

CHAPTER 277

DELINQUENT PERSONAL PROPERTY TAXES,
DEFENSES

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277.01 WHEN TAX IS DELINQUENT; PENALTY.

Subdivision 1. Except as provided in this subdivision, all unpaid personal property taxes shall be deemed delinquent on May 16 next after they become due or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, and thereupon a penalty of eight percent shall attach and be charged upon all such taxes. In the case of unpaid personal property taxes due and owing under section 272.01, subdivision 2, or 273.19, the first half shall become delinquent if not paid before May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, and thereupon a penalty of eight percent shall attach on the unpaid first half; and the second half shall become delinquent if not paid before October 16, and thereupon a penalty of eight percent shall attach on the unpaid second half. This section shall not apply to class 2a property.

A county may provide by resolution that in the case of a property owner that has multiple personal property tax statements with the aggregate taxes exceeding \$50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 277.011 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Subd. 2. [Repealed, 1967 c 99 s 6]

History: (2088) *RL s 888; 1933 c 379 s 1; 1965 c 788 s 1; 1967 c 99 s 1; 1971 c 797 s 6; 1987 c 268 art 7 s 46; 1Sp1989 c 1 art 9 s 58; 1990 c 480 art 8 s 5*

277.011 DEFENSE OR OBJECTION TO TAX ON PERSONAL PROPERTY.

Subdivision 1. **Service and filing of petition.** Any person whose personal property is claimed to have been unfairly or unequally assessed, or that such property 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 the 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 of the court administrator of the district court on or before the first day of July 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 petition for determination under this section may be transferred by the district court to the tax court.

Subd. 2. Form of petition. Such petition need not be in any particular form, but shall clearly identify the items of personal property involved and shall set forth in concise language the claim, defense, or objection asserted.

Subd. 3. Payment of tax. If the proceedings instituted by the filing of the petition have not been completed before July 1 next following the filing of the petition, the petitioner shall pay to the county treasurer 50 percent of the tax levied for the year against the property involved, unless permission to file the petition without such 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 first day of July, may apply to the court for permission to file the petition without such 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 50 percent of the tax.

The court may permit the petitioner to continue to prosecute the petition without payment, or may fix a lesser amount to be paid as a condition to the right to continue to prosecute the same. Payment of the amount so fixed shall be endorsed on the order by the county treasurer.

Subd. 4. Treasurer must stamp tax lists. Upon the filing of such petition, the county treasurer shall write or stamp opposite the taxpayer's name on the tax list the notation, "Petition for review filed," and such tax shall not be included in the delinquent tax list for such year.

Subd. 5. Trial of issues. Such petition, without any answer, return, or other pleadings thereto, shall stand for trial at any general term in session when the same is filed; or, if the court be not then in session, at the next general or special term appointed to be held in the county; and, if no such term be appointed to be held within 30 days thereafter, the same shall be brought to trial at any general term appointed to be held within the judicial district upon ten days notice. 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 the petitioner's 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 such notice, the attorney of the county in which these taxes are levied shall take charge of and prosecute such proceedings, but the county board may employ any other attorney to assist the county attorney. At the term at which such petition comes on for trial it shall take precedence of all other business before the 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 thereof shall disregard all technicalities and matters of form not affecting the substantial merits.

Subd. 6. 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 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.

Subd. 7. Penalties and interest. If the tax be sustained in full as levied, the judgment shall include any penalties or interest which have then accrued thereon for failure to pay the same, or any part thereof, at the time required by law. If the tax is increased;

the judgment must include penalty and interest on the unpaid part of the original tax assessment, but not on the amount of the increase in tax. If the tax be reduced, no penalties and interest shall be included in the judgment because of the failure to pay such reduced tax prior to the entry thereof. The judgment shall be subject to such interest or penalties as would under the law attach to the tax embraced therein after the entry thereof.

Subd. 8. 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 taxpayer in the tax list a notation "judgment entered" and the date thereof.

Subd. 9. 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, the auditor 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, the amount thereof shall be charged to the 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 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.

Subd. 10. 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: 1969 c 991 s 1; 1977 c 118 s 1,2; 1978 c 672 s 7,8; 1986 c 444; 1Sp1986 c 3 art 1 s 82; 1989 c 324 s 22

277.02 DELINQUENT LIST FILED IN COURT.

Within 30 days of the due date under section 277.01, subdivision 1, of each year, the county treasurer shall make a list of all personal property taxes remaining delinquent, and by November 15 of each year the county treasurer shall make a list of all personal property taxable under section 272.01, subdivision 2, or 273.19 remaining delinquent October 16. The county treasurer shall immediately certify to and file each list with the court administrator of the district court of the county. Upon filing, the list shall be prima facie evidence that all of the provisions of law in relation to the assessment and levy of taxes have been complied with.

History: (2089) RL s 889; 1933 c 379; 1967 c 99 s 2; 1969 c 991 s 2; 1983 c 222 s 18; 1986 c 444; 1Sp1986 c 3 art 1 s 82; 1Sp1989 c 1 art 9 s 59; 1990 c 480 art 8 s 6

277.03 DISTRESS AND SALE.

Upon the tenth secular day next after the filing of such list the court administrator of the district court shall issue warrants to the sheriff of the county as to all the taxes and penalties embraced in the list, except those as to which a petition has been filed, pursuant to section 277.011, directing the sheriff to proceed to collect the same. If such

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taxes are not paid upon demand, the sheriff shall distrain sufficient goods and chattels belonging to the person charged with such taxes, if found within the county, to pay the same, with the said penalty of eight percent and all accruing costs, together with a fee as set by the county board to cover administrative costs from each delinquent, as compensation to the court administrator of the district court. Immediately after making distress, the sheriff shall give at least ten days' posted notice in the town or district where the property is taken, stating that the property, or so much thereof as will be sufficient to pay the taxes for which it is distrained, with penalty and costs of distress and sale, will be sold at public vendue at a place and time therein designated, which time shall not be less than ten days after such taking. If such taxes and penalties and accrued costs are not paid before the day designated, the sheriff or a deputy shall proceed to sell the property pursuant to the notice.

History: (2090) *RL s 890; 1967 c 99 s 3; 1969 c 9 s 70; 1969 c 991 s 3; 1984 c 522 s 8; 1Sp1985 c 14 art 20 s 4; 1986 c 444; 1Sp1986 c 3 art 1 s 82*

277.04 [Repealed, 1969 c 991 s 4]

277.05 SHERIFF TO FILE LIST OF UNCOLLECTED TAXES.

If the sheriff is unable, for want of goods and chattels whereon to levy, to collect by a distress, or otherwise, the taxes, or any part thereof, assessed upon the personal property of any persons, the sheriff shall file with the court administrator of the district court a list of the taxes 30 days after the date in section 277.02. The list shall be filed with an affidavit of the sheriff, or of the deputy sheriff entrusted with the collection thereof, stating that the affiant has made diligent search and inquiry for goods and chattels from which to collect such taxes, and is unable to collect the same. The list of such taxes as they apply to manufactured homes shall be filed on December 1 and the list of such taxes as they apply to property taxable under section 272.01, subdivision 2, or 273.19 shall be filed on December 15. The sheriff shall note on the margin of such list the place to which any delinquent taxpayer may have removed, with the date of removal, if known. At the time of filing the list the sheriff shall also return all the warrants with endorsements thereon showing the doings of the sheriff or deputy in the premises, and the court administrator shall file and preserve the same. Within ten days after the list has been filed by the sheriff, the court administrator shall deliver the list and affidavit to the county treasurer, who shall, by comparison of such list with the tax duplicates in the treasurer's office, ascertain whether or not all personal property taxes reported by the treasurer to the court administrator as delinquent, except those included in such list, have been paid into the treasurer's office, and shall attach to the list a certificate stating whether or not all taxes reported by the treasurer to the court administrator as delinquent and not included in the list have been received, and stating the items of such taxes, if any, as have been received. The court administrator shall deliver such list and affidavit as they apply to manufactured homes on or before December 10 and as they apply to property taxable under section 272.01, subdivision 2, or 273.19 on or before December 24. The treasurer shall deliver such list and affidavit, with the certificate attached, to the county board at its first session thereafter, which shall cancel such taxes as it is satisfied cannot be collected. A copy of the tax list so revised, and also a separate list of the taxes so canceled, shall be included in the records of the proceedings of the board, and published in full, as a part of the proceedings.

History: (2092) *RL s 892; 1967 c 99 s 4; 1986 c 444; 1Sp1986 c 3 art 1 s 82; 1988 c 719 art 6 s 11; 1Sp1989 c 1 art 9 s 60; 1990 c 480 art 8 s 7*

277.06 CITATION TO DELINQUENTS; DEFAULT JUDGMENT.

On September 5, or within ten days after the adjournment of the county board, whichever occurs first, the county auditor shall file a copy of such revised list with the court administrator of the district court. The county auditor shall file a copy of the revised list as it applies to manufactured homes on January 20 and a copy of the revised list as it applies to property taxable under section 272.01, subdivision 2, or 273.19 on

February 15. Within ten days after the list has been filed, the court administrator shall issue a citation to each delinquent named in the list, stating the amount of tax and penalty, and requiring such delinquent to appear on a day to be set by the district court in the county, appointed to be held at a time not less than 30 days after the issuance of such citation, and show cause, if any there be, why the delinquent should not pay the tax and penalty. The citation shall be delivered for service to the sheriff of the county where such person may at the time reside or be. If such person, after service of the citation, fails to pay such tax, penalty, and costs to the sheriff before the first day of the term, or on such day to show cause as aforesaid, the court shall direct judgment against the person for the amount of such tax, penalty, and costs. When unable to serve the citation, the sheriff shall return the same to the court administrator, with a return thereto to that effect, and thereupon, or if the court decides that the service of such citation made or attempted to be made, or the issuance thereof by the court administrator, was illegal, the court administrator shall issue another like citation, requiring such delinquent to appear on the first day of the next general term to be held in the county, and show cause as aforesaid, and if the delinquent fails to pay or to show cause, the court shall direct judgment as aforesaid. Whenever the sheriff has been unable to serve any such citation theretofore issued in any year or years, or whenever the court decides that the service of any such citation theretofore made or attempted to be made, or the issuance thereof by the court administrator, was illegal, the court administrator shall issue another like citation requiring such delinquent to appear, as in the case last provided, and with like effect; provided, that all citations other than the first shall be issued only on the request of the county attorney.

History: (2093) *RL s 893; 1967 c 99 s 5; 1969 c 9 s 71; 1969 c 991 s 5; 1986 c 444; 1Sp1986 c 3 art 1 s 82; 1988 c 719 art 6 s 12; 1Sp1989 c 1 art 9 s 61; 1990 c 480 art 8 s 8*

277.07 CITATION TO DISTRIBUTEES.

When the person against whom such tax is assessed has died, and the estate has been administered and assigned, or where an executor or administrator, or an assignee for the benefit of creditors, or any other person acting in the capacity of trustee, against whom such tax is assessed, has been discharged from the trust by a court of competent jurisdiction before the total amount of such tax has been ascertained and levied, a citation shall issue to the persons to whom the trust estate or the residue of the estate has been assigned, except that no citation shall issue to creditors in assignments for benefit of creditors.

History: (2094) *RL s 894; 1986 c 444*

277.08 CITATION TO NONRESIDENT.

When the person to whom a citation issues is not a resident of the state, so that personal service thereof cannot be made, the citation may be served by publication thereof and by attachment, as provided by law in a civil action against nonresident defendants, upon affidavit of the county attorney, but no bond on such attachment or on entry of judgment shall be required.

History: (2095) *RL s 895*

277.09 CITATION PRIMA FACIE EVIDENCE.

The citation shall be prima facie evidence that all the provisions of law in relation to the assessment and levy of taxes have been complied with. No omission of any of the things by law provided in relation to such assessment and levy, or of anything required by any officer to be done prior to the issuance of such citation, shall be a defense or objection to such taxes, unless it be also made to appear to the court that such omission has resulted to the prejudice of the party objecting, and that such taxes have been unfairly or unequally assessed; and in such case, but no other, the court may reduce the amount of such taxes, and give judgment accordingly. It shall always be a defense to such taxes that the same have been paid, or that the property upon which the same were assessed was not subject to taxation.

History: (2096) *RL s 896*

277.10 COURT ADMINISTRATOR'S FEES; EXECUTION.

The court administrator of the district court shall receive fees as set by the county board to cover administrative costs for issuing such citation and perfecting the judgment in cases not contested, and in contested cases such fees as are allowed by law in civil actions. All such fees and costs shall be entered, taxed, and made part of the judgment. Execution shall be issued upon the judgment at the request of the county attorney, and shall state that the judgment was obtained for delinquent personal property taxes, and no property shall be exempt from seizure thereon, and such execution may be renewed and reissued in the same manner as provided by law in case of executions upon judgments in civil actions.

History: (2097) *RL s 897; ISp1985 c 14 art 20 s 5; ISp1986 c 3 art 1 s 82*

277.11 SHERIFF'S FEES.

The sheriff, or a deputy, shall be allowed the same fees for collecting such taxes, and for making distress and sale of goods and chattels for the payment of taxes, as are allowed by law to constables for making levy and sale of property on execution; traveling fees to be computed from the county seat to the place of making distress, unless such distress is made by the deputy, in which case the same shall be computed from the residence of such deputy. Such fees shall be added to the tax, and collected by the sheriff.

History: (2098) *RL s 898; 1986 c 444*

277.12 NEGLECT OF SHERIFF.

A sheriff who shall refuse or neglect to collect any tax assessed upon personal property where the same is collectible, or to file the delinquent tax list and affidavit, as herein provided, shall be held liable for the whole amount of such taxes uncollected, and the same shall be deducted from any bills presented by the sheriff to and allowed by the county board, and applied to the several funds for which they were levied.

History: (2099) *RL s 899; 1986 c 444*

277.13 REMOVAL OF DELINQUENT; DUTY OF COUNTY AUDITOR.

By July 30, in each year, the county auditor shall make out and forward to the court administrator of the district court of any county to which any delinquent personal property taxpayer may have removed a statement of such delinquent taxes, specifying the value of the property on which such taxes were levied and the amount of the taxes, to which the auditor shall add an amount equal to 25 percent on the taxes levied if such delinquent taxpayer left the county in which the taxes were levied after the day upon which they became due, but not otherwise. On receipt of such statement or account, the court administrator shall issue a warrant to the sheriff of the county, who shall immediately proceed to collect the same of the person so charged with the taxes and percent, together with a court administrator's fee of 25 cents for each warrant so issued. The sheriff shall deliver such warrant, with the doings thereunder, to the court administrator, together with the amount of collections thereon. The court administrator shall remit all taxes thus collected to the treasurer of the county to which they belong, and at the same time shall return the original statement to the auditor of such county, certifying the amount of such collections, and, if any taxes remain unpaid, the reason why they could not be collected. The auditor shall charge the treasurer to whom such remittance is made with the amount thereof, and cancel such taxes from the list. Receipts shall be issued to the sheriff for delinquent taxes collected and the payment shall be made in the manner provided in section 276.05.

History: (2100) *RL s 900; 1986 c 444; ISp1986 c 3 art 1 s 82; ISp1989 c 1 art 9 s 62*

277.14 DOCKETING JUDGMENT.

Every judgment for personal property taxes shall be docketed and thereafter become a lien upon the real property of the debtor in the county within which the judg-

ment was rendered to the same extent as other judgments for the recovery of money and may be docketed in other counties in like manner and with like effect.

History: (2101) *RL s 901*

277.15 INTEREST.

When a judgment has heretofore been entered and docketed, or shall hereafter be entered and docketed, for the recovery of taxes, except in the case of real estate tax judgments provided for in section 279.19, the same shall bear interest until paid at the rate of six percent per annum until January 1, 1981, and at the rate determined under section 549.09 until January 1, 1991. Thereafter interest will be payable at the rate provided in section 279.03, subdivision 1a.

History: (2102) *1909 c 448 s 1; 1Sp1981 c 1 art 8 s 12; 1990 c 480 art 8 s 9*

277.16 SATISFACTION OF JUDGMENT.

Upon payment to the county treasurer of any personal property tax for which judgment has been obtained, the treasurer shall deliver a certificate of such fact to the court administrator, who shall file the same, and satisfy the judgment upon the margin of the record thereof, stating the date of payment and number of receipt given therefor, and shall note the satisfaction upon the docket.

History: (2103) *RL s 902; 1Sp1986 c 3 art 1 s 82*