



## Minnesota Tax Forfeiture Process for Homeowners

### What is tax forfeiture?

Tax forfeiture is the process by which the state takes ownership of a property if property taxes are not paid. In Minnesota the tax forfeiture process generally takes up to 5 years for homestead classified properties, and is outlined below.

### When do property taxes become delinquent?

Property taxes not paid in the year they are due are delinquent on the first business day of the following year.

### What is the tax forfeiture process?

The county publishes two separate notices of delinquency in a newspaper designated by the County Board. The first notice is published on or before March 20; the second publication is at least two weeks after the first. The homeowner will also be notified by mail. The homeowner has 20 days from the second publication to contest the delinquency in District Court. If the homeowner does not contest, the District Court enters a judgment against the property in May. A tax judgment sale is held on the Second Monday in May following the District Court judgment. After the tax-judgment sale the redemption period begins.

### What is the redemption period?

The redemption period is 5 years for homestead property (there are exceptions for certain Minneapolis and St. Paul neighborhoods, or abandoned property). Contact the county auditor's office to verify the redemption period because the timeframe varies for different types of property. At any time during the redemption period the owner can pay the delinquent taxes to prevent forfeiture. Before the period of redemption expires, the homeowner receives a "Notice of Expiration of Redemption" and the county auditor is required to mail one last warning to the homeowner.

A property forfeits to the state when the redemption period expires or 60 days after the final warning is sent, whichever is later. If the property is forfeited to the state, the homeowner has an option to repurchase the property, but it is not a guarantee. Contact the county auditor's office for more information. If the homeowner does not repurchase the property the county will sell it. The homeowner is not entitled to any proceeds from the sale.

### How can I prevent tax forfeiture?

The homeowner is eligible to pay all delinquent taxes and fees or enter into a payment agreement by "confessing" the judgment. Full payment or the confession of judgment can be done any time after the taxes become delinquent and up until the redemption period ends. By confessing the judgment the homeowner agrees to pay the entire judgment and gives up any right to contest the delinquent amount.

To enter into a "confession of judgment," the homeowner must pay one-tenth of the delinquent taxes, penalties and fees and the current year's taxes and penalties. This payment plan replaces the redemption period and must be paid in a 10-year installment plan for homestead properties.

*Note: This page provides general information on homestead property and is not intended as legal advice. Consult a competent legal professional for advice specific to your situation.*

For more information contact a Housing Counselor in your area by calling the Minnesota Home Ownership Center today: 651-659-9336 or 866-462-6466 or [www.hocmn.org](http://www.hocmn.org)