

**279.37 CONFESSION OF JUDGMENT FOR DELINQUENT TAXES.**

Subdivision 1. **Composition into one item.** Delinquent taxes upon any parcel of real estate may be composed into one item or amount by confession of judgment at any time prior to the forfeiture of the parcel of land to the state for taxes, for the aggregate amount of all the taxes, costs, penalties, and interest accrued against the parcel, as provided in this section. Taxes upon property which, for the previous year's assessment, was classified as mineral property, employment property, or commercial or industrial property are only eligible to be composed into any confession of judgment under this section as provided in subdivision 1a. Delinquent taxes for property that has been reclassified from 4bb to 4b under section 273.1319 may not be composed into a confession of judgment under this subdivision. Delinquent taxes on unimproved land are eligible to be composed into a confession of judgment only if the land is classified under section 273.13 as homestead, agricultural, rural vacant land, or managed forest land, in the previous year or is eligible for installment payment under subdivision 1a. The entire parcel is eligible for the ten-year installment plan as provided in subdivision 2 if 25 percent or more of the market value of the parcel is eligible for confession of judgment under this subdivision.

Subd. 1a. **Class 3a property.** (a) The delinquent taxes upon a parcel of property which was classified class 3a, for the previous year's assessment and had a total market value of \$500,000 or less for that same assessment shall be eligible to be composed into a confession of judgment. Property qualifying under this subdivision shall be subject to the same provisions as provided in this section except as provided in paragraphs (b) to (d).

(b) Current year taxes and penalty due at the time the confession of judgment is entered must be paid.

(c) The down payment must include all special assessments due in the current tax year, all delinquent special assessments, and 20 percent of the ad valorem tax, penalties, and interest accrued against the parcel. The balance remaining is payable in four equal annual installments.

(d) The amounts entered in judgment bear interest at the rate provided in section 279.03, subdivision 1a, commencing with the date the judgment is entered. The interest rate is subject to change each year on the unpaid balance in the manner provided in section 279.03, subdivision 1a.

Subd. 2. **Installment payments.** The owner of any such parcel, or any person to whom the right to pay taxes has been given by statute, mortgage, or other agreement, may make and file with the county auditor of the county in which the parcel is located a written offer to pay the current taxes each year before they become delinquent, or to contest the taxes under Minnesota Statutes 1941, sections 278.01 to 278.13, and agree to confess judgment for the amount provided, as determined by the county auditor. By filing the offer, the owner waives all irregularities in connection with the tax proceedings affecting the parcel and any defense or objection which the owner may have to the proceedings, and also waives the requirements of any notice of default in the payment of any installment or interest to become due pursuant to the composite judgment to be so entered. With the offer, the owner shall tender one-tenth of the amount of the delinquent taxes, costs, penalty, and interest, and shall tender all current year taxes and penalty due at the time the confession of judgment is entered. In the offer, the owner shall agree to pay the balance in nine equal installments, with interest as provided in section 279.03, payable annually on installments remaining unpaid from time to time, on or before December 31 of each year following the year in which judgment was confessed. The offer must be substantially as follows:

"To the court administrator of the district court of ..... county, I, ....., am the owner of the following described parcel of real estate located in ..... county, Minnesota:

..... Upon that real estate there are delinquent taxes for the year ....., and prior years, as follows: (here insert year of delinquency and the total amount of delinquent taxes, costs, interest, and penalty). By signing this document I offer to confess judgment in the sum of \$..... and waive all irregularities in the tax proceedings affecting these taxes and any defense or objection which I may have to them, and direct judgment to be entered for the amount stated above, minus the sum of \$....., to be paid with this document, which is one-tenth of the amount of the taxes, costs, penalty, and interest stated above. I agree to pay the balance of the judgment in nine equal, annual installments, with interest as provided in section 279.03, payable annually, on the installments remaining unpaid. I agree to pay the installments and interest on or before December 31 of each year following the year in which this judgment is confessed and current taxes each year before they become delinquent, or within 30 days after the entry of final judgment in proceedings to contest the taxes under Minnesota Statutes, sections 278.01 to 278.13.

Dated ....., ....."

Subd. 3. **Notice and recording of offer and confession of judgment.** Upon the receipt of the offer and payment of the sum required, the auditor shall notify the county board of the offer. The auditor shall record it and shall file the offer and confession of judgment with the court administrator of the district court of the county who is directed to enter judgment in accordance with the offer.

Subd. 4. **Judgment in rem; redemption period computation.** The auditor shall immediately deliver to the treasurer the initial payments received by the auditor. The judgment so rendered shall not constitute a personal judgment against the party or parties therein and shall be a judgment in rem. For the purpose of computing the applicable period of redemption pursuant to section 281.17, lands included in a confession of judgment will be deemed to be sold to the state at the first tax judgment sale following the entry of judgment.

Subd. 5. **Suspension of proceedings; satisfaction of judgment.** Upon the entry of said judgment, all the interest on the taxes embraced within said judgment shall be waived, except as herein provided, and further proceedings shall be suspended on any judgment for taxes embraced in said confessed judgment as long as no default exists. Upon the payment in full of the amounts required to be paid under the confessed judgment, except the then current taxes not yet delinquent, the original judgment shall be satisfied.

Subd. 6. **Notice of payment due.** The county auditor shall give notice by mail not later than November 30 of each year to the person or persons making such confession of judgment at the address given therein of the payment due under the confession on the following December 31. If the county auditor has not received the installment payment by December 31, the auditor shall give notice by certified mail at the last known address of the person making the confession of judgment, without regard to the county or state of the person's residency. This notice shall state that the property shall be subject to the tax forfeiture laws if payment is not made within 60 days from the preceding December 31. Failure to send or receive the notice shall not operate to postpone any payment or excuse any default under the confession of judgment. Proof of such mailing shall be made by the certificate of the auditor filed in the auditor's office.

Subd. 7. **Payment of deferred installment; distribution.** The county auditor's statement and county treasurer's receipt issued for payment of a deferred installment, as herein provided for, shall not read for any specific year's taxes, but shall read for partial or full release of judgment,

as the case may be, and shall show the year that such judgment was entered. In distributing the taxes collected in this manner, the county auditor shall apply the same in the inverse order to that in which such taxes were levied. All penalties and interest collected under the provisions of this section shall be apportioned by the county auditor in accordance with section 276.131. A duplicate treasurer's receipt for payment of a deferred installment, as hereinafter provided, shall be delivered to the court administrator of the district court, and the court administrator of the district court shall credit the amount so paid upon the judgment entered.

Subd. 8. **Fees.** The party or parties making such confession of judgment shall pay the county auditor a fee as set by the county board to defray the costs of processing the confession of judgment and making the annual billings required. Fees as set by the county board shall be in lieu of the fees provided for in section 357.021 and shall be processed by the county and credited to the general revenue fund of the county.

Subd. 9. **Applicability; default.** This section shall not apply to any parcel of land which has become or hereafter may become the absolute property of the state in fee or in trust under the provisions of any law declaring a forfeiture of lands to the state for taxes. Failure to make any payment required by this confessed judgment within 60 days from the date on which payment was due shall constitute a default. In the event of default occurring in the payments to be made under any confessed judgment entered pursuant hereto, the interest waived under the terms of subdivision 5 shall be reinstated and the lands described in such confessed judgment shall thereupon be subject to forfeiture according to the provisions of law applicable thereto.

Subd. 10. **No more than two confessions of judgment allowed.** Not more than two confessions of judgment and agreement to pay in installments under this section affecting the same taxes or any portion thereof may be made by or on behalf of any owner of any particular right, title, interest in, or lien upon, any given parcel of land, or the owner's heirs, representatives, or assigns.

Subd. 11. **Not applicable if shortened redemption period.** This section shall not apply in cases where the redemption period has been shortened under sections 281.173 and 281.174.

**History:** 1945 c 121 s 1-7; 1975 c 339 s 8; 1980 c 437 s 12; 1Sp1981 c 1 art 2 s 16; 1982 c 523 art 39 s 3,4; 1984 c 502 art 3 s 18,19; 1Sp1985 c 14 art 20 s 7-11; 1986 c 444; 1Sp1986 c 3 art 1 s 82; 1989 c 277 art 2 s 45; 1990 c 480 art 8 s 13; 1992 c 511 art 4 s 17; 1993 c 375 art 10 s 12; 1994 c 416 art 1 s 35; 1996 c 471 art 3 s 27; 1998 c 254 art 1 s 107; 1999 c 243 art 13 s 2-4; 2008 c 154 art 2 s 21; 2010 c 389 art 8 s 14; 2011 c 116 art 1 s 2