

CHAPTER 270

DEPARTMENT OF REVENUE

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270.021 EX-OFFICERS AND EX-EMPLOYEES NOT TO REPRESENT CLIENTS; PENALTY.

An officer or employee of the department of revenue may not, for a period of one year after the term of office has ended or employment has terminated, act as counsel, attorney, or agent for a taxpayer in connection with a claim or proceeding pending in the department. An officer or employee of the department of revenue may not act as counsel, attorney, or agent for a taxpayer at any time after termination of the office or employment in connection with a claim or proceeding of which the person has knowledge that was acquired during the term of office or employment. A violation of this section is a gross misdemeanor.

History: 1989 c 324 s 1

270.022 FILING OFFICERS.

The commissioner of revenue is the filing officer and custodian of the books, files, and records of the department of revenue. The commissioner may certify copies of the books, files, and records in the custody of the commissioner for all purposes in the same manner as other custodians of public records. The commissioner may authorize other officers or employees of the department of revenue to certify books, files, and records in the custody of the commissioner. The authorization must be made by a written order stating the documents that may be certified and must be filed with the secretary of state.

History: 1989 c 324 s 2

270.052 AGREEMENT WITH INTERNAL REVENUE SERVICE.

Pursuant to section 270B.12, the commissioner may enter into an agreement with the Internal Revenue Service to identify taxpayers who have refunds due from the department of revenue and liabilities owing to the Internal Revenue Service, if the Internal Revenue Service agrees to identify taxpayers who have refunds due from the Internal Revenue Service and liabilities owing to the department of revenue. In accordance with the procedures established in the agreement, the Internal Revenue Service may levy against the refunds to be paid by the department of revenue, and the department of revenue may levy against refunds to be paid by the Internal Revenue Service.

History: 1989 c 184 art 2 s 11

270.06 POWERS AND DUTIES.

The commissioner of revenue shall:

(1) have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) confer with, advise, and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and taxation of property in their respective districts or counties;

(5) require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department of revenue, in such form and upon such blanks as the commissioner may prescribe;

(6) require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) summon witnesses to appear and give testimony, and to produce books, records, papers and documents relating to any tax matter which the commissioner may have authority to investigate or determine. Provided, that any summons which does not identify the person or persons with respect to whose tax liability the summons is issued may be served only if (a) the summons relates to the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any tax law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources, (d) the summons is clear and specific as to the information sought to be obtained, and (e) the information sought to be obtained is limited solely to the scope of the investigation. Provided further that the party served with a summons which does not identify the person or persons with respect to whose tax liability the summons is issued shall have the right, within 20 days after service of the summons, to petition the district court for the judicial district in which lies the county in which that party is located for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the summons is enforceable. If no such petition is made by the party served within the time prescribed, the summons shall have the force and effect of a court order;

(8) cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which the commissioner may have authority to investigate or determine;

(9) investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as the commissioner may deem expedient to

prevent evasions of assessment and taxing laws, and secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;

(11) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even numbered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) exercise and perform such further powers and duties as may be required or imposed upon the commissioner of revenue by law;

(14) promulgate rules having the force and effect of law, for the administration and enforcement of the property tax;

(15) execute and administer any agreement with the secretary of the treasury of the United States regarding the exchange of information and administration of the tax laws of both the United States and the state of Minnesota;

(16) administer and enforce the provisions of sections 325D.30 to 325D.42, the Minnesota unfair cigarette sales act; and

(17) authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority.

History: 1989 c 277 art 1 s 6

270.0601 TAX COURT APPEALS.

The powers of examination, investigation, and subpoena, and the power to administer oaths and take testimony granted to the commissioner of revenue and officers and employees of the department of revenue in section 270.06 do not apply to a matter that has been appealed to the tax court.

History: 1989 c 324 s 3

270.064 REQUESTING ASSISTANCE IN CRIMINAL TAX INVESTIGATIONS.

If the commissioner of revenue has reason to believe that a criminal violation of the state tax laws has occurred, the commissioner may request the attorney general or the prosecuting authority of any county to assist in a criminal tax investigation and may disclose return information to the prosecuting authority relevant to the investigation.

History: 1989 c 184 art 2 s 12

270.069 COMMISSIONER TO COLLECT CERTAIN LOCAL TAXES.

Subdivision 1. Costs deducted; appropriation. If the commissioner of revenue agrees to collect a locally imposed tax, the local unit of government must agree that all the direct and indirect costs of the department of revenue for collecting the tax and any other statewide indirect costs will be deducted from the amounts collected and paid to the local unit of government. The amounts deducted must be deposited in the state treasury and credited to the general fund.

Subd. 2. Development costs. If the commissioner determines that a new computer system will be required to collect the locally imposed taxes, the costs of development of the system will be charged to the first local units of government to be included in the system. Any additional local units of government that by agreement are added to the system will be charged for a share of the development costs. The charge will be determined by the commissioner who shall then refund to the original local units of government their portion of the development costs recovered from the additional users.

History: 1989 c 335 art 4 s 69

270.07 POWER TO ABATE.

Subdivision 1. (a) The commissioner of revenue shall prescribe the form of all blanks and books required under this chapter and shall hear and determine all matters of grievance relating to taxation. Except as otherwise provided by law, the commissioner shall have power to grant such reduction or abatement of net tax capacities or taxes and of any costs, penalties or interest thereon as the commissioner may deem just and equitable, and to order the refundment, in whole or in part, of any taxes, costs, penalties or interest thereon which have been erroneously or unjustly paid. Application therefor shall be submitted with a statement of facts in the case and the favorable recommendation of the county board or of the board of abatement of any city where any such board exists, and the county auditor of the county wherein such tax was levied or paid. In the case of taxes other than gross earnings taxes, the order may be made only on application and approval as provided in this paragraph. No reduction, abatement, or refundment of any special assessments made or levied by any municipality for local improvements shall be made unless it is also approved by the board of review or similar taxing authority of such municipality.

(b) The commissioner has the power to grant reductions or abatements of gross earnings tax. An application for reduction of gross earnings taxes may be made directly to the commissioner without the favorable action of the county board and county auditor. The commissioner shall direct that any gross earnings taxes that may have been erroneously or unjustly paid be applied against unpaid taxes due from the applicant.

(c) The commissioner shall forward to the county auditor a copy of the order made by the commissioner in all cases in which the approval of the county board is required.

(d) The commissioner may refer any question that may arise in reference to the true construction of this chapter to the attorney general, and the decision thereon shall be in force and effect until annulled by the judgment of a court of competent jurisdiction.

(e) The commissioner may by written order abate, reduce, or refund any penalty or interest imposed by any law relating to taxation, if in the commissioner's opinion the failure to timely pay the tax or failure to timely file the return is due to reasonable cause. The order shall be made on application of the taxpayer to the commissioner.

(f) If an order issued under this subdivision is for an abatement, reduction, or refund of over \$5,000, it shall be valid only if approved in writing by the attorney general.

(g) An appeal may not be taken to the tax court from any order of the commissioner of revenue made in the exercise of the discretionary authority granted in paragraph (a) with respect to the reduction or abatement of real or personal property taxes in response to a taxpayer's application for an abatement, reduction, or refund of taxes, net tax capacities, costs, penalties, or interest.

[For text of subds 1a to 5, see M.S.1988]

History: 1989 c 324 s 4; 1989 c 329 art 13 s 20

270.071 DEFINITIONS.

[For text of subds 1 to 5, see M.S.1988]

Subd. 6. (a) "Air commerce" means the transportation by aircraft of persons or property for hire in interstate, intrastate, or international transportation on regularly scheduled flights or on intermittent or irregularly timed flights by airline companies operating under authorization from the United States Department of Transportation.

(b) "Air commerce" also includes but is not limited to an intermittent or irregularly timed flight, a flight arranged at the convenience of an airline and the person contracting for the transportation, or a charter flight. It includes an airline company making three or more flights in or out of Minnesota during a calendar year.

(c) "Air commerce" does not include casual transportation for hire by aircraft commonly owned and used for private airflight purposes if the person furnishing the transportation does not hold out to be engaged regularly in transportation for hire.

[For text of subds 7 to 9, see M.S.1988]

History: 1989 c 277 art 2 s 8

270.072 TAXATION AND ASSESSMENT OF FLIGHT PROPERTY.

[For text of subd 1, see M.S.1988]

Subd. 2. Assessment of flight property. The flight property of all air carriers operating in Minnesota under a certificate of public convenience and necessity or under authorization from the United States Department of Transportation shall be assessed annually by the commissioner in the manner prescribed by sections 270.071 to 270.079. Aircraft with a gross weight of less than 30,000 pounds and used on intermittent or irregularly timed flights shall be excluded from the provisions of sections 270.071 to 270.079.

Subd. 3. Report by airline company. Every airline company engaged in air commerce in this state shall file with the commissioner on or before the time fixed by the commissioner a report under oath setting forth specifically the information prescribed by the commissioner to enable the commissioner to make the assessment required in sections 270.071 to 270.079, unless the commissioner determines that the airline company or person should be excluded from filing because its activities do not constitute air commerce as defined herein. A penalty of five percent of the tax being assessed is imposed on a late filing of the annual report. If the report is not filed within 30 days, an additional penalty of five percent of the assessed tax is imposed for each additional 30 days or fraction of 30 days until the return is filed. The penalty imposed under this section must not exceed the lesser of \$25,000 or 25 percent of the assessed tax.

[For text of subds 4 and 5, see M.S.1988]

History: 1989 c 277 art 2 s 9,10

270.073 EXAMINATIONS AND INVESTIGATIONS.

Subdivision 1. For the purpose of determining the correctness of any statement, the commissioner shall have the power to examine or cause to be examined any books, papers, records, or memoranda relevant to the determination of the net tax capacity of flight property as herein provided, including the airline company's retained copy of any return or statement made to the United States of America or any state for any year, whether such books, papers, records, or memoranda are the property of or in the possession of the airline company or any other person. The commissioner shall have the right to inspect the originals of such reports with or without obtaining copies from the company. The commissioner shall have further power to require the attendance of any airline company or other person having knowledge or information in the premises, to compel the production of books, papers, records, or memoranda by persons so required to attend, to take testimony on matters material to such determination and to administer oaths or affirmations.

[For text of subds 2 and 3, see M.S.1988]

History: 1989 c 329 art 13 s 20

270.075 TAX LEVY.

Subdivision 1. The commissioner shall determine the rate of tax to be levied and collected against the net tax capacity as determined pursuant to section 270.074, subdivision 2, to generate revenues of \$7,500,000 from taxes levied in assessment year 1987 and payable in 1988 and revenues of \$7,900,000 from taxes levied in 1988 and payable in 1989. Thereafter the legislature shall annually establish the amount of revenue to be generated from a tax on airflight property.

Subd. 2. As soon as practicable and not later than December 1 next following the levy of the tax, the commissioner shall give actual notice to the airline company of the net tax capacity and of the tax. The taxes imposed under sections 270.071 to 270.079 shall become due and payable on January 1 following the levy thereof. If any tax is not paid on the due date or, if an appeal is made pursuant to section 270.076, within 60 days after notice of an increased tax, a late payment penalty of five percent of the unpaid tax shall be assessed. If the tax remains unpaid for more than 30 days, an additional penalty of five percent of the unpaid tax is imposed for each additional 30 days or fraction of 30 days that the tax remains unpaid. The penalty imposed under this section must not exceed the lesser of \$25,000 or 25 percent of the unpaid tax. The unpaid tax and penalty shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid. All interest and penalties shall be added to the tax and collected as a part thereof.

[For text of subds 3 and 4, see M.S.1988]

History: 1989 c 277 art 2 s 11; 1989 c 329 art 13 s 20

270.078 NOT TO CONFLICT WITH FEDERAL LAW.

Subdivision 1. If any provision of sections 270.071 to 270.079 is contrary to any provision of any law of the United States of America, hereinafter enacted, providing for or relating to the ad valorem taxation by a state of aircraft or flying equipment of an airline company, such provision shall be of no effect and the commissioner is authorized and directed to prescribe by rule such provisions as may be necessary to make sections 270.071 to 270.079 conform to the federal act and to effectuate the purposes of sections 270.071 to 270.079, provided such rules do not prescribe a rate of taxation higher than that provided in section 270.075 or a net tax capacity based on a percentage higher than that provided in section 270.074, subdivision 2.

[For text of subds 2 and 3, see M.S.1988]

History: 1989 c 329 art 13 s 20

270.10 ORDERS, DECISIONS, REPORTS.

Subdivision 1. **In writing; approval by attorney general.** All orders and decisions of the commissioner of revenue, or any subordinates, respecting any tax, assessment, or other obligation, shall be in writing, filed in the offices of the department. Any order or decision increasing or decreasing any tax, assessment, or other obligation by a sum exceeding \$1,000 on real or personal property, or the net tax capacity thereof, or other obligation relating thereto, the result of which is to increase or decrease the total amount payable including penalties and interest, by a sum exceeding \$1,000, and any order or decision increasing or decreasing any other tax by a sum exceeding \$1,000 exclusive of penalties and interest, must bear the written signature or facsimile signature of the commissioner or the commissioner's delegate. Written notice of every order granting a reduction, abatement, or refundment exceeding \$5,000 of any tax exclusive of penalties and interest, shall be given within five days to the attorney general. The attorney general shall forthwith examine the order, and if proper and legal, approve it in writing. The attorney general may waive the right of appeal from the order on behalf of the state or may appeal from the order on behalf of the state as herein provided. Written approval of the commissioner or a delegate and written notice to the attorney general shall not be required with respect to the following orders: (1) orders reducing net tax capacity of property by reason of its classification as a homestead; (2) orders not involving refunds which have the effect only of correcting income and franchise tax assessments to conform to the amounts shown on final returns filed as provided by section 290.42, clause (6); and (3) original orders for the refundment of gasoline and special fuel taxes.

Subd. 1a. **Notification to taxpayer.** At the same time that notice of the assessment, determination, or order of the commissioner is given to a taxpayer, the taxpayer must

be notified in writing of the right to appeal to the tax court, and if applicable, to the small claims division. In any notice of assessment, determination, or order dealing with property valuation or assessment for property tax purposes by the commissioner of revenue or a local unit of government, the taxpayer must be notified in writing that a taxpayer must appeal to the town or city board of equalization and to the county board of equalization before appealing to the small claims division of the tax court, except for those taxpayers whose original assessments are determined by the commissioner of revenue.

[For text of subd 2, see M.S.1988]

Subd. 3. Reductions, abatements, refunds; statement. The commissioner shall maintain as a public record in the department a statement of all abatements, reductions, and refunds of assessments, taxes, or other obligations granted by the department during the biennium, which require the written approval of the commissioner or a deputy, and of which written notice to the attorney general is required, under the provisions of subdivision 1; and, all reductions of net tax capacity of more than \$100,000 and all reductions, refunds, or abatements of real estate tax of more than \$1,000 shall be separately shown in such statement. Such statement shall show the names of all taxpayers or other persons concerned, the original amount of each assessment, tax, or other obligation, the amount of abatement, reduction, or refund allowed in each case, and the totals of the respective items, notwithstanding any provisions of law requiring secrecy to the contrary. The commissioner shall include in such statement the amount of all increases of taxes or assessments made by the department, classified in such manner as the commissioner may deem proper, but not showing the names of taxpayers or other persons concerned or the amounts in individual cases.

[For text of subd 4, see M.S.1988]

History: 1989 c 324 s 5; 1989 c 329 art 13 s 20

270.11 POWERS; MEETINGS.

[For text of subds 1 to 5, see M.S.1988]

Subd. 6. Change of net tax capacities. The commissioner of revenue shall raise or lower the net tax capacity of any real or personal property, including the power to raise or lower the net tax capacity of the real or personal property of any individual, copartnership, company, association, or corporation; provided, that before any such assessment against the property of any individual, copartnership, company, association, or corporation is so raised, notice of an intention to raise such net tax capacity and of the time and place at which a hearing thereon will be held shall be given to such person, by mail, addressed to the person at the place of residence listed upon the assessment book, at least five days before the day of such hearing.

All relevant and material evidence concerning the net tax capacity of the real or personal property shall be submitted at the hearing, and the hearing shall not be a "contested case" within the meaning of section 14.02, subdivision 3. The person notified of the hearing, or any other person having an interest in the property, may present evidence and argument bearing upon the net tax capacity of the property.

[For text of subd 7, see M.S.1988]

History: 1989 c 329 art 13 s 20

270.12 STATE BOARD OF EQUALIZATION; DUTIES.

[For text of subd 1, see M.S.1988]

Subd. 2. The board shall meet annually between July 15 and October 1 at the office of the commissioner of revenue and examine and compare the returns of the

assessment of the property in the several counties, and equalize the same so that all the taxable property in the state shall be assessed at its market value, subject to the following rules:

(1) The board shall add to the aggregate valuation of the real property of every county, which the board believes to be valued below its market value in money, such percent as will bring the same to its market value in money;

(2) The board shall deduct from the aggregate valuation of the real property of every county, which the board believes to be valued above its market value in money, such percent as will reduce the same to its market value in money;

(3) If the board believes the valuation for a class or classes of the real property of any town or district in any county, or the valuation for a class or classes of the real property of any county not in towns or cities, should be raised or reduced, without raising or reducing the other real property of such county, or without raising or reducing it in the same ratio, the board may add to, or take from, the valuation of a class or classes in any one or more of such towns or cities, or of the property not in towns or cities, such percent as the board believes will raise or reduce the same to its market value in money;

(4) The board shall add to the aggregate valuation of any class of personal property of any county, town, or city, which the board believes to be valued below the market value thereof, such percent as will raise the same to its market value in money;

(5) The board shall take from the aggregate valuation of any class of personal property in any county, town or city, which the board believes to be valued above the market value thereof, such percent as will reduce the same to its market value in money;

(6) The board shall not reduce the aggregate valuation of all the property of the state, as returned by the several county auditors, more than one percent on the whole valuation thereof;

(7) When it would be of assistance in equalizing values the board may require any county auditor to furnish statements showing assessments of real and personal property of any individuals, firms, or corporations within the county. The board shall consider and equalize such assessments and may increase the assessment of individuals, firms, or corporations above the amount returned by the county board of equalization when it shall appear to be undervalued, first giving notice to such persons of the intention of the board so to do, which notice shall fix a time and place of hearing. The board shall not decrease any such assessment below the valuation placed by the county board of equalization; and

(8) In equalizing values pursuant to this section, the board shall utilize a 12-month assessment/sales ratio study conducted by the department of revenue containing only sales that occurred between October 1 of the year immediately preceding the previous year to September 30 of the previous year. The sales prices used in the study must be discounted for terms of financing. The board shall use the median ratio as the statistical measure of the level of assessment for any particular category of property.

Subd. 3. When a taxing jurisdiction lies in two or more counties, if the sales ratio studies prepared by the department of revenue show that the average levels of assessment in the several portions of the taxing jurisdictions in the different counties differ by more than five percent, the board may order the apportionment of the levy. When the sales ratio studies prepared by the department of revenue show that the average levels of assessment in the several portions of the taxing jurisdictions in the different counties differ by more than ten percent, the board shall order the apportionment of the levy unless (a) the proportion of total adjusted net tax capacity value in one of the counties is less than ten percent of the total adjusted net tax capacity in the taxing jurisdiction and the average level of assessment in that portion of the taxing jurisdiction is the level which differs by more than five percent from the assessment level in any one of the other portions of the taxing jurisdiction; (b) significant changes have been made in the level of assessment in the taxing jurisdiction which have not been reflected in the sales ratio study, and those changes alter the assessment levels in the portions of

the taxing jurisdiction so that the assessment level now differs by five percent or less; or (c) commercial, industrial, mineral, or public utility property predominates in one county within the taxing jurisdiction and another class of property predominates in another county within that same taxing jurisdiction. If one or more of these factors are present, the board may order the apportionment of the levy.

Notwithstanding any other provision, the levy for the metropolitan mosquito control district, metropolitan council, metropolitan transit district, and metropolitan transit area must be apportioned without regard to the percentage difference.

If, pursuant to this subdivision, the board apportions the levy, then that levy apportionment among the portions in the different counties shall be made in the same proportion as the adjusted net tax capacity as determined by the commissioner in each portion is to the total adjusted net tax capacity of the taxing jurisdiction.

For the purposes of this section, the average level of assessment in a taxing jurisdiction or portion thereof shall be the aggregate assessment sales ratio. Net tax capacities as determined by the commissioner shall be the net tax capacities as determined for the year preceding the year in which the levy to be apportioned is levied.

Actions pursuant to this subdivision shall be commenced subsequent to the annual meeting on July 15 of the state board of equalization, but notice of the action shall be given to the affected jurisdiction and the appropriate county auditors by the following October 1.

Apportionment of a levy pursuant to this subdivision shall be considered as a remedy to be taken after equalization pursuant to subdivision 2, and when equalization within the jurisdiction would disturb equalization within other jurisdictions of which the several portions of the jurisdiction in question are a part.

History: 1989 c 277 art 2 s 12; 1989 c 329 art 13 s 20

270.13 RECORD OF PROCEEDINGS CHANGING NET TAX CAPACITY; DUTIES OF COUNTY AUDITOR.

A record of all proceedings of the commissioner of revenue affecting any change in the net tax capacity of any property, as revised by the state board of equalization, shall be kept by the commissioner of revenue and a copy thereof, duly certified, shall be mailed each year to the auditor of each county wherein such property is situated, on or before October 1 or 30 days after submission of the abstract required by section 270.11, subdivision 2, whichever is later. This record shall specify the amounts or amount, or both, added to or deducted from the net tax capacity of the real property of each of the several towns and cities, and of the real property not in towns or cities, also the percent or amount of both, added to or deducted from the several classes of personal property in each of the towns and cities, and also the amount added to or deducted from the assessments of individuals, copartnerships, associations, or corporations. The county auditor shall add to or deduct from such tract or lot, or portion thereof, of any real property in the county the required percent or amount, or both, on the net tax capacity thereof as it stood after equalized by the county board, adding in each case a fractional sum of 50 cents or more, and deducting in each case any fractional sum of less than 50 cents, so that no net tax capacity of any separate tract or lot shall contain any fraction of a dollar; and add to, or deduct from, the several classes of personal property in the county the required percent or amount, or both, on the net tax capacity thereof as it stood after equalized by the county board, adding or deducting in manner aforesaid any fractional sum so that no net tax capacity of any separate class of personal property shall contain a fraction of a dollar, and add to or deduct from assessments of individuals, copartnerships, associations, or corporations, as they stood after equalization by the county board, the required amounts to agree with the assessments as returned by the commissioner of revenue.

History: 1989 c 329 art 13 s 20

270.14 COUNTY AUDITOR TO CALCULATE TAX RATE.

The county auditor shall calculate the rate percent necessary to raise the required amount of the various taxes on the net tax capacity of all property as returned by the commissioner of revenue.

History: 1989 c 329 art 13 s 20

270.185 REASSESSMENT ACCOUNT; COMPENSATION.

Subdivision 1. A reassessment account of \$250,000 is created in the special revenue fund. The money in the account is annually appropriated to the commissioner of revenue for the purposes of this section.

[For text of subd 2, see M.S.1988]

History: 1989 c 335 art 4 s 70

270.19 MUNICIPALITIES TO BE PARTY TO TAX HEARINGS.

Any city, town, school district, or county (all of which governmental subdivisions shall be embraced in the word "municipality" as used hereinafter) may appear at and become a party to any proceedings before the commissioner of revenue held for the purpose of equalizing or assessing any real or personal property in such municipality, or reducing the net tax capacity of any such property. For that purpose any such municipality may employ counsel and disburse money for other expenses in connection with such proceedings, on duly itemized, verified claims, which shall be audited and allowed as now provided by law for the allowance of claims against a municipality. It shall be the duty of the commissioner of revenue, at the time of such hearing, to grant the municipality, at its request, such further reasonable time as may be necessary for such municipality to prepare for further hearing. Before granting any reduction in net tax capacity exceeding \$100,000, it shall be the duty of the commissioner of revenue, when any taxpayer or property owner has applied to the commissioner after June 30, 1983, for a reduction of the net tax capacity of any real or personal property in an amount exceeding \$100,000, to give written notice to the officials of the municipality wherein such property is located and to permit such municipality to have reasonable opportunity to be heard at any proceedings concerning such reduction.

History: 1989 c 329 art 13 s 20

270.20 HEARINGS, REQUEST FOR, NOTICE OF, PREPARATION FOR.

Any such municipality may, at any time within ten days after the final adjournment of the county board of equalization of the county in which such municipality is located or within ten days after the filing with the auditor of such county of any order of the commissioner of revenue reducing the net tax capacity of any property in such municipality, file a written request with the commissioner of revenue for a hearing upon the equalization or assessment of any property within such municipality, specifying the property and the name and address of the owner thereof, as they appear from the assessment books. The commissioner of revenue shall thereupon order a hearing thereon and mail a notice stating the time and place of such hearing to the municipality and to the owner of such property. It shall be the duty of the commissioner of revenue, at the time of such hearing, to grant the municipality, at its request, such further reasonable time as may be necessary for such municipality to prepare for further hearing.

History: 1989 c 329 art 13 s 20

270.22 FINDINGS OF FACT.

The commissioner of revenue shall determine the controversy upon the evidence produced at the hearing and shall make and file written findings of fact and an order determining the controversy. In the equalization and determination of net tax capacities, the findings and net tax capacities as given by the assessor of the local assessment

district shall be considered as prima facie correct. Copies of the order and findings shall be mailed to all parties appearing at the hearing and to the auditor of the county in which the property is located. Any municipality which has appeared in the proceedings, and which is aggrieved by the order of the commissioner of revenue reducing the net tax capacity of any of the property, or failing to increase the net tax capacity, may have the order of the commissioner of revenue reviewed by appeal to the court of appeals, on either of the following grounds: (a) that the determination of the commissioner of revenue was not in accordance with the laws relating to the assessment of property, or that the commissioner of revenue committed any other error of law; or (b) that the findings of fact and determination of net tax capacity were unwarranted by or were contrary to the weight of the evidence.

Any owner of property who has appeared in the proceedings and who is aggrieved by the order of the commissioner of revenue raising the net tax capacity of the property, or failing to reduce the net tax capacity, may have the order of the commissioner of revenue reviewed on appeal to the court of appeals in like manner and upon the same grounds as provided for review on the appeal of any municipality.

History: 1989 c 329 art 13 s 20

270.24 APPEAL NOT TO STAY COLLECTION.

The institution of any such appeal from the order of the commissioner of revenue shall not operate to stay in any way proceedings for the assessment or collection of taxes against the property involved therein. Notwithstanding such appeal, the commissioner of revenue shall file with the auditor of the county in which such property is situated an order confirming, increasing, decreasing, or determining the net tax capacity thereof, and the county auditor shall extend and levy against such property, or the owner thereof, the taxes thereupon for such year according to such assessment, and all subsequent proceedings for the determination of the taxes and the collection thereof shall be taken as if no appeal from such order were pending. When the matter is finally determined on review a properly authenticated copy of the findings, order, or judgment shall be filed with the auditor of the county in which the land or property referred to in the proceedings is situated. If such order or judgment lowers the net tax capacity of the land or property referred to in the proceedings, the commissioner of revenue, upon petition of the owner, approved by the county board, shall abate so much of the taxes against such property as is attributable to the excessive net tax capacity thereof. If such tax has been paid, the county auditor, upon petition of the owner, approved by the county board and the commissioner of revenue, shall refund so much of such payment as is attributable to such excess net tax capacity. Upon such refund being made the county auditor shall charge the same to the state and the various governmental subdivisions thereof that participated in such excessive payment, in proportion to their respective shares therein, and deduct the same in the next tax apportionment.

History: 1989 c 329 art 13 s 20

270.25 SHALL BE EXTENDED AS ADDITIONAL TAXES.

If such final order and judgment result in raising the net tax capacity of the property affected by the proceedings, the county officers shall, for the next ensuing year, in addition to the regular taxes levied for such ensuing year, levy, extend, and spread against such property, if real property, or against the owner thereof, if personal property, a tax equal to the difference between the taxes actually levied and extended against such property, or owner, for the year in question and the taxes which should have been levied or extended against such property, or owner, at the increased net tax capacity as finally determined.

History: 1989 c 329 art 13 s 20

270.26 PROCEEDINGS TO DETERMINE NET TAX CAPACITY.

The proceedings provided in this section are for determining the net tax capacity

upon the basis of which taxes are spread against property, or its owner, in the first instance. The order of the commissioner of revenue, or the final order for judgment of the court of appeals on it, shall not be a bar to any defense against the taxes interposed at the time of the proceedings for judgment on them. All defenses which may be set up against the proceedings for judgment upon the taxes may be asserted notwithstanding the determination of the commissioner of revenue or the court. If the taxes are levied or extended pending review of the order of the commissioner of revenue by the court, a judgment entered upon the taxes in the tax delinquency proceedings shall not be a bar to the spreading of further taxes against the property for that year, in the event the net tax capacity of the property is raised as herein provided. In the proceedings for the collection of any taxes which include an additional levy because of the raising of the net tax capacity of any property, the owner may answer separately to the proceedings to obtain judgment for the excess levy.

History: 1989 c 329 art 13 s 20

270.38 APPLICATION TO COME UNDER TREE GROWTH TAX LAW.

[For text of subds 1 to 8, see M.S.1988]

Subd. 9. In determining the net tax capacity of property within any taxing district the value of the surface of lands subject to the provisions of sections 270.31 to 270.39 therein, as determined by the county board under provisions of section 88.48, subdivision 3, shall, for all purposes except the levying of taxes on such lands, be deemed the market value thereof.

History: 1989 c 329 art 13 s 20

270.485 SENIOR ACCREDITATION.

The legislature finds that the property tax system would be enhanced by requiring that every senior appraiser in the department of revenue's local government services division obtain senior accreditation from the state board of assessors. Every senior appraiser, including the department's regional representatives, by January 1, 1990, and every county assessor within two years of the first appointment under section 273.061, or by January 1, 1992, whichever is later, must obtain senior accreditation from the state board of assessors. The board shall provide the necessary courses or training. If a department senior appraiser or regional representative fails to obtain senior accreditation by January 1, 1990, the failure shall be grounds for dismissal, disciplinary action, or corrective action. Except as provided in section 273.061, subdivision 2, paragraph (c), after December 30, 1991, the commissioner must not approve the appointment of a county assessor who is not senior accredited by the state board of assessors. No employee hired by the commissioner as a senior appraiser or regional representative after June 30, 1987, shall attain permanent status until the employee obtains senior accreditation.

History: 1989 c 277 art 2 s 13

270.60 TAX REFUND AGREEMENTS WITH INDIANS.

The commissioner of revenue is authorized to enter into a tax refund agreement with the governing body of any Sioux or Chippewa reservation in Minnesota. The agreement may provide for a mutually agreed upon amount as a refund to the governing body of any sales or excise tax paid by the Indian residents of a reservation into the state treasury, or for an amount which measures the economic value of an agreement by the council to pay the equivalent of the state sales tax on items included in the sales tax base but exempt on the reservation, notwithstanding any other law which limits the refundment of taxes.

The commissioner of revenue is also authorized to enter into a tax refund agreement with the governing body of any federally recognized Indian reservation in Minnesota, for refund of a mutually agreed upon amount of the cigarette taxes collected

from sales on reservations or trust lands of an Indian tribe to the established governing body of the tribe having jurisdiction over the reservation or trust land on which the sale is made.

There is annually appropriated from the general fund to the commissioner of revenue the amounts necessary to make the refunds provided in this section.

History: 1989 c 277 art 1 s 7

270.66 RIGHT OF SETOFF.

[For text of subs 1 and 2, see M.S.1988]

Subd. 3. Agencies shall maintain records. Notwithstanding any provision to the contrary, every person, organization, or corporation doing business (hereafter called vendor) with the state of Minnesota or any of its departments, agencies, or educational institutions including the University of Minnesota (all hereafter called agency) shall provide that agency with their social security number or Minnesota tax identification number. The agency shall maintain records of this information, and shall make these records available, on request, to the commissioner for the sole purpose of identifying people who have not filed state tax returns or who have not paid uncontested state tax liabilities (hereafter called delinquent taxpayer). When an agency is notified by the commissioner that a vendor is a delinquent taxpayer, payments shall not be made by the agency to the vendor until the commissioner notifies the agency that the vendor no longer is a delinquent taxpayer. Furthermore, if the vendor has an uncontested delinquent tax liability, the setoff provided in subdivision 1 may be implemented. The commissioner shall determine that a vendor no longer is a delinquent taxpayer when the vendor has filed all delinquent state tax returns, paid all uncontested state tax liabilities or entered into an agreement with the commissioner which provides for the payment of these liabilities.

History: 1989 c 184 art 2 s 13

270.69 LIEN FOR TAXES.

[For text of subs 1 to 10, see M.S.1988]

Subd. 11. Erroneous liens. If the commissioner of revenue determines that the filing of the notice of any lien was erroneous, within 14 days after the determination, the commissioner must issue a certificate of release of the lien. The certificate must include a statement that the filing of the lien was erroneous. In the event that the claim is erroneous, reasonable attorney fees shall be paid.

History: 1989 c 324 s 6

270.72 TAX CLEARANCE; ISSUANCE OF LICENSES.

[For text of subs 1 to 3, see M.S.1988]

Subd. 4. Licensing authority; duties. All licensing authorities must require the applicant to provide the applicant's social security number and Minnesota business identification number on all license applications. Upon request of the commissioner, the licensing authority must provide the commissioner with a list of all applicants, including the name, address, business name and address, social security number, and business identification number of each applicant. The commissioner may request from a licensing authority a list of the applicants no more than once each calendar year.

History: 1989 c 184 art 2 s 14

270.73 TAX ON LIQUOR AND BEER; DELINQUENCY.

Subdivision 1. Posting, notice. Pursuant to section 270B.12, subdivision 4, the commissioner shall, by the 15th of each month, submit to the commissioner of public safety a list of all taxpayers who are required to withhold or collect the tax imposed by

section 290.92 or 297A.02 and who are 30 days or more delinquent in either filing a tax return or paying the tax. At least ten days before notifying the commissioner of public safety, the commissioner of revenue shall notify the taxpayer of the intended action.

The commissioner of public safety shall post the list in the same manner as provided in section 340A.318, subdivision 3. The list will prominently show the date of posting. If a taxpayer previously listed cures the delinquency by filing all returns and paying all taxes, the commissioner shall notify the commissioner of public safety within two business days that the delinquency was cured.

[For text of subds 2 and 3, see M.S.1988]

History: 1989 c 184 art 2 s 15