurer's possession, who shall correct the tax list and assessment rolls in accordance with the judgment, writing or stamping opposite such parcel in the tax list a notation "judgment entered" and the date thereof.

**History:** 1935 c 300 s 9 (2126-9)

## **278.10 TO BE ENTERED IN JUDGMENT BOOK.**

If such judgment has not then been paid, the county auditor shall enter the same in the certified copy of the real estate tax judgment book received by him pursuant to section 279.23 for the year for which such taxes were levied, with the same effect as if judgment had been entered in the proceedings, adding thereto any interest or penalties that have accrued to the date of such entry, and in the event such judgment shall be entered subsequent to the publication of the notice of sale of the taxes on such delinquent list, and if such judgment shall remain unpaid for 30

days thereafter, then the parcel of land, against which such judgment was entered, shall be immediately advertised and sold.

**History:** 1935 c 300 s 10; 1947 c 163 s 1 (2126-10)

#### **278.11 MAY PAY FULL TAX.**

Where a petition has been filed, as provided in this chapter, the taxes levied, or any balance thereof, may be paid without such payment waiving any of the claims, defenses, or objections set forth in such petition, and such proceeding shall continue as if such payment had not been made.

**History:** 1935 c 300 s 11 (2126-11)

#### **278.12 REFUNDS OF OVERPAYMENT.**

If upon final determination the petitioner has paid more than the amount so determined to be due, judgment shall be entered in favor of the petitioner for such excess, and upon filing a copy thereof with the county auditor he shall forthwith draw a warrant upon the county treasurer for the payment thereof; provided that, with the consent of the petitioner, the county auditor may, in lieu of drawing such warrant, issue to the petitioner a certificate stating the amount of such judgment, which amount may be used to apply upon any taxes due or to become due for the taxing district or districts whose taxes or assessments are reduced, or their successors in the event of a reorganization or reincorporation of any such taxing district. In the event the auditor shall issue a warrant for refund or certificates, he shall charge the amount thereof to the state and other taxing districts in proportion to the amount of their respective taxes included in the levy and deduct the same in the subsequent distribution of any tax proceeds to the state or such taxing districts, and upon receiving any such certificate in payment of other taxes, the amount thereof shall be distributed to the state and other taxing districts in proportion to the amount of their respective taxes included in the levy; provided that if in the judgment the levy of one or more of the districts be found to be illegal, to the extent that the tax so levied is reduced on account of the illegal levies, the amount to be charged back shall be charged to the districts and the amount thereof deducted from any distributions thereafter made to them.

**History:** 1935 c 300 s 12 (2126-12)

#### **278.13 JUDGMENT TO BE FINAL.**

The judgment entered in such proceedings, except for the right of review on appeal, shall be final and conclusive as to the taxes involved therein. No defense or objection which might have been interposed by proceedings hereunder shall be interposed in delinquent tax proceedings except the defense that the taxes levied have been paid or that the property is exempt from the taxes so levied.

**History:** 1935 c 300 s 13 (2126-13)

NOTE: See also section 279.15.