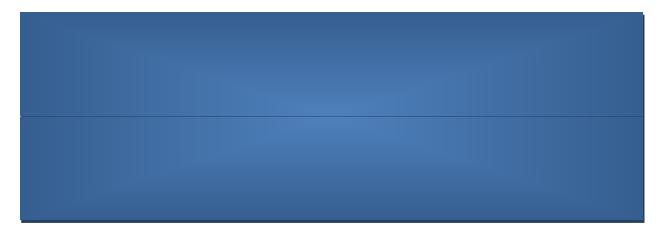
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Annual Report on the Status of Acquisition and Resale of Seized Property Program

Reporting Period: October 1, 2017- December 31, 2018



March 29, 2019

The Honorable Paul Marquart Chair, House Taxes Committee 597 State Office Building

The Honorable Greg Davids GOP Lead, House Taxes Committee 283 State Office Building

The Honorable Roger Chamberlain Chair, Senate Taxes Committee 3225 MN Senate Building

The Honorable Ann Rest Ranking Minority Member Senate Taxes Committee 2217 MN Senate Building The Honorable Lyndon Carlson Chair, House Ways and Means Committee 479 State Office Building

The Honorable Pat Garofalo GOP Lead, House Ways and Means Committee 295 State Office Building

The Honorable Julie Rosen Chair, Senate Finance Committee 2113 MN Senate Building

The Honorable Richard Cohen Ranking Minority Member Senate Finance Committee 2301 MN Senate Building

Dear Committee Chairs:

Minnesota Statute 270C.711 requests the Department of Revenue to provide an annual report on the status of the Acquisition and Resale of Seized Property Program. Under this program, the department will purchase or redeem seized property in which Minnesota has an interest arising from a lien for unpaid tax. The department must preserve the value of seized property while controlling it. Seized property is then resold by the department to satisfy unpaid taxes.

Our last report included the period of October 1, 2106 through September 30, 2017. This report is for the period October 1, 2017 through December 31, 2018. Future reports will include one calendar year (January through December) and will be published within the first quarter of the following year.

This report covers October 1, 2017 through December 31, 2018. During this time, the department placed for public auction real property seized pursuant to tax liens against the same property for the amount of \$141,298.95. Because there was not a purchaser at the auction, pursuant to Minnesota Statutes 270C.7101, subdivision 5(a), the department used \$141,298.95 from the seized property appropriation to purchase the real property and spent \$10,192.06 to preserve the

value and prepare the property to be resold. The \$141,298.95 used from the seized property appropriation was then received by the department and applied to the unpaid tax that gave rise to the tax lien. This cleared the title of the real property such that the property can be resold.

The next annual report will include the amount received when the department resells the real property. The sales price will first be applied to the department's expenses, including the expenses of \$141,298.95 and \$10,192.06 reported here. Any amount that exceeds the department's expenses will be applied to additional tax amounts.

Sincerely,

Jenny Starr

Assistant Commissioner