



April 3, 2025

House File 2959

Dear Co-Chair Scott and Co-Chair Liebling, Co-Vice Chair Hudson, Co-Vice Chair Frazier,

Our organizations represent tens of thousands of residents, employers and property taxpayers across the state of Minnesota. Communities large and small rely on the taxes we pay to fund our schools, roads, and transit systems, to name a few.

We write to encourage you to support House File 2959.

The bill fixes statutory language to reflect the legislative purpose and intent of classifying private data as nonpublic in court proceedings. Every moment this language goes unchecked, more private data is exposed – most of the time without the knowledge of the party impacted by the breach.

The nonpublic information made public in tax proceedings includes individual rental agreements, tenant improvement (TI) benefits, total income generated and reams of additional data. When this data is breached, it creates a competitive disadvantage to the taxpayer. It's the equivalent of giving away the secret 11 herbs and spices of KFC.

In reviewing this matter, the Minnesota Supreme Court Justice Paul Thissen (former Speaker of the Minnesota House), expressed concern that even allowing assessors to use third-party nonpublic data in their trial appraisal reports under the limited statutory exception relating to "assessor's records" was fundamentally inconsistent with the legislative purpose and intent of classifying the data as nonpublic and protecting it in the first place. It is for this reason, he recommended the Legislature fix the language to provide clarity for the future.

We ask you to take action today to resolve this issue and keep nonpublic data private.



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April 2, 2025

Minnesota Judiciary Finance & Civil Law Committee
Attn. Committee Chair Scott & Committee Members

Re: Support for HF 2959

Committee Chair Scott and Members of the Committee,

I write in support of HF 2959. My name is Lane Thor. I grew up in St. Paul and now live in the north Metro. I have a Master's in Public Administration from Hamline University and a Master's in Real Estate from The University of St. Thomas. Currently, I serve as a Director for Ryan, a global tax services and software provider.

With nearly 19 years of experience in property tax valuation and administration, I have handled thousands of tax appeals. As both a former assessor and as a consultant, my goal has always been to ensure taxpayers pay their fair share.

As a Minnesotan supporting equity and fairness in property tax laws, I urge the committee to amend Minnesota Statute Section 278.05, subdivision 6, known as the "August 1st Rule." This change is necessary to treat all property tax appeals more fairly.

The tax court has labeled the August 1st Rule penalty as "Extraordinary"¹ and "Draconian"² and that it "leaves no doubt that the Legislature intends a harsh remedy for non-compliance and we have imposed that remedy when warranted."³

When drafting the August 1st Rule, I do not believe that this Legislature intended to create such a severe punishment for small and technical infractions of this law. For example, a property tax appeal can be dismissed if the Petitioner, by accident, submits income or rent roll information for the wrong year. However, infractions can be resolved in an expeditious manner by having

¹ CWI, Inc., and Camping World RV Sales, LLC vs. County of Anoka (2022). p.5.

² Shores Resort Company vs. County of Lake (2024). p.4.

³ *id at 2*

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petitioners supplement or correct their August 1st submissions. Doing so would not result in any prejudice to assessors.

In addition, from the cases I could find using Westlaw, I believe the Minnesota Tax Court has issued 23 decisions related to the August 1 Rule since 2020. Of these 23 cases, counties have prevailed 20 times, resulting in the petitioners' cases being dismissed. Note that these are just the cases that the Minnesota Tax Court has ruled on. It is highly likely that, when a petitioner is faced with a motion to dismiss based upon their August 1 disclosures, that they voluntarily dismiss their appeals given their dismal odds of success.

Finally, I understand that the initial purpose of the August 1 Rule was to increase the efficiency of information sharing between petitioners and assessors. With these proposed changes, the law accomplishes this exact goal.

Thank you for your time and consideration.

Respectfully,

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