Tax-Forfeit Land and Delinquent 16 Item Bill Summary

Section 1. Electronic stamps

This provision states that any postage not accompanied by a USPS postmark cannot be used as proof of timely mailing. This corrects the statute so that electronic stamps are handled in the same manner as privately metered mail and prevent people from back-dating postage machines when sending tax payments.

Sec. 2, 3. Conditions on obtaining confession of judgment (residential)

People entering into confessions of judgement often do not understand the obligations and may be out of compliance with applicable property codes and requirements. This provision would permit but not require Counties to develop written policies requiring compliance with local housing codes, rental licensing requirements, and require financial literacy counseling for those individuals and decrease the current high default rate.

Sec. 4. Targeted Neighborhood/Community

Technical change replacing the outdated phrase "targeted neighborhoods" based on 1980's census data to the currently used "targeted communities."

Sec. 5, 6. Five week redemption

Adds the word "county" to subdivision 2, enabling counties to bring the legal actions seeking court ordered five week redemption period for abandoned properties subject to unredeemed tax judgment sales.

~~Sec. 7. Option to direct a business to cease operations upon forfeiture~~

~~This provision limits liability and provides legal protection for Counties when a property with a high risk business tax-forfeits.~~ Section 7 was deleted after business groups approached the MACO lobbying team with strong opposition. After removing the section, lobbyists representing these groups testified they supported the change and the remaining provisions.

Sec. 8. Grain Elevator

If a property tax-forfeits, any government entity owner required to manage such property is not bound to any agreement or easement to maintain the property with public funds. This provision relates to a forfeited grain elevator with an easement requiring mechanical upkeep.

Sec. 9. Limited Right of Entry

This provision would allow the County Auditor to enter properties subject to unredeemed tax judgement sales. It is modeled after existing lender/mortgage holder authority and would allow the county to address nuisance properties earlier, deter waste, and may preserve property value.

Sec. 10. Alternative TFL Sale Methods

The County Board may, by resolution, list and sell tax-forfeited lands by alternative means, including real estate brokers which will encourage the sale and use tax-forfeit land. Currently, the only allowed method for selling tax-forfeited land is a public auction process which can be intimidating and risky for prospective homeowners.

~~Sec. 11. State deeds/buyer financing~~

~~Allows the Department of Revenue to produce required closing documents in conjunction with the closing rather than after. The county auditor shall hold the conveyance document until it is requested from a title company licensed to do business in MN.~~

This section was removed from the TFL package after the Department of Revenue expressed concerns about the provision. However, DOR and MACO have agreed to work out the details of the provision during the interim and bring the provision forward during the 2018 Legislative Session provided an agreement can be reached.

Sec. 12, 15. Online Auctions

Permissive language allowing a county board to sell tax-forfeited lands through an online auction. All notice requirements, both physical and online, must be posted.

Sec. 13. Prohibited Purchasers

Allows counties to prohibit individuals from purchasing tax-forfeit property at auction based on County Auditor or County Board criteria. Examples of potential criteria include: delinquent property taxes, a revoked rental license, or previous cancellation of a purchase contract.

Sec. 14. Sale of Public Waters Land

A county may sell land on or adjacent to public waters with the written authorization from the Commissioner of the DNR following any public notice requirements without needing special legislation.

Sec. 16, 17. Restrict available time to repurchase

This provision would shorten the time period permitted for the owner to repurchase the tax forfeited home from one year to six months to better align with existing classification and sale provisions and help facilitate faster return of properties to productive re-use. This provision would shorten the time period AFTER forfeiture for former owners of non-homestead properties to apply for repurchase to six months.

Sec. 18, 19. Expand Landlord-Tenant holdover to include Tax Forfeit Land

Clarification of a County’s right to possession of a forfeited property after the redemption period expires. This is modeled after similar language for holdover tenants subsequent to expiration of mortgage foreclosure sales.

Sec. 20. Repeal provision related to tax lien certificate sales

This is an outdated provision that has been recently cited in court cases by parties adverse to counties. The repeal of this provision was included in the Department of Revenue’s 2016 policy bill as well.