

# CHISAGO COUNTY ABATEMENT PROCEDURES POLICY

## I. POLICY STATEMENT

The purpose of this policy is to streamline our County operations to save resources. This abatement policy is designed to: save staff time for the Assessor, Auditor and Treasurer; and simplify the homestead and Property Tax Refund processes and make them more efficient.

As provided for in the County policy, the department policy establishes the appropriate procedures for processing abatement requests by the departments.

## II. POLICY DEFINITIONS

### A. Abatement

Action to reduce or abate the market value, taxes, penalties or interest on taxes not paid by the due date, or to change the property classification, following a written request that includes a signature. Abatements can result in a reduction of the tax levied against a particular property.

### B. Classification

Each property in Minnesota is assigned a classification such as residential homestead, apartment, commercial/industrial, etc., based on the type and use of the property.

### C. Clerical Errors

An error made by a Chisago County employee or agent in entering figures in the records, performing arithmetic computations, or omissions where it was clearly the intent of the official to make an entry which was not done. A clerical error does not involve judgment.

### D. Hardship

An event or circumstance beyond the control of the taxpayer. Examples of hardship include, but are not limited to, the physical or mental incapacity of the taxpayer or the taxpayer's immediate family and other events and circumstances, which may constitute excusable neglect on the part of the taxpayer. It does not include financial hardship.

### E. Market Value or Valuation

An assessor's estimate of what a property would be worth if it was sold.

F. Total Amount Abated

The sum of the taxes, costs, penalties, and interest of abatement.

G. Unjust and Unreasonable

Denial of abatement would violate the principles of justice or fairness and being within the bounds of common sense.

**III. POLICY GUIDELINES**

A. General Procedures (all abatement requests):

1. Abatement Forms should be made available to property owners upon request. Forms should be available from the Assessor.
2. An abatement application should be completed for each parcel and for each payable year for abatements involving the reduction of value, and classification changes. Abatement applications for delinquent tax, current tax, penalties, interests and fees, or special assessments may be made individually or as a group of parcels.
3. As allowed by M.S. 375.192, abatements can be considered as they relate to taxes payable in the current year and the two prior years, provided that abatements for the two prior years shall be considered only for administrative errors or when the taxpayer fails to file for an abatement due to hardship, as defined by county board policy.
4. All abatement requests shall be signed by the applicant, or department employee on behalf of the applicant, and include the applicant's social security number if a refund is to be issued.
5. On any abatement that exceeds the \$10,000 delegated authority, the Department shall give notice within twenty (20) days to the school board and the municipality in which the property is located. The notice must describe the property involved, the actual amount of the abatement (reduction) being sought, and the reasons for the abatement. The department will place the abatement on the County Board agenda after allowing for the 20 day notice. The County Board will either approve or deny the abatement.
6. If an abatement application is denied by either the department or the County Board, the department will notify the applicant either in writing, by phone or in person.
7. Abatements are costly in terms of preparations and time expended on them. In order to eliminate nuisance type abatements, a reduction in taxes of \$100.00 or less **per year** will not be processed.

This \$100.00 minimum reduction will be waived only for personal property mobile homes. This exception is made because personal property mobile homes are property that is taxed in the same year that it is assessed. State law requires an abatement form for tax reductions after they are levied. Therefore, adjustment of assessment errors for personal property mobile homes usually requires abatement.

8. Abatements may be granted if they are within the allowable taxable years to serve the public interest by preventing a property from going into forfeiture. An example of this would be a property owned by a local government that may have delinquent taxes and abating would forgo the expense of the forfeiture process.

**B. Payment of Taxes Pending Abatement Application Review**

Unless otherwise agreed to, an applicant for abatement shall pay the total amount due, including any penalties, interests, or fees by the appropriate due date while an abatement is being considered.

**C. Abatements of Market Value or Classification Change**

1. Abatement requests to reduce the market value or change the classification of any real or personal property shall be submitted to the Assessor on the appropriate form.
2. The Assessor shall complete an investigation into the facts and recommend appropriate market value or classification changes as allowed by state law and county policy.
3. Abatements of market value or classification changes should only be approved if an administrative error has been made on the part of the County. Classification changes and market value reductions should not be made after values are finalized in July of each year, unless ordered by the tax court or as a stipulation related to a tax court petition.
4. A separate application must be submitted for each individual parcel and each individual year an abatement is requested.
5. Abatement applications related to valuation or classification changes must be approved by the County Assessor, County Auditor, and County Board.

**D. Homestead Abatements**

1. Applications for homestead abatements shall be submitted to the County Assessor.

**POLICY NBR: 2007-6**  
**Adopted: November 21, 2007**

2. The deadline for consideration of homestead abatements will be May 15<sup>th</sup> of the current payable year.
3. Homestead abatements accepted after that date will only be approved if a county error has created the necessity for the abatement.
4. The County Assessor shall complete an investigation into the facts and recommend the appropriate change related to homestead classification.
5. Applicants for homestead must provide two or more but not limited to the following items from the year in which the homestead status is being requested that shows a mailing address which is the same as the address for the property in question:
  - a. An active listing in the telephone directory
  - b. Copy of their voter registration record that shows they were registered to vote at the property address
  - c. A valid driver's license or State of Minnesota identification card with the property address
  - d. Utility bills (water, electricity, natural gas, cable television, telephone, garbage service, etc.)
  - e. Home insurance policy statement
6. Abatement applications related to homestead changes must be approved by the County Assessor, County Auditor, and County Board.

**E. Abatement of Current Penalty and/or Delinquent Penalty, Interest & Fees**

1. Applications for abatement of current penalty shall be submitted to the County Treasurer. Application for abatement of Delinquent Penalty, Interest, and Fees shall be submitted to the County Auditor.
2. Minnesota Statutes 279.01 subdivision 2 allows for abatements of penalty when the imposition of the penalty is unjust or unreasonable. The following criteria should be used to determine if an abatement is warranted:
  - a. Documented county or municipality administrative error.
  - b. Hardship
3. Abatements of Penalty, Interest, and Fees shall be approved by the County Auditor, County Treasurer, and County Board.

**F. Abatements of Special Assessments**

1. Special assessments are certified by the municipal clerk to the Auditor's Office to be collected through the property tax statement.
2. Final special assessments are to be certified by November 30<sup>th</sup> to the Auditor's Office.

**POLICY NBR: 2007-6**  
**Adopted: November 21, 2007**

3. Abatements of Special Assessments will only be done upon approval of the unit of government approving the assessment.
4. Special Assessment abatements shall be submitted to the County Auditor.
5. Applications for special assessment abatements may be made for an individual parcel or a group of parcels.
6. An application for abatement will be denied if the assessment amount has already been collected by the county. In these cases, the county will settle the assessment amount to the city, township, or other entity levying the assessment, and a refund may be issued from that entity.
7. Special assessment abatements shall be approved by the unit of government approving the assessment and the County Auditor.

G. Local Option Disaster Credit

1. There will be no abatements when a home becomes uninhabitable or unusable by an accidental disaster.
2. Property shall be assessed as to its status as of January 2<sup>nd</sup>, and be re-valued again on the next January 2<sup>nd</sup>.