

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2313
Version: As introduced

DATE: March 13, 2012

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Subject: Interest rate on delinquent property taxes

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Overview

Reduces the interest rate for delinquent property taxes to be in the range of 4 percent to 7 percent.

- 1** **Rate.** Under current law, each year the interest rate on delinquent property taxes is set to equal the prime rate charged by banks for the six months ending September 30 of the previous year, subject to a minimum rate of 10 percent and a maximum rate of 14 percent. H.F. 2313 retains the linkage to the prime rate, but resets the minimum rate to 4 percent and the maximum rate to 7 percent, beginning January 1, 2013. The interest rate applies to the unpaid property tax itself, plus any penalties that have been incurred.
- 2** **Composite judgment.** Provides that the interest rate determination under subdivision 1 applies to composite judgments confessed on or after January 1, 2013.