

ITASCA COUNTY ABATEMENT POLICY

WHEREAS, applications are submitted to the County of Itasca requesting abatements of either real or personal property taxes and/or penalties, interest and costs to correct errors or inequities within the tax system; and,

WHEREAS, pursuant to MN Statute 375.192, Subdivision 2 "...the County Board may consider and grant reductions or abatements on applications only as they relate to taxes payable in the current year and two prior years; provided that reductions or abatements for the two prior years shall be considered or granted only for (i) clerical errors, or (ii) when the taxpayer fails to file for a reduction or an adjustment due to hardship..." and,

WHEREAS, it is the intent of the County of Itasca to ensure fairness and equity within both the real and personal property tax billing and collection system; and

WHEREAS, it is important to note that an abatement is not part of the appeals process for market valuation challenges, but shall be an administrative process by which corrections can be made to property values, classifications, and tax; and,

WHEREAS, abatements should be used only as a last resort method to correct assessments and/or collection errors, as abatements are costly both in terms of manpower expended for preparation and reduced revenues from tax reductions and reimbursements, without any provision for the county to recover these funds from any other source; and,

WHEREAS, abatements exceeding a dollar amount over \$5,000.00 shall require prior express County Board Approval; and,

WHEREAS, abatements exceeding a dollar amount over \$10,000.00 shall require the county to give notice to the school board and municipality; and,

NOW, THEREFORE, BE IT RESOLVED, that the abatement policy of the Itasca County Board of Commissioners is as follows:

- I. NO ABATEMENT WILL BE CONSIDERED IF:
 1. Petition has been filed with tax court and the outcome is still pending.
 2. A confession of judgment has been signed by taxpayer/applicant.
 3. It involves a year other than current tax or the previous two tax years.
 4. A social security number of the applicant is not provided.
 5. It involves a reduction of a special assessment unless it is accompanied by a written recommendation for approval by the governmental unit responsible for the original special assessment.

II. ABATEMENTS SHALL BE CONSIDERED IN ORDER TO CORRECT A VALUATION OR CLASSIFICATION ERROR AS FOLLOWS:

Abatements may only be submitted once per calendar year on a specific parcel. Objective assessment errors shall be abated for current year. Objective assessment errors shall be abated up to the previous 2 years if there is a clerical error or the taxpayer failed to file for a reduction or and adjustment due to a hardship. Objective errors are defined to include:

1. Exemption by public ownership.
2. Double assessments or other overlapping listings.
3. Homestead classification.
4. Measurable units, i.e., acres, square feet, etc., providing that an adjustment does not reduce the estimated market value below its actual market value.
5. Mobile home ownership or location changes.
6. Personal property ownership changes.
7. Lease cancellations.
8. Local Option Disaster Abatements if the requirements of Minnesota Statute 273.1233 are met.

Subjective assessment opinions shall not be abated. Subjective changes of assessment opinions shall be addressed through formal appeals processes, otherwise, will be effective beginning with the next applicable assessment year.

III. ABATEMENTS OF PENALTY ON CURRENT TAXES:

Abatements of penalty on current taxes shall be approved in the following situations:

1. An abatement of the penalty on a current tax will be approved if an error on the part of the County resulted in nonpayment of tax.
2. Pursuant to Minnesota Statutes 279.01, Subd. 2, and 270.07, the Itasca County Board delegates to the Treasurer of Itasca County the power to abate the penalty for late payment of taxes after the due date as specified in this statute.
3. If an abatement application submitted under part II, above is in process at the tax due date, consideration will be given to waive penalty for a reasonable period of time after a corrected tax statement is issued, to be determined by the Treasurer.

It is also the policy of the County of Itasca that penalty abatements shall NOT be granted:

1. To taxpayers who have inadvertently omitted one parcel when making payment.
2. If the only reason is that the taxpayer failed to receive a tax Statement (MINNESOTA STATUTE 276.04). Failure to receive a tax statement does not void liability to pay on time.
3. If the only reason is that a contract for deed vendor, upon cancellation of contract, failed to be aware of unpaid taxes.

IV. ABATEMENTS OF PENALTIES, INTERESTS AND COSTS ON DELINQUENT TAXES:

An abatement of the penalty, interest and cost on a delinquent tax will only be approved if an error on the part of the County resulted in nonpayment of the tax.

An abatement of the penalty, interest and cost on a delinquent tax will NOT be approved if the only reason given is that a contract for deed vendor, upon cancellation of contract, failed to be aware of unpaid taxes.

An abatement of the penalty, interest and cost involving a new economic development or business expansion will be considered on the merits of each individual situation.

The County Auditor will provide a complete listing of any abated taxes, penalties, and interest to the County Board on quarterly basis.

V. 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, upon an application in accordance with Minnesota Statute Section 375.192. 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 an Itasca County employee or agent in entering figures in the records, which includes but is not limited to, inputting incorrect codes, transposing numbers, keypunch errors, arithmetic computations, or an omission where it was clearly the intent of the official to make an entry which was not done. A clerical error does not involve judgment.

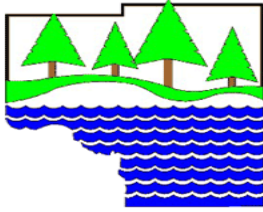
D. Hardship

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.

Board Approval: 02/24/92; 11/25/03, 8/28/07; 11/13/18



**ITASCA COUNTY
BOARD OF COMMISSIONERS**
Itasca County Courthouse
123 NE 4th Street
Grand Rapids, MN 55744

November 13, 2018
Regular Meeting

REQUEST FOR BOARD ACTION RBA-2018-309

DEPARTMENT: Assessor

PRESENTER: Amber Peratalo

TIME REQUIRED: < 5 minutes

AGENDA ITEM:

Abatement Policy Approval

BOARD ACTION REQUESTED:

Approve the updated Abatement Policy.

BACKGROUND:

The current Abatement Policy requires updates to ensure alignment with current statutory requirements, recommendations by the Department of Revenue, and reviewed by the County Attorney's office with suggested changes implemented.

ITEM HISTORY:

History:

11/06/18 COUNTY BOARD
NEXT: 11/13/18

RECOMMENDED FOR CONSENT

COUNTY ATTORNEY REVIEW: Yes

SUPPORTING DOCUMENTATION:

- Abatement Policy 2018 - updated (PDF)
- Abatement Policy Attorney Memo (PDF)
- 2018.11.9 Final Abatement Policy (PDF)

RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]

MOVER: Davin Tinquist, District #1

SECONDER: Burl Ives, District #4

AYES: Davin Tinquist, Leo Trunt, Burl Ives, Ben DeNucci

ABSENT: Terry Snyder