

April 18, 2024

Chair Latz and Members of the Senate Judiciary and Public Safety Committee:

Thank you for the opportunity to submit written testimony in support of Sen. Westlin's SF 4985, modifying distribution of excess proceeds from sales of tax-forfeited property,

Minnesota Realtors® (MNR) was founded in 1919 and is a business trade association with a membership of over 21,000 real estate professionals statewide active in all aspects of the real estate transaction.

In *Tyler v. Hennepin County*, an elderly homeowner lost her condominium to foreclosure and alleged that the county violated the constitutional ban on takings without just compensation when it kept the excess proceeds from the sale of her property that exceeded the tax debt owed. MNR, along with the National Association of Realtors® and the American Property Owners Alliance, filed an amicus brief in support of the property owner's entitlement to the surplus equity, arguing the state statute results in an unconstitutional taking of private property under the Fifth Amendment.

The U.S. Supreme Court ruled unanimously in favor of the homeowner.

MNR supports the passage of legislation this session that responds to the U.S. Supreme Court's decision in *Tyler* and that ensures homeowners receive the surplus equity following tax-forfeiture to which they are entitled. MNR also believes the process should be as simple as possible for the homeowner.

The notification and claim process in SF 4985 (the first engrossment) for returning surplus equity to the homeowner addresses MNR's concern with the process in the bill as introduced, which would have required the homeowner to provide notice by written statement that the homeowner believes the value of their interest in the property may exceed the total amount of the delinquent taxes, fees, and penalties. That requirement may not have been understood or followed by some homeowners in tax forfeiture resulting in those homeowners not receiving the equity to which they are entitled.

Thank you again for the opportunity to provide written testimony on SF 4985.

Sincerely,



Paul Eger
Senior Vice President, Governmental Affairs
Minnesota Realtors®