



## Policy 8751 Abatements

**Version:** 3.0

**Effective Date:** 02/22/2022

**Board or Administrative:** Board

### Policy Statement

It is the policy of Dakota County that the Dakota County Board of Commissioners, and those to whom the Board has delegated authority, consider and grant abatement of property values, taxes, penalty, interest, and costs consistent with Minnesota Statutes. Abatements are only considered and may be granted as they relate to taxes payable in the current year, and the two prior years for documented cases of hardship or clerical errors. Abatement standards defined in this policy are consistently applied and all taxpayers are treated equitably.

### Definitions

- *Abatement:* Reduction in valuation, taxes and/or diminution of penalty, interest and cost on taxes not paid by the due date.
- *Assessment Date:* Statutory date on which the County Assessor determines market value and classification.
- *Classification Error:* An error in application of the statutory description for calculation of values according to type and use of property.
- *Clerical Error:* An error made by the County, municipality or other taxing authority performing clerical duties, such as coding, transposition, or mathematics which causes erroneous classification, erroneous valuation or late payment of tax. Failure of the United States Postal Service to deliver a tax payment where the Service admits in writing that such error falls within this definition.
- *Current Tax Year:* Year in which property taxes are payable.
- *Disaster Abatement (Local Option):* A reduction of taxes on property that has been accidentally or unintentionally damaged due to a disaster that renders property uninhabitable or unusable, and the damage is at least fifty percent of the structure value.
- *Hardship:* A tragedy or casualty suffered by the taxpayer, such as a death in the family, extreme or extended illness, accident, fire or other extreme hardship that is documented to the County Assessor or Property Taxation & Records Director and that results in erroneous valuation,

erroneous classification or late payment of tax. Hardship does not apply to business entities unless documentation is also presented that demonstrates that no other persons, such as associates, partners, consultants or accountants, other than the applicant are involved in or have responsibility for property tax matters. Financial hardship alone does not fall within this definition unless the financial hardship is directly related to a state, federal, or local emergency declaration. Claims of a lost check must be accompanied by a copy of a dated stop payment order filed with the claimant's bank. The stop payment order must be dated within 30 days of the original payment date.

- *Market Value*: Market value is the estimated amount property would sell for if it were to be sold in an arm's length transaction as determined by the County Assessor.
- *Penalty/Interest/Cost*: The dollar amount specified by Minnesota law that is over and above the originally calculated tax, paid by a taxpayer for which an abatement is sought. Current year applications are accepted for penalty only. Prior year applications are accepted for penalty, interest, and cost.

## Source

Minn Stat. §§ 279.01, 375.192, and 273.1231 to 273.1235, and Chapter 278.

Dakota County Board Resolution No. 13-371 July 30, 2013.

## General

Market value and property classification are determined as of the assessment date.

Minn. Stat. § 375.192:

- Authorizes the County Board of Commissioners to grant a reduction or abatement of estimated market valuation or taxes, and costs, penalties, or interest on the late payment of tax or on delinquent taxes.
- Restricts consideration for abatement approval to the current tax year and prior two years in the cases of hardship or clerical error as defined in this policy.
- Allows the County Board to delegate any authority, power or responsibility assigned to the Board for granting the reduction or abatement of estimated market valuation or taxes and of any costs, penalties, or interest on them to the County Property Taxation & Records Director.

The definitions of hardship and clerical error as stated in this policy are applied by the County Assessor and County Property Taxation & Records Director in considering whether abatements are approved. Applications for market value abatements are considered and denied if the reduction in value is less than \$5,000 or there is no evidence to support a reduction, such as a recent arm's length sale, appraisal or market analysis of the property.

When any approved abatement granting a reduction of taxes, costs, penalties and interest is \$10,000 or more, the County Property Taxation & Records Department gives twenty (20) days' notice to the school board and municipality in which the property is located.

The County Board or the Property Taxation & Records Department do not reduce, abate or refund any special assessment made or levied by any municipality for local improvement unless the municipality also approves such reduction, abatement or refund.

Failure to receive a tax statement or forgetting to pay on time does not constitute a basis for abatement of penalty, interest or cost.

The County Assessor and County Property Taxation & Records Director will report annually on abatements granted under their delegated authority to the Public Services and Revenue Division Director.

### **Delegation of Approval Authority**

The County Board delegates its authority to grant abatements of penalty for late payment of current year tax, and authority to abate penalty, interest, and costs for delinquent taxes, in an amount not to exceed \$10,000.00 to the County Property Taxation & Records Department.

The County Assessor will consider all market value abatement requests of more than \$5,000 for approval. The County Board delegates its approval authority to the County Property Taxation & Records Director, after approval by the County Assessor to grant abatements to correct value errors.

County Board action is required for abatements of market value, cost, penalty, and interest of delinquent tax when the reduction or abatement of taxes, penalty, interest and costs exceed \$10,000. Abatements not delegated by the County Board are first approved by the County Assessor and County Property Taxation & Records Director prior to Board consideration. In the case of abatement of cost, penalty, and interest, only Property Taxation & Records Director prior approval is required.

The County Board delegates its authority to approve abatements for classification errors and clerical errors resulting in classification and market value errors to the County Property Taxation & Records Director, after approval by the County Assessor. Changes are processed with proper documentation by correction form and kept on file in Assessing Services for inspection.

The County Board delegates its authority to approve disaster abatements to the County Assessor. The Assessor applies the standards set forth in Minn. Stat. § 273.1231 to 273.1233

All abatement applications that are denied by the Assessor or Property Taxation & Records Director are considered final.

## Procedures

Procedures will be maintained by the Property Taxation & Records and Assessing Services Departments.

## History

| Version | Revision Date |
|---------|---------------|
| 1.0     | 10/14/2003    |
| 2.0     | 7/30/2013     |
| 3.0     | 2/22/2022     |

## Related Policies

- None

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## Approval

Resolution No. 22-071; February 22, 2022