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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 1773

02/27/2017 Authored by Anderson, S.,
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; Tax Court; clarifying the notice date for certain appeals;
1.3 allowing alternative proof of timely mailing; increasing small claims jurisdiction;
1.4 amending Minnesota Statutes 2016, sections 271.06, subdivisions 2, 2a; 271.08,
1.5 subdivision 1; 271.21, subdivision 2.

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

1.7 Section 1. Minnesota Statutes 2016, section 271.06, subdivision 2, is amended to read:

1.8 Subd. 2. **Time; notice; intervention.** Except as otherwise provided by law, within 60
1.9 days after the notice of the making and filing date of an order of the commissioner of revenue,
1.10 the appellant, or the appellant's attorney, shall serve a notice of appeal upon the commissioner
1.11 and file the original, with proof of such service, with the Tax Court administrator or with
1.12 the court administrator of district court acting as court administrator of the Tax Court;
1.13 provided, that the Tax Court, for cause shown, may by written order extend the time for
1.14 appealing for an additional period not exceeding 30 days. For purposes of this subdivision,
1.15 "notice date" has the meaning given in section 270C.35, subdivision 3. The notice of appeal
1.16 shall be in the form prescribed by the Tax Court. Within five days after receipt, the
1.17 commissioner shall transmit a copy of the notice of appeal to the attorney general. The
1.18 attorney general shall represent the commissioner, if requested, upon all such appeals except
1.19 in cases where the attorney general has appealed in behalf of the state, or in other cases
1.20 where the attorney general deems it against the interests of the state to represent the
1.21 commissioner, in which event the attorney general may intervene or be substituted as an
1.22 appellant in behalf of the state at any stage of the proceedings.

1.23 Upon a final determination of any other matter over which the court is granted jurisdiction
1.24 under section 271.01, subdivision 5, the taxpayer or the taxpayer's attorney shall file a

2.1 petition or notice of appeal as provided by law with the court administrator of district court,
 2.2 acting in the capacity of court administrator of the Tax Court, with proof of service of the
 2.3 petition or notice of appeal as required by law and within the time required by law. As used
 2.4 in this subdivision, "final determination" includes a notice of assessment and equalization
 2.5 for the year in question received from the local assessor, an order of the local board of
 2.6 equalization, or an order of a county board of equalization.

2.7 The Tax Court shall prescribe a filing system so that the notice of appeal or petition filed
 2.8 with the district court administrator acting as court administrator of the Tax Court is
 2.9 forwarded to the Tax Court administrator. In the case of an appeal or a petition concerning
 2.10 property valuation for which the assessor, a local board of equalization, a county board of
 2.11 equalization or the commissioner of revenue has issued an order, the officer issuing the
 2.12 order shall be notified of the filing of the appeal. The notice of appeal or petition shall be
 2.13 in the form prescribed by the Tax Court.

2.14 **EFFECTIVE DATE.** This section is effective for notices of appeals filed after June
 2.15 30, 2016.

2.16 Sec. 2. Minnesota Statutes 2016, section 271.06, subdivision 2a, is amended to read:

2.17 Subd. 2a. **Timely mailing treated as timely filing.** (a) If, after the period prescribed by
 2.18 subdivision 2, the original notice of appeal, proof of service upon the commissioner, and
 2.19 filing fee are delivered by United States mail to the Tax Court administrator or the court
 2.20 administrator of district court acting as court administrator of the Tax Court, then the date
 2.21 of filing is the date of the United States postmark stamped on the envelope or other
 2.22 appropriate wrapper in which the notice of appeal, proof of service upon the commissioner,
 2.23 and filing fee are mailed.

2.24 (b) This subdivision applies only if the postmark date falls within the period prescribed
 2.25 by subdivision 2 and the original notice of appeal, proof of service upon the commissioner,
 2.26 and filing fee are, within the time prescribed by subdivision 2, deposited in the mail in the
 2.27 United States in an envelope or other appropriate wrapper, postage prepaid, properly
 2.28 addressed to the Tax Court administrator or the court administrator of district court acting
 2.29 as court administrator of the Tax Court.

2.30 (c) Only the postmark of the United States Postal Service qualifies as proof of timely
 2.31 mailing under this subdivision. Private postage meters do not qualify as proof of timely
 2.32 filing under this subdivision. If the original notice of appeal, proof of service upon the
 2.33 commissioner, and filing fee are sent by United States registered mail, the date of registration
 2.34 is the postmark date. If the original notice of appeal, proof of service upon the commissioner,

3.1 and filing fee are sent by United States certified mail and the sender's receipt is postmarked
3.2 by the postal employee to whom the envelope containing the original notice of appeal, proof
3.3 of service upon the commissioner, and filing fee is presented, the date of the United States
3.4 postmark on the receipt is the postmark date. If the envelope or other wrapper in which the
3.5 notice of appeal, proof of service upon the commissioner, and filing fee are mailed do not
3.6 contain a postmark of the United States Postal Service but are delivered by United States
3.7 mail to the Tax Court administrator or the court administrator of the district court acting as
3.8 court administrator of the Tax Court, then the date of mailing qualifies as timely filed under
3.9 this subdivision, if proof of mailing within the time prescribed by subdivision 2 is provided
3.10 by affidavit of the petitioner or counsel.

3.11 (d) A reference in this section to the United States mail must be treated as including a
3.12 reference to any designated delivery service and a reference in this section to a postmark
3.13 by the United States Postal Service must be treated as including a reference to any date
3.14 recorded or marked by any designated delivery service in accordance with section 7502(f)
3.15 of the Internal Revenue Code.

3.16 **EFFECTIVE DATE.** This section is effective for petitions and appeals filed after June
3.17 30, 2017.

3.18 Sec. 3. Minnesota Statutes 2016, section 271.08, subdivision 1, is amended to read:

3.19 Subdivision 1. **Written order.** The Tax Court, except in Small Claims Division, shall
3.20 determine every appeal by written order containing findings of fact and the decision of the
3.21 Tax Court. A memorandum of the grounds of the decision shall be appended. Notice of the
3.22 entry of the order and of the substance of the decision shall be mailed to all parties. A motion
3.23 for rehearing, which includes a motion for amended findings of fact, conclusions of law,
3.24 or a new trial, must be served by the moving party within ~~45~~ 30 days after mailing of the
3.25 notice by the court as specified in this subdivision, and the motion must be heard within 30
3.26 days thereafter, unless the time for hearing is extended by the court within the 30-day period
3.27 for good cause shown.

3.28 **EFFECTIVE DATE.** This section applies to notices mailed after June 30, 2017.

3.29 Sec. 4. Minnesota Statutes 2016, section 271.21, subdivision 2, is amended to read:

3.30 Subd. 2. **Jurisdiction.** At the election of the taxpayer, the Small Claims Division shall
3.31 have jurisdiction only in the following matters:

3.32 (a) cases involving valuation, assessment, or taxation of real or personal property, if:

4.1 (i) the issue is a denial of a current year application for the homestead classification for
4.2 the taxpayer's property;

4.3 (ii) only one parcel is included in the petition, the entire parcel is classified as homestead
4.4 class 1a or 1b under section 273.13, and the parcel contains no more than one dwelling unit;

4.5 (iii) the entire property is classified as agricultural homestead class 2a or 1b under section
4.6 273.13; or

4.7 (iv) the assessor's estimated market value of the property included in the petition is less
4.8 than \$300,000; or

4.9 (b) any case not involving valuation, assessment, or taxation of real and personal property
4.10 in which the amount in controversy does not exceed ~~\$5,000~~ \$15,000, including penalty and
4.11 interest.

4.12 **EFFECTIVE DATE.** This section is effective for petitions and appeals filed after June
4.13 30, 2017.