

STATE OF MINNESOTA
IN SUPREME COURT

A19-1877
A19-1878

Court of Appeals

Thissen, J.
Took no part, Anderson, J.

Walmart Inc.,

Appellant,

vs.

Filed: August 18, 2021
Office of Appellate Courts

Winona County,

Respondent,

Martin County,

Respondent.

Edward F. Fox, Mark R. Bradford, Bassford Remele, P.A., Minneapolis, Minnesota, for appellant.

Marc J. Manderscheid, Andrew M. Carlson, Taft Stettinius & Hollister LLP, Minneapolis, Minnesota; and

Karin Sonneman, Winona County Attorney, Paul Ellison, Assistant County Attorney, Winona, Minnesota; and

Terry W. Viesselman, Martin County Attorney, Fairmont, Minnesota, for respondents.

Mahesha P. Subbaraman, Subbaraman PLLC, Minneapolis, Minnesota, for amicus curiae Alliance Property Consultants, Inc.

Diana L. Longrie, Longrie Law Office, Maplewood, Minnesota, for amicus curiae Chambers Self-Storage Oakdale, LLC.

Anthony C. Paulmbo, Anoka County Attorney, Jason J. Stover, Christine Carney, Assistant County Attorney, Anoka, Minnesota; and

James C. Backstrom, Dakota County Attorney, Suzanne W. Schrader, Assistant County Attorney, Hastings, Minnesota; and

Michael O. Freeman, Hennepin County Attorney, Sara L. Bruggeman, Assistant County Attorney, Minneapolis, Minnesota; and

Peter J. Orput, Washington County Attorney, James Zuleger, Assistant County Attorney, Stillwater, Minnesota, for amicus curiae Minnesota County Attorneys Association.

S Y L L A B U S

Appellant's constitutional claims asserting discrimination in the tax assessments of its properties that violates the Equal Protection Clause, U.S. Const. amend. XIV, § 1, and the Uniformity Clause, Minn. Const. art. X, § 1, are subject to the limitations period set forth in Minn. Stat. § 278.01, subd. 1(c) (2020), and, consequently, are barred as untimely.

Affirmed.

O P I N I O N

THISSEN, Justice.

Appellant Walmart, Inc. owns real property improved with a Walmart Supercenter store in respondents Martin County and Winona County (the Counties). In this consolidated appeal, Walmart claims that, for tax purposes, the Counties overvalued the properties, or unfairly or unequally assessed the value of the properties as compared with other similarly situated properties. Walmart alleges that the Counties engaged in willful, intentional, unlawful, or systematic discrimination in their tax assessments and asserts that

such discrimination violates the Equal Protection Clause and Walmart’s right to uniformity in taxation. *See* U.S. Const. amend. XIV; Minn. Const. art. X, § 1.

Walmart contends that it may proceed with its constitutional claims independent of the statutory remedy in Minn. Stat. ch. 278 (2020), which provides a means to challenge property tax assessments. It accordingly argues that the statutory deadline for bringing such challenges set forth in Minn. Stat. § 278.01, subd. 1(c) (2020), does not apply to its constitutional claims. We disagree. We hold that if a taxpayer’s challenge to a property tax assessment is a claim of unfair or unequal assessment, chapter 278 provides the exclusive remedy for such a challenge, even if the challenge is framed as a constitutional violation of the taxpayer’s right to equal protection or uniformity in taxation. Because Walmart’s claims allege that the Counties have unfairly or unequally assessed its properties, they are subject to the limitations period of chapter 278 and are time-barred. Accordingly, we affirm the decision of the court of appeals.

FACTS

Walmart owns real property improved by Supercenter stores in Fairmont (Martin County) and Winona (Winona County) (the Properties). Walmart alleges that, for tax years 2013 through 2018, the Counties “willfully, intentionally, and unlawfully” discriminated against the company by placing an assessed value greater than market value on the Properties or by unfairly or unequally assessing the value of the Properties as compared with other similarly situated properties. Specifically, Walmart alleges in each complaint:

The . . . County Assessor’s 2013 through 2018 valuations and assessments of [Walmart’s] Real Property intentionally and systematically discriminated against [Walmart’s] Real Property as compared to similarly situated

properties of the same class in the same taxing district, resulting in prohibited unequal assessments as evidenced by the Comparison Chart These disparities and discriminatory, unequal assessments are the result of valuing [Walmart’s] Real Property at substantially more than its actual, fair market value or, in the alternative, valuing similar properties at substantially less than their actual, fair market value.

Walmart attached an “Unequal Assessment and Lack of Uniformity Chart” for each property that allegedly “demonstrate[d] the gross disparity between [the Counties’] 2013 through 2018 assessments of [Walmart’s] Real Property and the actual market sales and assessments of similar real property” in the respective counties as well as statewide. Walmart alleges that this unequal treatment is intentional and violates its equal protection rights under section 1 of the Fourteenth Amendment to the United States Constitution and its right to uniformity in taxation under Article 10, section 1, of the Minnesota Constitution.

Walmart filed its complaints in district court in May 2019. The Counties moved to dismiss Walmart’s complaints under Rule 12.02(e) of the Minnesota Rules of Civil Procedure. The district courts in Martin County and Winona County concluded that Walmart’s complaints challenged its property tax assessments and thus were subject to section 278.01, including the time-bar under that statute that requires a property tax challenge to be filed on or before April 30 of the year in which the tax becomes payable, Minn. Stat. § 278.01, subd. 1(c). Because Walmart filed its claims after that date, the district court granted the Counties’ motions and dismissed the complaints.

Walmart appealed both orders. In a consolidated appeal, the court of appeals affirmed. *Walmart Inc. v. Winona Cnty.*, Nos. A19-1877, 19-1878, 2020 WL 3956251, at *1 (Minn. App. July 13, 2020). The court of appeals agreed with the district courts that

Walmart’s claims fell within the scope of section 278.01 and were barred by the limitations period for claims under that section. *Id.* The court of appeals did not reach Walmart’s separate argument that chapter 278 does not apply because a taxpayer may bring its equal protection and uniform taxation claims independently of the statutory remedy provided by chapter 278—a possibility left open by our decision in *Programmed Land, Inc. v. O’Connor*, 633 N.W.2d 517, 529–30 (Minn. 2001). *Walmart*, 2020 WL 3956251, at *7. Instead, the court of appeals concluded that Walmart failed to plead its constitutional claims sufficiently. *Id.* We granted Walmart’s petition for review.¹

ANALYSIS

This case comes to us from the court of appeals after the district courts granted the Counties’ motions to dismiss Walmart’s complaint for failure to state a claim under Minn. R. of Civ. Proc. 12.02(e). We review a district court’s dismissal for failure to state a claim de novo. *Bodah v. Lakeville Motor Express, Inc.*, 663 N.W.2d 550, 553 (Minn. 2003). A party fails to state a claim under Rule 12.02(e) when its complaint does not “set forth a legally sufficient claim for relief.” *Id.* “We accept factual allegations in the complaint as true and construe all reasonable inferences in favor of the nonmoving party.” *Walsh v. U.S. Bank, N.A.*, 851 N.W.2d 598, 606 (Minn. 2014).

¹ The court of appeals also affirmed the district courts’ decisions that Walmart failed to state a claim for relief under 42 U.S.C. § 1983. *Walmart*, 2020 WL 3956251, at *11. Although Walmart asserts in its brief to our court that the court of appeals erred by upholding the dismissal of its section 1983 claim, Walmart did not raise this issue in its petition for review. Thus, this claim is forfeited, and we do not address Walmart’s arguments regarding its section 1983 claim. *See Tatro v. Univ. of Minn.*, 816 N.W.2d 509, 515 (Minn. 2012); *Anderly v. City of Minneapolis*, 552 N.W.2d 236, 239–40 (Minn. 1996).

The central question in this case is as follows: Do Walmart's claims that the Counties willfully, intentionally, and unlawfully discriminated against the company in violation of the Equal Protection Clause of the Fourteenth Amendment to the United States Constitution and the Uniformity in Taxation Clause of Article X, section 1, of the Minnesota Constitution fall within the scope of chapter 278, such that Walmart is subject to the limitations period set forth in section 278.01? This is a question of law, which we review de novo. *See Programmed Land*, 633 N.W.2d at 522.

We begin with an overview of the statutory route to challenge a property tax assessment. Chapter 278 provides a mechanism for taxpayers to challenge assessments levied on their properties based on one of five enumerated grounds: (1) the property tax was partially, unfairly, or unequally assessed; (2) the assessed property was overvalued; (3) the property tax is illegal; (4) the taxpayer already paid the tax; or (5) the property is exempt from property tax. *See* Minn. Stat. § 278.01, subd. 1(a) (2020);² *Programmed*

² Subdivision 1(a) provides:

Any person having personal property, or any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class, the portion of the county excluding the first class city, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of the claim, defense, or objection determined by the district court of the county in which the tax is levied or by the Tax Court by serving one copy of a petition for such determination upon the county auditor, one copy on the county attorney, one copy on the county treasurer, and three copies on the county assessor. The county assessor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is

Land, 633 N.W.2d at 522 (stating that chapter 278 “provides a cause of action to bring five types of challenges to property taxes”). Critical to this case, a challenge to a tax assessment made under chapter 278 must be filed on or before April 30 of the year in which the tax becomes payable. Minn. Stat. § 278.01, subd. 1(c).³ Further, a taxpayer’s chapter 278 challenge must be limited to a single tax year. Minn. Stat. § 278.02 (2020) (“No petition shall include more than one assessment date.”). Walmart filed its complaints, which asserted claims based on the tax assessments levied against the Properties for tax years 2013 through 2018, in May 2019. Because there is no question that Walmart missed the “on or before April 30” filing deadline for the tax years 2013 through 2018, Walmart’s claims are untimely if Walmart is held to the limitations period set forth in chapter 278.

located if that city or town employs its own certified assessor. A copy of the petition shall also be forwarded by the assessor to the school board of the school district in which the property is located.

Minn. Stat. § 278.01, subd. 1(a).

³ The process of calculating, imposing, and collecting annual property taxes spans two calendar years. *See Summit House Apart. Co. v. County of Hennepin*, 253 N.W.2d 127, 129 (Minn. 1977) (stating that there is “a one-year lag between the assessment and the collection of real estate taxes”). For example, taxes payable in 2020 are based on taxes assessed in 2019. The cycle begins on January 2 of the assessment year when the assessor places a value on the property. *See* Minn. Stat. § 273.01 (2020). Property tax statements based on the assessed value (and the tax rate adopted by the taxing entity) are sent to the property owner no later than March of the year following the assessment year—the taxes-payable year—and are due in May and October of that year. *See* Minn. Stat. §§ 276.04, subd. 3 (mailing of tax statements), 279.01, subd. 1 (property tax due dates and penalties for nonconformity) (2020).

Taxpayers have several opportunities over a period of months to challenge the assessed value of the property. The property owner can seek relief directly from the assessor. The taxpayer can appeal in the spring of the assessment year to the local boards of appeal and equalization. Minn. Stat. § 274.01, subd. 1 (2020). Or the taxpayer may appeal directly to the district court or the Minnesota Tax Court. Minn. Stat. § 278.01, subd. 1(a). That appeal must be filed by April 30 of the taxes-payable year. *Id.*

We therefore turn to the question of whether Walmart’s claim that the Counties violated the company’s rights to equal protection and uniform taxation by assessing the Properties differently than other similarly situated properties falls within the scope of one of the five enumerated statutory categories set forth in section 278.01, subdivision 1(a). If a challenge to a property tax assessment is based on one of the five statutory grounds, chapter 278 provides the “exclusive means” for bringing such a challenge. *Programmed Land*, 633 N.W.2d at 523. But we have also said that section 278.01 “does not provide a cause of action for all possible challenges to property taxes.” *Id.*

In *Programmed Land*, and later in *Odunlade v. City of Minneapolis*, 823 N.W.2d 638, 647 (Minn. 2012), we opened the door (albeit in dicta) to the possibility that, if a taxpayer’s claim of an unfair or unequal assessment is framed as a violation of constitutional rights, the taxpayer could challenge the assessment independently of the procedures set forth in chapter 278. Importantly, we did not recognize in *Programmed Land* or *Odunlade* an independent basis for asserting constitutional claims outside of chapter 278. Rather, we simply declined to answer whether taxpayers “may proceed independently under either [constitutional] theory” because we concluded that the alleged assessment errors at issue in those cases did not violate either constitutional provision. *Programmed Land*, 633 N.W.2d at 530; *see Odunlade*, 823 N.W.2d at 647 (“We need not, and do not, decide whether chapter 278 precludes [taxpayers’] constitutional claims because we conclude that these claims fail as a matter of law.”) Today, we answer that question.

We start our analysis by considering how a taxpayer proves an unfair or unequal assessment claim under section 278.01, subdivision 1(a).⁴ A claim of unfair or unequal assessment requires a court to compare the actual market value and tax assessment of the property in question with the actual market value and tax assessment of similarly situated properties. *United Nat'l Corp. v. Cnty. of Hennepin*, 299 N.W.2d 73, 76 (Minn. 1980); *see Programmed Land*, 633 N.W.2d at 530. If the ratio of the assessed value to the actual market value of the property in question is less than the ratio of the assessed value to the actual market value of other comparable properties in the same taxing district, then a claim of unfair or unequal assessment may be stated. *Anacker v. County of Cottonwood*, 302 N.W.2d 342, 345 (Minn. 1981).⁵

This concept of unfair or unequal assessment mirrors the equal protection test for unfair and unequal taxation set forth by the Supreme Court of the United States: a property owner suffers a violation of the Equal Protection Clause when other owners' similarly

⁴ Walmart also alleges that the Counties intentionally overvalued its properties, which is another basis for a claim under section 278.01, subdivision 1(a). An overvaluation claim is demonstrated when the assessed value of the property exceeds the market value of the property. *United Nat'l Corp. v. County of Hennepin*, 299 N.W.2d 73, 77 (Minn. 1980). Generally, while placing an assessed value on a property in excess of its market value violates Minnesota law, it is not a violation of equal protection or uniformity in taxation. *See id.* (stating that our decisions do not support a constitutional claim based solely on a disparity between a market value and a property's selling price). Walmart does not assert a violation that falls within the scope of the other three categories set forth in section 278.01.

⁵ For instance, if the assessed value of the property in question is \$1,000 and its actual market value is \$1,000, but the average assessed value of comparable properties is \$800 and their average market value is \$1,000, then a claim of unfair or unequal assessment may be viable.

situated properties are assessed at a lower rate, where the difference in taxation is shown by comparing the share of total property taxes assessed in a jurisdiction allocated to the first property relative to the value of the property with the share of total property taxes assessed in a jurisdiction allocated to the similarly situated properties relative to the value of those properties. *See Allegheny Pittsburgh Coal Co. v. Cnty. Comm'n of Webster Cnty., W. Va.*, 488 U.S. 336, 345–46 (1989). In other words, the basic operational test to determine whether an assessment is “unfair or unequal” under section 278.01, subdivision 1(a), and the basic operational test to determine whether an assessment violates the constitutional guarantees of equal protection and uniform taxation are the same.

We have also stated that “a taxpayer will not meet the evidentiary burden of establishing a violation of rights protected *under the federal or state constitution*, unless he can demonstrate that the disparity about which he complains resulted from the intentional or arbitrary or systematic undervaluation of other properties.” *United Nat'l Corp.*, 299 N.W.2d at 76 (emphasis added).⁶ And while we have not found in our decisions “any support for the claim that a dual standard, one constitutional and the other statutory, should be applied” in unfair or unequal assessment cases, we have also never definitively decided that a taxpayer must show intentional, arbitrary, or systematic undervaluation of other properties to prove a chapter 278 claim of unfair and unequal assessment, or whether

⁶ We have declined, however, to adopt definitively all of the requirements of the federal constitution’s Equal Protection Clause as the standard for the Minnesota Constitution’s Uniformity in Taxation Clause. *See United Nat'l Corp.*, 299 N.W.2d at 77 n.5 (observing that “the requirements under the uniformity clause of the state constitution and the equal protection clause of the federal Constitution are not coterminous”).

a simple error by the assessor will suffice. *Id.* at 77–78 (declining to decide whether, under section 278.01, subdivision 1(a), a taxpayer might establish an unfair or unequal assessment claim by showing that, as a result of simple error rather than intentional, arbitrary, or systematic conduct, the assessment is high as compared with other properties); *see Anacker*, 302 N.W.2d at 346 (holding that the plaintiff’s section 278.01 claims failed because the plaintiff made no showing of unequal assessment or overvaluation).

What is clear, however, is that to the extent that the requisite showing of the taxing authority’s intent may differ between the statutory remedy and constitutional claims, the proof required to establish the narrower constitutional claim is properly characterized as a subset of the proof required to establish a broader claim encompassed by section 278.01, subdivision 1(a). Stated another way, the broadest possible test to determine whether the statutory prohibition on unfair or unequal assessments in section 278.01, subdivision 1(a) (including proof that undervaluation of other properties is intentional, arbitrary, systematic, or perhaps simple error), is inclusive of the test for whether an assessment violated a taxpayer’s equal protection and uniform taxation rights (including proof that undervaluation of other properties is intentional, arbitrary, or systematic). Accordingly, claims asserting violations of those constitutional rights may be brought under section 278.01, subdivision 1(a).

We return, then, to the central question before us: Does Walmart’s claim that the Counties violated the company’s equal protection and uniform taxation rights by assessing its Properties differently from other similarly situated properties fall within the scope of the “unfair or unequal” category in section 278.01, subdivisions 1(a)?

The Counties' answer to this question is straightforward: Walmart's complaints allege that, for discriminatory reasons, the Counties intentionally assessed properties comparable to Walmart's properties at substantially less than their fair market value while valuing Walmart's properties closer to their fair market value. But once stripped of their constitutional garb, the Counties assert, Walmart's claims are simply that the Counties assessed Walmart's properties unfairly or unequally as compared with other properties. That is one of the grounds for a property tax challenge enumerated in section 278.01, subdivision 1(a), for which chapter 278 provides the exclusive remedy. Consequently, the Counties argue, Walmart's claims fall within the scope of section 278.01, subdivision 1(a), and so Walmart must comply with that section's limitations period.

We agree with the Counties. The plain language of section 278.01, subdivision 1(a), makes no exception for constitutional claims that fall within one of the five categories of claims listed in the statute. *See Vill. Lofts at St. Anthony Falls Ass'n v. Hous. Partners III-Lofts, LLC*, 937 N.W.2d 430, 435 (Minn. 2020) (stating that we must follow the plain and unambiguous language of a statute); *State v. Carson*, 902 N.W.2d 441, 446 (Minn. 2017) (rejecting the argument that the Legislature could not have intended what the words of the statute plainly said); *Genin v. 1996 Mercury Marquis*, 622 N.W.2d 114, 117 (Minn. 2001) (stating that a court cannot add meaning or words to a statute that were intentionally or inadvertently left out).

Further, the statute does not prohibit a taxpayer from bringing an equal protection or uniformity in taxation challenge under chapter 278. As noted above, the test for whether an assessment violates the statutory prohibition on "unfair or unequal assessments" in

section 278.01, subdivision 1(a), is the same as or broader than, and therefore inclusive of, the test for whether an assessment violates a taxpayer's equal protection and uniform taxation rights under the federal and state constitutions. Therefore, we hold that if a taxpayer's challenge to its property taxes is a claim of unfair or unequal assessment, or one of the other grounds set forth in section 278.01, subdivision 1(a), chapter 278 provides the exclusive remedy for such a challenge. This is true even if the challenge were framed as a constitutional violation of the Equal Protection Clause or the Uniformity in Taxation Clause.⁷

⁷ The court of appeals did not reach the question of whether taxpayers may pursue, independently of chapter 278, a claim that a tax assessment violates the taxpayer's rights to equal protection or uniformity in taxation. *See Walmart*, 2020 WL 3956251, at *7. The court instead determined that, even if an independent pathway were open for such a claim, Walmart failed to state such a claim under Rule 12.02(e). *Id.* In so ruling, the court of appeals erred in two ways.

First, the court of appeals reasoned that Walmart's allegation that the Counties acted "willfully, intentionally and unlawfully" by overvaluing or unfairly or unequally assessing Walmart's properties was insufficient to state a claim. *Id.* at *8–9. We disagree. Minnesota is a notice-pleading state. *Halva v. Minn. State Colls. & Univs.*, 953 N.W.2d 496, 500 (Minn. 2021); *see* Minn. R. Civ. P. 8.01 ("A pleading which sets forth a claim for relief . . . shall contain a short and plain statement of the claim showing that the pleader is entitled to relief and a demand for judgment for the relief sought . . .").

Notice-pleading permits a plaintiff to plead a claim " 'by way of a *broad general statement* which may express conclusions rather than . . . by a statement of facts sufficient to constitute a cause of action.' " *Walsh*, 851 N.W.2d at 602 (quoting *N. States Power Co. v. Franklin*, 122 N.W.2d 26, 29 (Minn. 1963)). "The functions of a pleading today are simply to give fair notice to the adverse party of the *incident* giving rise to the suit with sufficient clarity to disclose the pleader's theory upon which his claim for relief is based." *Id.* (quoting *N. States Power Co.*, 122 N.W.2d at 29), 605 (explaining that "[t]he focus [of the pleading] is on the 'incident' rather than on the specific facts of the incident"). Walmart's complaint provides fair notice to the Counties of the incident giving rise to its claims and is sufficient to allow the Counties to understand the theory upon which its claims are based.

Second, the court of appeals incorrectly concluded that Walmart's allegation that the Counties' conduct was an " 'intentional and willful failure to perform both [their]

Moreover, we have repeatedly concluded that the Legislature intended the statute to provide the exclusive means to challenge an assessment when the challenge is based on one of the five types listed in section 278.01, subdivision 1(a). *See, e.g., Odunlade*, 823 N.W.2d at 644. We have grounded that conclusion on the “purpose and function” of the statute and on the Legislature’s use of broad language to describe the types of permitted challenges and the remedies available to the taxpayer who succeeds with a statutory claim. *Programmed Land*, 633 N.W.2d at 526. We have stated that “when the legislature enacted [chapter 278], it did so for the purpose of providing a rather simple remedy for the taxpayer to have his real estate tax grievances determined.” *Land O’Lakes Dairy Co. v. Vill. of Sebeka*, 31 N.W.2d 660, 665 (Minn. 1948). Thus, we have concluded that chapter 278 was enacted to benefit both the taxpayer and the state. *See State v. Elam*, 84 N.W.2d 227, 230 (Minn. 1957) (“[W]e think it is apparent from the express wording of the statute that the act was passed for the benefit of the state as well.”). As we noted in *Programmed Land*,

[t]he taxpayer benefited because chapter 278 provided a means to object to property taxes without first having to default and then answer in delinquent tax proceedings, and the state benefited because, by providing a cause of action without having to default, chapter 278 limited or prevented tax delinquency and enforced the prompt collection of taxes, ensuring a reliable stream of revenue

statutory and [their] common law duty’ ” to assess Walmart’s property and similarly situated properties “ ‘upon a uniform basis’ ” was legally insufficient. 2020 WL 3956251, at *9. The court of appeals deemed the conduct of the Counties to be “at best[] ‘bureaucratic errors’ or ‘an erroneous or mistaken performance’ of the duties imposed on the county assessors” under the statute. *Id.* (citing our decision in *Programmed Land* where we determined that bureaucratic errors could not amount to a constitutional violation). This reasoning incorrectly reads adverse inferences against Walmart. *See Walsh*, 851 N.W.2d at 606 (“We accept the facts alleged in the complaint as true and construe all reasonable inferences in favor of the nonmoving party.”).

633 N.W.2d at 525–26.

With these objectives in mind, we have declined to undermine the Legislature’s intent “by allowing a significant number of tax grievances to be free of the chapter 278 filing limitation and, consequently, actionable years after the taxes were due.” *Id.* at 526. We have also noted that no right to appeal from an assessment existed at common law; it is a purely statutory right and, accordingly, requires strict compliance. *See Ewert v. City of Winthrop*, 278 N.W.2d 545, 550 (Minn. 1979); *Vill. of Edina v. Joseph*, 119 N.W.2d 809, 816 (Minn. 1962) (explaining that appeals from tax assessments, “their course, and the time and manner in which they are to be allowed and perfected are of statutory origin”).

To prevail on its argument that section 278.01, subdivision 1(a), does not provide the exclusive remedy for challenging a tax assessment based on constitutional claims of equal protection and uniformity in taxation, Walmart must demonstrate that the statute excludes such claims from its purview. But Walmart points to nothing in the plain language of the statute that makes an exception for claims asserting equal protection and uniformity in taxation challenges to assessments. Rather, Walmart asserts that the standard for a constitutional claim differs substantively from the standard for a statutory claim. Walmart also urges that the Tax Court lacks the jurisdiction to resolve constitutional claims and contends that, in any event, chapter 278 does not provide an adequate remedy for constitutional claims because the truncated limitations period hampers the taxpayer’s ability to muster the necessary evidence. We now turn to those arguments.

Walmart first argues that an independent remedy for equal protection and uniformity in taxation violations is appropriate because the standard for proving that a property tax

assessment violates either of these constitutional provisions is different from the standard for proving a statutory violation under section 278.01, subdivision 1(a). In particular, Walmart argues that a constitutional violation requires a showing of intentional, arbitrary, or systematic discrimination while a claim under chapter 278 does not. As discussed above, Minnesota law is unclear on that point. *See United Nat'l Corp.*, 299 N.W.2d at 77–78. But aside from a possible difference between the required mental state for constitutional and statutory claims, the operational test is the same. *See id.* at 76. Most importantly, even if the required mental states are different, the dispositive question is not whether section 278.01 requires intentional, arbitrary, or systematic discrimination. The relevant question is the inverse: Does section 278.01, subdivision 1(a), *allow* a taxpayer to bring such a claim that is the result of intentional, arbitrary, or systematic discrimination? The answer to that question is plainly “Yes.”

Once again, nothing in chapter 278 prevents a taxpayer from challenging an assessment as unfair or unequal simply because the government acted intentionally, arbitrarily, or systematically in imposing the tax.⁸ Further, the remedies that Walmart seeks

⁸ In reaching this conclusion, we note that Walmart’s reliance on *A.F. Moore & Associates, Inc. v. Pappas*, 948 F.3d 889 (7th Cir. 2020), is misplaced. *A.F. Moore* applied the Tax Injunction Act, 28 U.S.C. § 1341, in the context of an Illinois procedure that denied the taxpayer all opportunity to have an equal protection claim heard. *A.F. Moore*, 948 F.3d at 895 (explaining that the Illinois statute provided no state forum for a constitutional claim because it limited the taxpayer to challenging only the correctness of the valuation and prevented any inquiry into the methodology or intent of the assessor, a necessary prerequisite for proving an equal protection claim). Walmart is not similarly denied all opportunity to prove that the Counties assessed its properties at a higher rate than comparable properties, thus rendering those assessments unfair or unequal. To the contrary, section 278.01, subdivision 1(a), and our case law expressly provide Walmart that opportunity.

in its complaints—a reduction in the assessed value of its Properties and a return of its alleged overpayments made from 2013 through 2018—are the same remedies that Walmart would receive had it prevailed in a challenge brought under chapter 278 asserting that an assessment was unfair or unequal.⁹

Next, Walmart argues that the Legislature could not have meant for constitutional claims to be addressed under chapter 278 because section 278.01, subdivision 1(a), permits a taxpayer to seek relief before a tax court. To support its argument, Walmart cites *Erie Mining Co. v. Commissioner of Revenue*, 343 N.W2d 261, 264 (Minn. 1984), and *Wilson v. Commissioner of Revenue*, 619 N.W.2d 194, 199 (Minn. 2000), and points out that the tax court, as an arm of the executive branch, lacks original jurisdiction to decide constitutional challenges to property taxes brought initially in the tax court. It makes no sense, Walmart asserts, for the Legislature to create a procedure to resolve a taxpayer's constitutional claims while also permitting such claims to be brought in a forum with no power to address those claims.

But Walmart's argument ignores the plain language of chapter 278. Although the statute permits taxpayers to bring their claims in tax court, it also provides taxpayers with the option of proceeding in district court, which has jurisdiction to decide constitutional

⁹ Walmart also argues that the remedies set forth in chapter 278 are insufficient because the statute does not empower the tax court, which was established by the Legislature, to enjoin a county from discriminating in future cases. This argument is not persuasive. When a court determines that a county's assessment process in a particular instance violated the Equal Protection Clause and/or the Uniformity in Taxation Clause by imposing a disproportionate tax on a particular taxpayer, the county will continue to use that process at its peril.

questions. *See* Minn. Stat. § 278.01, subd. 1(a). In addition, even if Walmart’s claims were brought initially in the tax court, we have adopted a process by which the tax court could acquire jurisdiction over Walmart’s constitutional challenges.

All tax matters over which the tax court has jurisdiction should be filed with the tax court. If any party raises a constitutional issue, the tax court should stay the proceedings and refer the constitutional question to the district court. The district court may either decide the constitutional issue or refer the matter back to the tax court which will then have subject matter jurisdiction to rule initially on the constitutional issue. If the tax court should declare any matter unconstitutional and no appeal is taken to this court, that ruling shall only be the law of the particular case involved.

Erie Mining Co., 343 N.W.2d at 264. Consequently, the alleged statutory inconsistency that Walmart identifies is easily reconcilable and provides no basis for discerning a legislative intent to allow constitutional claims to be asserted independently of chapter 278.¹⁰

¹⁰ Walmart also asserts that because the tax court’s jurisdiction is limited to “questions of law and fact arising under the tax laws of the state,” Minn. Stat. § 271.01, subd. 5 (2020), it can never decide a claim—even under the process outlined in *Erie*—that an assessment violates the constitution, even if the constitutional provision (like the Uniformity Clause of the Minnesota Constitution) expressly relates to taxes. The cases Walmart cites as support for that proposition are distinguishable.

In *Benigni v. County of St. Louis*, the taxpayer alleged that the local assessor engaged in a pattern of harassment and requested that the assessor be ordered to stop the harassment. 585 N.W.2d 51, 54 (Minn. 1998). We held that the tax court lacked the power to make such an order regarding a common law fraud claim. *Id.* at 54. Here, in contrast, the constitutional claims relate to tax assessments.

In *Johnson v. County of Hennepin*, No. 27-CV-14-07031, 2015 WL 2329349, at *2 (Minn. Tax Ct. May 12, 2015), a tax court decision from which we denied a petition for mandamus and a writ of certiorari, *see Johnson v. County of Hennepin*, A15-1339, Order at 6 (Minn. filed Oct. 23, 2015), the taxpayers alleged that the county violated their constitutional rights by secretly approaching the district court to make an ex parte request to quash the taxpayer’s petition. Unlike this case, the taxpayers in *Johnson* did not allege that the taxes imposed on their property were unconstitutional. They argued that the

Finally, Walmart argues that chapter 278 does not provide an adequate remedy to address its equal protection and uniformity in taxation claims because it may take a taxpayer longer than 1 year to perceive that a county assessor is intentionally discriminating by assessing the taxpayer's property at a higher rate than comparable properties and to gather the evidence to support such a claim. Therefore, Walmart argues, we should construe section 278.01 to exclude equal protection and uniformity in taxation claims to avoid unconstitutionally hobbling a taxpayer's ability to vindicate those constitutional

process of proceeding *ex parte* was unconstitutional, a claim that was beyond the jurisdiction of the tax court. *See* 2015 WL 2329349, at *2–3.

Walmart's reliance on *Knick v. Township of Scott, Pa.*, ___ U.S. ___, 139 S. Ct. 2162 (2019), is also misplaced. Walmart claims that, under *Knick*, requiring property owners to meet the 1-year limitations window in section 278.01, subdivision 1(c), imposes on property owners the untenable choice of bringing equal protection or uniform taxation claims prematurely or facing dismissal of those claims for missing that deadline. But that is just another way of saying that the limitations period may violate the Due Process Clause as applied, which is not properly presented for our review.

Knick is also distinguishable for other reasons. It turned on a close analysis of when the right to compensation under the Takings Clause of the Fifth Amendment to the United States Constitution first attaches, *id.*, ___ U.S. at ___, 139 S. Ct. at 2170–71, which is not at issue in this case. And *Knick* is an exhaustion of state remedies case. *See id.*, ___ U.S. at ___, 139 S. Ct. at 2172–73. The Supreme Court's concern about the so-called "preclusion trap" was that the exhaustion requirement essentially took away the power of the federal courts to provide constitutional relief. *Id.*, ___ U.S. at ___, 139 S. Ct. at 2167. The case before us is not about whether a claimant must exhaust certain remedies before proceeding in a federal forum. It is about the contours of the state remedy itself. Walmart's concern seems to be that a tax court's conclusion that the taxpayer failed to establish that an assessment was unfair or unequal under the statute will be dispositive of a claim that an assessment violates the equal protection and uniform taxation clauses. That may be so, but it is also not a concern here, when the constitutional claim is a subset of the statutory claim and, as such, resolution of the statutory claim also resolves the constitutional claim.

rights with a tightly truncated limitations period.¹¹ *See State v. Irby*, 848 N.W.2d 515, 521–22 (Minn. 2014) (discussing the doctrine of constitutional avoidance). We disagree.

The language of section 278.01, subdivision 1(a), is clear. It makes no exceptions for constitutional claims that fall within one of the five categories of property tax challenges set forth in the statute. Minn. Stat. § 278.01, subd. 1(a); *see Irby*, 848 N.W.2d at 521–22 (stating that the constitutional avoidance doctrine applies only after the statute is found to be ambiguous).¹²

In conclusion, chapter 278 is the exclusive process for Walmart to challenge the Counties’ assessment of its Properties for violating Walmart’s constitutional rights to equal protection and uniformity in taxation under the federal and state constitutions. Because

¹¹ Walmart did not directly challenge the constitutionality of section 278.01, subdivision 1(c), on due process grounds. *See Wichelman v. Messner*, 83 N.W.2d 800, 817 (Minn. 1957) (explaining that what is a reasonable time within which to assert a right is a matter of legislative discretion, exercised “in light of the nature of the subject and purpose of the enactment, and we have said that ‘the courts will not inquire into the wisdom of the exercise of this discretion by the legislature in fixing the period of legal bar, unless the time allowed is manifestly so short as to amount to a practical denial of justice’ ” (quoting *Hill v. Townley*, 47 N.W. 653, 654 (Minn. 1891))). Consequently, that issue is not before us, and we express no opinion on whether the limitations period in section 278.01, subdivision 1(c), satisfies due process in this case.

¹² In *Programmed Land*, we rejected a facial due process challenge to the limitations period in section 278.01, subdivision 1(c). 633 N.W.2d at 529. The taxpayers in *Programmed Land* claimed that there was insufficient time between the receipt of their final property tax statements in March of the taxes-payable year and the deadline for filing a challenge to the rate under chapter 278. *Id.* at 528. We reached this conclusion because the statute provided the taxpayers with several months, after receiving an earlier written notice, in which they could file a challenge to the tax rate applied to their property, and because the statute provided for other remedies (like commissioner granted abatements under Minn. Stat. § 270C.86 (2020)—formerly § 270.07, subd. 1 (2000)) for improperly imposed taxes.

these claims were not brought within the time limitations set forth in section 278.01, subdivision 1(c), Walmart's claims are time-barred.

CONCLUSION

For the foregoing reasons, the decision of the court of appeals is affirmed.

Affirmed.

ANDERSON, J., took no part in the consideration or decision of this case.