

**PROPERTY TAX
Ramsey County targeted community
redemption period extended**

March 14, 2023

Department of Revenue
Analysis of H.F. 2495 (Lee, K.) / S.F. 2504 (Hawj) as introduced

	Yes	No
DOR Administrative Costs/Savings		X

Effective beginning the day after Ramsey County adopts a resolution approving the proposed special law.

EXPLANATION OF THE BILL

Under current law, before a parcel of real property is forfeited to the state, there is a redemption period during which delinquent taxes, penalties, and interest may be paid, allowing a property owner to regain title to the parcel free and clear of the delinquent tax lien.

- In most cases, the redemption period is three years.
- However, the period of redemption for all lands located in a targeted community as defined in section 469.201, subdivision 10, except homesteaded lands as defined in section 273.13, subdivision 22, is one year.

Under the proposal, the period of redemption would be three years for all lands that are, or previously were, located in a targeted community in Ramsey County and are subject to possible forfeiture resulting from delinquent property taxes for taxes payable in 2021 or later.

REVENUE ANALYSIS DETAIL

- Under the proposal, Ramsey County might collect more delinquent property taxes, penalties, and interest while potentially forgoing the proceeds from some sales of tax-forfeited property.
- The proposal would not impact local government aids administered by the Department of Revenue.
- However, distributions of local revenue to school districts reduce state-paid general education aids, so the proposal may impact Department of Education payments to Ramsey County school districts by an unknown amount.

PROPERTY TAX BENCHMARKS (Minn. Stat. § 270C.991)

<i>Transparency, Understandability, Simplicity & Accountability</i>	Neutral
<i>Efficiency & Compliance</i>	Neutral
<i>Equity (Vertical & Horizontal)</i>	Neutral
<i>Stability & Predictability</i>	Neutral
<i>Competitiveness for Businesses</i>	Neutral
<i>Responsiveness to Economic Conditions</i>	Neutral

The bill is scored on a three-point scale (decrease, neutral, increase) for each principle in comparison to current law.

Source: Minnesota Department of Revenue
Property Tax Division – Research Unit

<https://www.revenue.state.mn.us/revenue-analyses>

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