

Fillmore County Policy for Abatement of Valuation or Taxes

Delegation of Authority

Pursuant to Minn. Stat. Sec. 375.192 and Minn. Stat. Sec. 279.01, the Fillmore County Board of Commissioners delegates to the Fillmore County Assessor and Fillmore County Auditor/Treasurer jointly the authority, power, and responsibility to approve the abatements described in this policy which have a total value less than \$10,000.00. Delegation of this authority will allow for the efficient, responsive, and timely processing of taxpayer requests.

Policy

The purpose of this policy is to ensure that all taxpayers and properties in Fillmore County are treated fairly and equitably, have equal access, and are given fair consideration under the statutory procedures.

The Board of Commissioners authorizes the County Assessor and County Auditor/Treasurer to jointly administer abatement of property taxes, reductions of market value, classification changes, and other items under this policy.

Abatement pursuant to this policy is not part of the appeals process for market valuation challenges, but is instead an administrative process by which corrections can be made to property taxes.

Abatements for consideration by the County Assessor and County Auditor/Treasurer shall be approved or denied jointly and do not require County Board action pursuant to Minnesota Statutes MS 375.192, Subd. 2 and Minn. Stat. Sec. 279.01 Subd. 2. Pursuant to those statutes, approval authority is delegated to the County Assessor and County Auditor/Treasurer, as long as the total amount of the abatement is less than \$10,000.00. The delegation of authority will provide for the efficient, responsive, and timely processing of taxpayer requests. The County Auditor/Treasurer shall make available to the Board of Commissioners the abatement requests and actions taken periodically as needed or requested.

Copies of all abatement applications and decisions shall be retained in the Office of the County Auditor and will be available for inspection upon request in accordance with the Fillmore County record retention policy.

Definitions

Abatement: Action to reduce or abate the market value of a property, taxes, penalties, interest, costs, or to change a property classification, following a written request by the taxpayer of record, the property owner, or their agent/representative.

Addition: Action to increase or add market value, taxes, penalties, interests, costs, or to change the property classification as a result of a change to the current year only.

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

Clerical Error: An error made by Fillmore County staff while performing clerical duties such as an error entering data or coding, a mathematical miscalculation, an omission of data, an incorrect classification, or similar mistake.

Disaster Relief Abatement (local option abatement): A reduction of taxes, penalties, or interest, on property that has been:

1. accidentally or unintentionally damaged due to a flood, tornado, or similar disaster which renders the property uninhabitable or not usable, **and**
2. which causes damage to at least fifty (50%) percent of the structure or which reduces the market value of the property by at least fifty percent (50%) as determined by the county assessor.

Hardship: Hardship is defined as 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. To prove hardship documentation must be provided. Hardship shall not include financial hardship.

Market Value or Valuation: The Fillmore County Assessor's estimate of what a property is worth if it was sold in an "arms length" or business transaction.

Types of Abatements

Market Value Reduction Changes: Abatement for market value reduction changes shall be considered if the following factors are met:

1. The property owner or taxpayer can show that a notice of market value and a truth in taxation notice were not received prior to the mailing of the tax statement; and
2. The assessor's estimated market value is substantially higher than the property's actual market value.

Classification changes: Classification changes shall be considered based on ownership, type of property, principal use of the property, and occupancy of the property. The following documents may be provided with the written abatement application to support the proposed change:

1. A recorded deed
2. A copy of the electronic Certificate of Real Estate Valued filed with the County Assessor
3. A signed homestead application
4. Documentation proving the date of occupancy

Homestead: Ownership AND occupancy requirements must be met by December 1st of each year. For a homestead abatement where no homestead application has been properly signed and returned, property owners shall be required to provide two forms of proof of occupancy. Proof of occupancy may include a driver's license, voting registration, home insurance policy, listing in a phonebook or other directory, or electric and/or other utility bills which document services provided to the homestead for the assessment year in question. In addition, the following documentation may be submitted with the abatement application as proof of homesteading:

1. A recorded deed
2. A copy of the electronic Certificate of Real Estate Value filed with the County Assessor
3. A signed homestead application
4. Other documentation proving the date of occupancy

Disaster Relief: An owner of a homestead or non-homestead property that has been damaged or destroyed as a result of a disaster may apply for a disaster (local option) abatement to reduce taxes in the year the damage occurred and in the following year until rebuilt. To qualify, the property owner/taxpayer must show that the property:

1. Was accidentally or unintentionally damaged due to a disaster; and
2. Is uninhabitable or not usable, and
3. There is at least fifty percent (50%) damage to the structure or the market value of the property is reduced by at least fifty percent (50%) as determined by the county assessor.

Documentation of the damage to the property and/or structures must accompany the written abatement application. The application must also satisfy the following criteria:

1. The property must be unoccupied for at least one calendar month.
2. The structure and/or other damaged property must be rebuilt on the same site unless not allowed by local zoning or building authorities.

General Guidelines for all Abatement Requests:

1. The County Assessor and County Auditor/Treasurer shall develop and maintain all necessary forms to implement this policy. The forms shall be available to property owners upon request from the Assessor's Office.
2. An abatement request shall not be considered until a written application and all required documents are submitted to the County Assessor. The abatement application must be signed by the property owner, taxpayer, or their designated representative.
3. As per Minn. Stat., Sec. 375.192, abatement requests shall be only be considered as they relate to taxes, interest, and penalties payable in the current year. The prior two tax years shall be considered for abatement only in cases where there is documented hardship or clerical error as defined in this policy.
4. Taxes, penalties, interest, and costs may be considered for abatement under this policy. Penalties, interest, and costs shall continue to be in force and shall be due and payable until the date a complete abatement application is delivered to the County Assessor.
5. On any abatement that exceeds the \$10,000.00 delegated authority of this policy, the Auditor-Treasurer shall give notice within twenty (20) days to any school board and municipality in which the property is located. The notice must describe the property involved, the actual amount of the abatement being sought, and the reasons for the abatement. The Auditor-Treasurer shall place the abatement request on the County Board agenda after allowing for the 20 day notice. The County Board will then either approve or deny the abatement request.
6. If an abatement application is denied by either the Assessor and Auditor-Treasurer or the County Board, written notification shall be provided to the applicant.
7. Economic Development Abatements shall not be included in this policy. The provisions for this type of abatement are contained in Minnesota Statutes, MS chapter 469.
8. Exemption from taxation is a separate process from this policy. Any application for exemption must be submitted to the Assessor in accordance with Minnesota law.
9. While any abatement application is pending approval or processing, it is required that any tax installments, penalties, or interest which become due must not be delinquent regardless of the outcome of the abatement process. No fees and payments can be delinquent while an abatement request is being considered.
10. Abatements for the current tax year shall not be considered or processed when prior year taxes remain unpaid unless the abatement is based on hardship as defined in this policy.
11. No abatement shall be approved under this policy without joint concurrence of the County Assessor and County Auditor/Treasurer.
12. Abatements are costly in terms of preparation and time expended on them. In order to eliminate nuisance type abatements, a reduction in taxes of \$25.00 or less per year will not be approved or refunded unless Minn. Stat. Sec. 279.01 Subd. 2(b) is applicable. Any approved abatement will be disbursed by Fillmore County within thirty (30) days of approval.

13. Taxpayers may also apply for a change in property valuation or a classification change with the Minnesota Tax Court. This is a separate process from the tax abatement process outlined in this policy. Any changes ordered by the Tax Court will be fully implemented within 10 days of receipt of the Order for Judgement.

Please contact the Fillmore County Assessor to obtain the proper abatement form:
http://www.co.fillmore.mn.us/docs/dept/assessor/Disaster_Abatement.pdf

Deadline

The deadline for submitting written abatement requests shall be November 30th of the year in which the tax is payable. Written abatement applications post marked or delivered to the County Assessor or County Auditor/Treasurer by November 30th will be considered. A written abatement request shall not be considered complete unless all necessary documents are submitted or attached to the application.

Appeals Process

Applicants may appeal the determination of the County Assessor and County Auditor/Treasurer by submitting a written request to the County Board of Commissioners within twenty days of the date of denial notification.