

**272.68 PAYMENT OF TAXES AND ASSESSMENTS ON PROPERTY ACQUIRED BY THE STATE.**

Subdivision 1. **Acquisition of property; unpaid taxes.** When the state or a political subdivision of the state, except the state Transportation Department, acquires a fee interest in property before forfeiture, by any means, provision must be made to pay all taxes, including all unpaid special assessments and future installments thereof, unpaid on the property at the date of acquisition. For the purpose of this section, the date of acquisition shall be the date on which the acquiring authority shall be entitled under law to take possession of the property except in cases of condemnation, the date of acquisition shall be the date of the filing of the petition in condemnation. Taxes which become a lien on such property after the date of acquisition and before the condemning authority is by law entitled to actually take possession thereof shall, if paid by the owner, be added to the award, and if not so paid, shall be paid by the condemning authority. Taxes lawfully levied shall not be abated. This subdivision shall not be construed to require the payment of accrued taxes and unpaid assessments on the acquired property which exceed the fair market value thereof. The state or a subdivision acquiring property may make provisions for the apportionment of the taxes and unpaid assessments if less than a complete parcel is acquired.

If such accrued taxes and unpaid assessments are not paid as hereinabove required, then the county auditor of the county in which the acquired property is located shall notify the commissioner of finance of the pertinent facts, and the commissioner of finance shall divert an amount equal to such accrued taxes and unpaid assessments from any funds which are thereafter to be distributed by the commissioner of finance to the acquiring authority, and shall pay over such diverted funds to the county treasurer of the county in which the acquired property is located in payment of such accrued taxes and unpaid assessments.

Subd. 2. **Property remains taxable until possession.** Property otherwise taxable, which is acquired by subdivisions of government shall remain taxable until the acquiring authority is by law or by the terms of a purchase agreement entitled to actually take possession thereof.

Subd. 3. **Rental; payment to county treasurer.** If the acquiring authority permits a person to occupy the property after the acquiring authority has become entitled to actual possession, the authority shall charge a reasonable rental therefor and shall pay to the county treasurer to be distributed in the same manner as property taxes 30 percent of the rental received, or such percentage as may be otherwise provided by law.

Subd. 4. **Temporary lease; payment in lieu of taxes.** When the political subdivision is a housing and redevelopment authority which has obtained the right to take possession of a property in a redevelopment project area, it may lease the property to the previous occupant for temporary

use pending the relocation of the former occupant's residence or business or may relocate such former occupant in any other property owned by it in such project area. The authority may agree with the municipality to the payment of certain sums in lieu of taxes on said property during such temporary occupancy in which event the payment of the sum agreed upon shall be in lieu of taxes as provided in section 469.040 and the provisions of section 272.01, subdivision 2, and section 273.19 shall not apply to such property or to the use thereof.

**History:** 1969 c 745 s 1-4; 1971 c 376 s 1; 1973 c 492 s 14; 1973 c 543 s 2; 1976 c 166 s 7; 1987 c 291 s 207; 2003 c 112 art 2 s 50