



TAX-FORFEITED PROPERTY PROCEEDS

Minnesota, Maryland , & California



TYLER V. HENNEPIN COUNTY

- Geraldine Tyler owed \$15,000 in unpaid real estate taxes, interest, and penalties
- Hennepin County seized Tyler's property
- The property was sold for \$40,000
- Hennepin County kept the excess proceeds
- Tyler sued Hennepin County
- US Supreme Court held that Hennepin's retention of proceeds was unlawful

MINNESOTA LEGISLATURE

HF 4822

Response to Tyler

The Minnesota Legislature moved to come into compliance with the US Supreme Court's ruling, working with stakeholders to come to a solution.

Public Auction

- A public auction is required by the proposed legislation
- Parcels can be repurchased before an auction
- Otherwise, the county auditor will put the property up a minimum bid.

Notification

- If the public auction results in a surplus, the county auditor must notify interested parties
- Interested parties can then submit a claim on the surplus
- Claim disputes are resolved by county auditor or courts

MINNESOTA LEGISLATURE

HF 4822

Interested Party

Including but not limited to:

- Property owner
- Lienholder
- Other party who has filed

Mineral Interest

Any interest in minerals including but not limited to:

- Iron
- Gas
- Coal
- Copper
- Gold or other valuable minerals

Minimum Bid

The sum of delinquent taxes, special assessments, penalties, interests, and cost assessed on parcel

MINNESOTA LEGISLATURE

HF 4822

Opposition

- Initial opposition was against the burden placed on property owners
- Amended to required notification as a result

Support

- Bipartisan authorship and support
- Minnesota Realtors
- Pacific Legal Foundation
 - Both initially in opposition until amendment

Current status

Waiting on final engrossment from Ways and Means

MN LEGISLATURE'S "TYLER SETTLEMENT"

Purpose:

Paying back
foreclosed
property owners

Amount:

\$109 million

Time frame:

7 years

Reasoning:

State responsibility
for state statute

MARYLAND TAX LAW

MD. R. PROP. SALES 14-216

Distribution of Surplus

- Interested parties may file a claim on the excess proceeds of the sale before finalization
- Distributed equally among claimants

Deficiency Judgement

- Within 3 years of final ratification of auditor's report
- Parties may file a motion if proceeds are insufficient to debts and accrued interest

No Required Notification Provision

CALIFORNIA TAX LAW

SECTION 4675

Distribution of Surplus

- Interested parties may file a claim on the excess proceeds of the sale within 1 year of recordation
- Claim in proportion to interest held with others of equal priority
- Any attempted claim that does not comply with requirements will have no effect

Priority Order

1. Lien holders
2. Title of record holders prior to recordation of tax deed

No Required Notification Provision

An aerial photograph of a city at dusk, with a blue and purple color palette. The city features a mix of modern skyscrapers and older, lower-rise buildings. A river is visible on the left side, and a bridge spans across it. The sky is filled with soft, dark clouds. The text 'THANK YOU!' is overlaid in a bold, yellow, sans-serif font, centered in the middle of the image.

THANK
YOU!