

Subject Government data practices: property tax proceedings

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Overview

This bill concerns the use of income property assessment (IPA) data in property tax litigation.

IPA data is maintained by county assessors and are sensitive business information that are currently classified as private or nonpublic under the Government Data Practices Act (GDPA). *See* § 13.51, subd. 2. However, assessors routinely use IPA data about *other* properties to establish the taxable value of a given property. If the owner of the given property challenges the assessment, the owner typically asks for an understanding of the assessor’s rationale, which would include the underlying IPA data the assessor relied on, despite its protected classification.

Section 278.05, subdivision 3, allows assessors’ records (e.g. IPA data) to be produced in discovery and admitted as evidence at trial. *See also* § 13.4965, subd. 4 (stating that disclosure of assessor records for litigation purposes is governed by § 278.05); *G&I IX OIC LLC v. Cnty. of Hennepin*, 979 N.W.2d 52, 63 (Minn. 2022) (“[section 278.05, subdivision 3] permits assessor's records, such as an expert appraisal report, to be admitted at trial inclusive of any nonpublic data that they may contain”).

At the same time, however, section 13.03, subdivision 6, of GDPA prescribes a “balancing test” for whether not-public data are discoverable in civil actions, and the Minnesota Supreme Court has previously held that this balancing test is “mandatory” for assessor’s records in the context of litigation. *See Montgomery Ward & Co. v. Cnty. of Hennepin*, 450 N.W.2d 299, 306 (Minn. 1990); *see also EOP-Nicollet Mall, L.L.C. v. Cnty. of Hennepin*, 723 N.W.2d 270, 279 (Minn. 2006) (upholding the Tax Court’s use of the balancing test to order disclosure of assessor’s records before trial).

This bill would amend various statutes around the use of IPA data in property tax litigation, seeking to clarify how not-public data should be treated in property tax proceedings.

Summary

Section	Description
1	<p>Income property assessment data.</p> <p>Amends the list of IPA data classified as private or nonpublic.</p>
2	<p>Request for legal discovery of income property assessment data.</p> <p>At § 13.03, subd. 6, there is a general balancing test for the discovery of nonpublic data in court proceedings. This section would avoid that balancing test and require production when the data sought is the IPA data classified under section 1 of the bill. But this section also limits a person’s ability to use or disseminate that data outside the bounds of the underlying legal proceeding. Furthermore, in a Tax Court proceeding, this section requires a person seeking to admit IPA data to have a protective order from the court.</p>
3	<p>Hearings; protective orders required; determination of issues; default.</p> <p>In an appeal to the Tax Court, requires the court to issue protective orders to protect IPA data.</p>
4	<p>Assessor’s records; protective orders required; evidence.</p> <p>In a petition relating to real property taxes, requires the Tax Court to issue protective order to protect IPA data. Provides a definition of “assessor’s records” for purposes of this subdivision.</p>
5	<p>Dismissal of petition; exclusion of certain evidence.</p> <p>Gives a petitioner in a contest regarding the valuation of income-producing property the opportunity to correct a deficiency in information required to be provided to the county assessor.</p>



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