



# House Bill 4056

Surplus Proceeds of Property Tax Foreclosure

April 17, 2024

# Agenda

- 01** Welcome
- 02** Provisions of HB 4056 and role of DOR
- 03** Current foreclosure process - DOR
- 04** Overview of *Tyler v. Hennepin Co.* - LRO
- 05** Goal(s) of HB 4056 discussion - Guests
- 06** Other issues - Guests
- 07** Wrap-up

# HB 4056(2024)



Counties to establish a process:

- Determine surplus of proceeds after property sale due to property tax lien foreclosure;
- Notice of surplus to interested parties;
- Determine right to surplus; and
- Deposit surplus into account until amount and distribution have been determined



DOR to coordinate with county tax officers and interested parties:

- Determine a uniform process; and
- Report to the legislature by September 15 on recommendations

# HB 4056 Meetings and Report



Will be recorded; posted on DOR website; part of report



Interested parties and meeting topics – drawn from testimony



Approach each topic separately – unless directed otherwise



Meeting dates and materials on DOR website – send us information to distribute



Report – draft available in late-August for review by anyone; Submit final by September 13

# HB 4056 Possible Meeting Topics



What – How to determine fair market value and surplus; Maximizing value; Costs that can be deducted from sale



Who – Definition of claimant; Liens; Heirs



How – General interest in notice and outreach; Language; Notices to former owners, family members, and heirs; Disproportionate impact on older people and communities of color



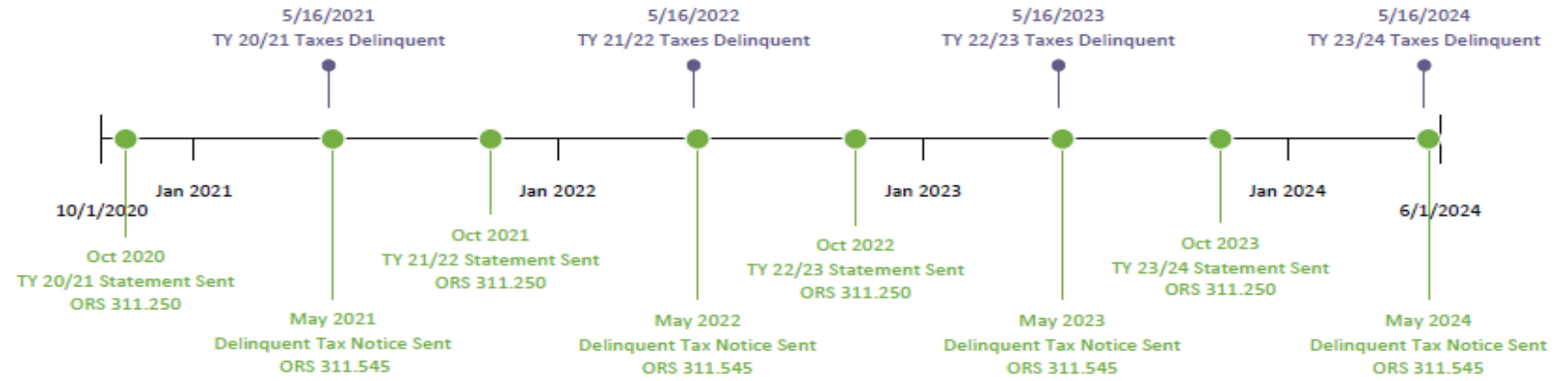
When – Length of statute of limitations



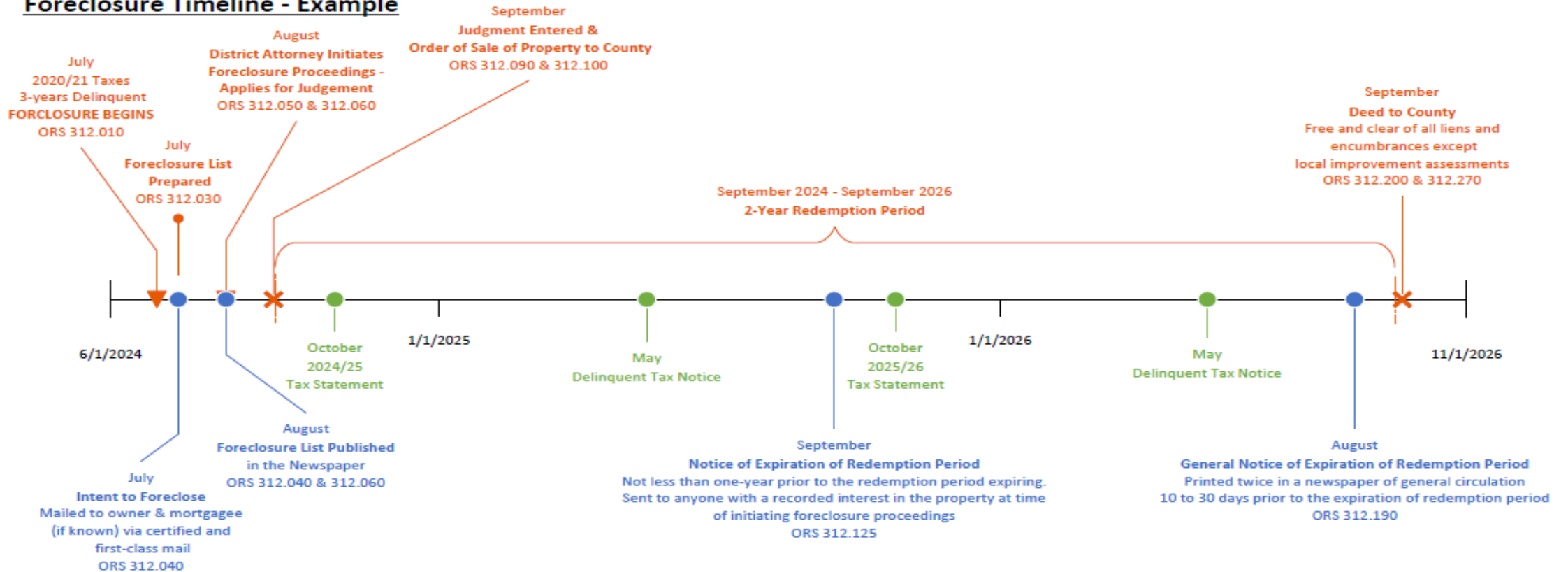
Other Topics – Oversight; Unusual properties; Homeowner assistance; Changing foreclosure process

## Tax Statement and Notice Example – Pre Foreclosure

- The tax year runs July 1 – June 30
- Tax statements are mailed annually by October 25
- Taxes are payable in trimester installments due Nov. 15, Feb. 15, & May 15
- Taxes are delinquent when any balance remains unpaid on May 16 of the tax year
- Delinquent tax notices are mailed annually after May 16



## Foreclosure Timeline - Example



# Overview of *Tyler v. Hennepin County, MN*

Beau Olen, Economist

Legislative Revenue Office

# Goal of HB 4056 discussion



Response to *Tyler v. Hennepin*  
– distribution of surplus after a  
sale



Entire foreclosure process  
including surplus after a sale



# Next meetings

- Wednesday, May 1
- Wednesday, May 22
- Wednesday, June 26
- Wednesday, June 17
- Wednesday, August 14
- Others – as needed
- Report due by Friday, September 13



## Questions?

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