

1.1 A bill for an act

1.2 relating to taxation; increasing the value threshold for taxability of certain
1.3 structures; modifying qualifications for confessions of judgment on delinquent
1.4 taxes; eliminating accelerated payments of deed taxes; authorizing acceptance of
1.5 partial payments of delinquent property taxes and payment of property tax refund
1.6 claims for homesteads with delinquent taxes; amending Minnesota Statutes
1.7 2006, sections 273.125, subdivision 8; 279.37, subdivision 1a; 280.39; 287.29,
1.8 subdivision 1; 290A.10.

1.9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.10 Section 1. Minnesota Statutes 2006, section 273.125, subdivision 8, is amended to read:

1.11 Subd. 8. **Manufactured homes; sectional structures.** (a) In this section,
1.12 "manufactured home" means a structure transportable in one or more sections, which is
1.13 built on a permanent chassis, and designed to be used as a dwelling with or without a
1.14 permanent foundation when connected to the required utilities, and contains the plumbing,
1.15 heating, air conditioning, and electrical systems in it. Manufactured home includes any
1.16 accessory structure that is an addition or supplement to the manufactured home and, when
1.17 installed, becomes a part of the manufactured home.

1.18 (b) Except as provided in paragraph (c), a manufactured home that meets each of the
1.19 following criteria must be valued and assessed as an improvement to real property, the
1.20 appropriate real property classification applies, and the valuation is subject to review and
1.21 the taxes payable in the manner provided for real property:

1.22 (1) the owner of the unit holds title to the land on which it is situated;

1.23 (2) the unit is affixed to the land by a permanent foundation or is installed at its
1.24 location in accordance with the Manufactured Home Building Code in sections 327.31
1.25 to 327.34, and rules adopted under those sections, or is affixed to the land like other real
1.26 property in the taxing district; and

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2.1 (3) the unit is connected to public utilities, has a well and septic tank system, or is
2.2 serviced by water and sewer facilities comparable to other real property in the taxing
2.3 district.

2.4 (c) A manufactured home that meets each of the following criteria must be assessed
2.5 at the rate provided by the appropriate real property classification but must be treated as
2.6 personal property, and the valuation is subject to review and the taxes payable in the
2.7 manner provided in this section:

2.8 (1) the owner of the unit is a lessee of the land under the terms of a lease, or the unit
2.9 is located in a manufactured home park but is not the homestead of the park owner;

2.10 (2) the unit is affixed to the land by a permanent foundation or is installed at its
2.11 location in accordance with the Manufactured Home Building Code contained in sections
2.12 327.31 to 327.34, and the rules adopted under those sections, or is affixed to the land like
2.13 other real property in the taxing district; and

2.14 (3) the unit is connected to public utilities, has a well and septic tank system, or is
2.15 serviced by water and sewer facilities comparable to other real property in the taxing
2.16 district.

2.17 (d) Sectional structures must be valued and assessed as an improvement to real
2.18 property if the owner of the structure holds title to the land on which it is located or is a
2.19 qualifying lessee of the land under section 273.19. In this paragraph "sectional structure"
2.20 means a building or structural unit that has been in whole or substantial part manufactured
2.21 or constructed at an off-site location to be wholly or partially assembled on-site alone or
2.22 with other units and attached to a permanent foundation.

2.23 (e) The commissioner of revenue may adopt rules under the Administrative
2.24 Procedure Act to establish additional criteria for the classification of manufactured homes
2.25 and sectional structures under this subdivision.

2.26 (f) A storage shed, deck, or similar improvement constructed on property that is
2.27 leased or rented as a site for a manufactured home, sectional structure, park trailer, or
2.28 travel trailer is taxable as provided in this section. In the case of property that is leased or
2.29 rented as a site for a travel trailer, a storage shed, deck, or similar improvement on the
2.30 site that is considered personal property under this paragraph is taxable only if its total
2.31 estimated market value is over ~~\$500~~ \$1,000. The property is taxable as personal property
2.32 to the lessee of the site if it is not owned by the owner of the site. The property is taxable
2.33 as real estate if it is owned by the owner of the site. As a condition of permitting the owner
2.34 of the manufactured home, sectional structure, park trailer, or travel trailer to construct
2.35 improvements on the leased or rented site, the owner of the site must obtain the permanent

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3.1 home address of the lessee or user of the site. The site owner must provide the name
3.2 and address to the assessor upon request.

3.3 **EFFECTIVE DATE.** This section is effective for taxes levied in 2007, payable
3.4 in 2008, and thereafter.

3.5 Sec. 2. Minnesota Statutes 2006, section 279.37, subdivision 1a, is amended to read:

3.6 Subd. 1a. **Class 3a property.** (a) The delinquent taxes upon a parcel of property
3.7 which was classified class 3a, for the previous year's assessment and had a total market
3.8 value of ~~\$200,000~~ \$500,000 or less for that same assessment shall be eligible to be
3.9 composed into a confession of judgment. Property qualifying under this subdivision
3.10 shall be subject to the same provisions as provided in this section except as provided
3.11 in paragraphs (b) to (d).

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

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

3.18 (d) The amounts entered in judgment bear interest at the rate provided in section
3.19 279.03, subdivision 1a, commencing with the date the judgment is entered. The interest
3.20 rate is subject to change each year on the unpaid balance in the manner provided in section
3.21 279.03, subdivision 1a.

3.22 **EFFECTIVE DATE.** This section is effective for confessions of judgment entered
3.23 after June 30, 2007.

3.24 Sec. 3. Minnesota Statutes 2006, section 280.39, is amended to read:

3.25 **280.39 DELINQUENT TAXES MAY BE PAID IN INVERSE ORDER.**

3.26 In any case where taxes for two or more entire years are delinquent against a parcel
3.27 of land, such taxes for one or more entire years, if held by the state, may be paid in the
3.28 inverse order to that in which the taxes were levied, with accrued penalties, interest, and
3.29 costs upon the taxes so paid, without payment of the taxes for the first of such years;
3.30 provided, that such payment shall not affect the lien of any unpaid taxes or tax judgment.
3.31 Payments for delinquent taxes for a part of a year may be accepted if payment is received
3.32 under section 290A.10, and must be applied in the order specified in this section.

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4.1 Sec. 4. Minnesota Statutes 2006, section 287.29, subdivision 1, is amended to read:

4.2 Subdivision 1. **Appointment and payment of tax proceeds.** (a) The proceeds of
4.3 the taxes levied and collected under sections 287.21 to 287.39 must be apportioned, 97
4.4 percent to the general fund of the state, and three percent to the county revenue fund.

4.5 (b) On or before the 20th day of each month, the county treasurer shall determine
4.6 and pay to the commissioner of revenue for deposit in the state treasury and credit to the
4.7 general fund the state's portion of the receipts for deed tax from the preceding month
4.8 subject to the electronic transfer requirements of section 270C.42. The county treasurer
4.9 shall provide any related reports requested by the commissioner of revenue.

4.10 ~~(c) Counties must remit the state's portion of the June receipts collected through June~~
4.11 ~~25 and the estimated state's portion of the receipts to be collected during the remainder of~~
4.12 ~~the month to the commissioner of revenue two business days before June 30 of each year.~~
4.13 ~~The remaining amount of the June receipts is due on August 20.~~

4.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.15 Sec. 5. Minnesota Statutes 2006, section 290A.10, is amended to read:

4.16 **290A.10 PROOF OF TAXES PAID.**

4.17 Subdivision 1. Generally. Every claimant who files a claim for relief for property
4.18 taxes payable shall include with the claim a property tax statement or a reproduction
4.19 thereof in a form deemed satisfactory by the commissioner of revenue indicating that
4.20 there are no delinquent property taxes on the homestead. Indication on the property tax
4.21 statement from the county treasurer that there are no delinquent taxes on the homestead
4.22 shall be sufficient proof. Taxes included in a confession of judgment under section 279.37
4.23 shall not constitute delinquent taxes as long as the claimant is current on the payments
4.24 required to be made under section 279.37.

4.25 Subd. 2. Delinquent taxes. The governing body of a county may, by resolution,
4.26 allow claimants who would otherwise qualify for a refund, except for a property tax
4.27 delinquency under sections 279.02 and 279.03 on the homestead, to be eligible for
4.28 the refund but only if the refund is sent by electronic payment to the county where
4.29 the homestead on which property taxes are delinquent is located, to be applied to the
4.30 claimant's delinquent taxes under section 280.39.

4.31 **EFFECTIVE DATE.** This section is effective for claims based on taxes payable in
4.32 2008 and thereafter.