

# Hubbard County Abatement Policy

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**WHEREAS**, it is the intent of County of Hubbard to ensure fairness and equity to taxpayers while exercising prudence in the oversight of funds levied by units of government, and

**WHEREAS**, Minnesota Statute 375.192, Subd. 2, states that for any reduction or abatement when the reduction of taxes, costs, penalties, and interest exceed \$10,000, the County Board shall give notice within 20 days to the school board and the municipality in which the property is located, and

**WHEREAS**, Minnesota Statute 375.192 grants the County Board **discretionary** authority in the approval or denial of applications for the abatement of tax, penalty, or interest, and

**WHEREAS**, applications for abatement are not meant to take the place of Boards of Appeal and Equalization and should be used only as a method to correct assessment or administrative errors. Abatements should not be used as a means to reduce conflict or controversy, are very costly, and result in a direct loss of revenue without any provisions for the county or local units of government to recover those funds from any other source,

**NOW, THEREFORE BE IT RESOLVED**, the Hubbard County Board of Commissioners adopts the following abatement procedures and provisions of MS 375.192, Subd. 2 and Subd. 3 for processing applications for abatement as policy. This policy is effective commencing with tax payable in 2017.

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## Revision History

Revision	Date	Changes
B	2/5/2018	<ul style="list-style-type: none"> <li>- In the General Provision section: remove The abatement is a result of a factual error, define clerical error</li> <li>- In the County Board Delegation section: change Administrative error to Clerical errors and remove Factual reporting errors</li> </ul>
A	8/24/2016	<p>Added:</p> <ul style="list-style-type: none"> <li>- Any abatement when the reduction exceeds \$10,000, the County Board shall give notice within 20 days to the school board and the municipality in which the property is located</li> <li>- Abatement applications must include the social security number of the applicant(s)</li> <li>- Flow chart detailing the application of an abatement</li> </ul> <p>Removed:</p> <ul style="list-style-type: none"> <li>- \$25.00 processing fee for the first parcel and \$10.00 for each additional parcel</li> <li>- The assessor shall complete an investigation of facts and file a report with the application within 30 days of receipt of an application</li> <li>- Abatement denial reason; The property sells for less than the assessor's estimated market value, when it is valued equally with similar properties</li> </ul>

# Hubbard County Abatement Policy

## General Provisions:

- All abatement applications will be considered as they relate to the current assessment year or to taxes payable in the current year.
- Abatement applications will be considered as they relate to taxes payable in the two years prior if:
  - The abatement is a result of a clerical error. (For the purposes of this policy clerical errors shall be defined as minor, inadvertent typographical errors, transposition of numbers, or mathematical errors by county assessment personnel); or
  - When the taxpayer fails to file for a reduction or an adjustment due to hardship, as defined below.

### Hardship is defined as follows:

- Documented medical reasons during the applicable time period.
- Documented disaster affecting the property (ie. fire, flood, windstorm, etc.) during the applicable time period and the property **does not** qualify for the local option disaster credit.
- Other documented circumstances beyond the control of the taxpayer, at the discretion of the County.
- Abatements requesting reductions in market value or classification changes must first be recommended for approval by both the County Assessor and County Auditor/Treasurer.
- Abatements will be considered only if the resulting tax reduction is greater than \$25.
- Abatement applications must include the Social Security number of the applicant(s).

## Local Option Disaster Abatements

- The owner must make written application for a Local Option Disaster Abatement. Local Option Disaster Abatements are limited to structures that have been unintentionally, accidentally damaged/destroyed or destroyed by arson or vandalism by someone other than the owner and meet the following criteria:
  - The damage results in a reduction of value of 50% or greater, as established by the County Assessor; and,
  - The property does not qualify for disaster credit as declared by the Federal or State Government; and,
  - The property is a homestead dwelling; or,
  - The property is a residential dwelling with full time occupancy; or
  - The structure(s) provides a majority of the applicant's income.
    - The applicant must provide documented proof in support of this income loss.
- The maximum reduction on a parcel for a single occurrence of damage will be for 12 months.
  - If the structure is usable for any period of time during that 12 months, the reduction will be pro-rated based on the number of months the structure was unusable.

## Homestead Abatements

- Abatements for current year homestead where no homestead application has been properly signed, returned and approved will be considered if:
  - The owner makes written application to the County Assessor; and
    - Both homestead and abatement applications must be on file.
  - The owner provides proof that they owned and occupied the property as of December 1 (MS 273.124).
    - Three affidavits from unrelated neighbors/residents must be provided to attest to the property owner's residence on December 1 of the applicable year.

## Special Assessment Abatements

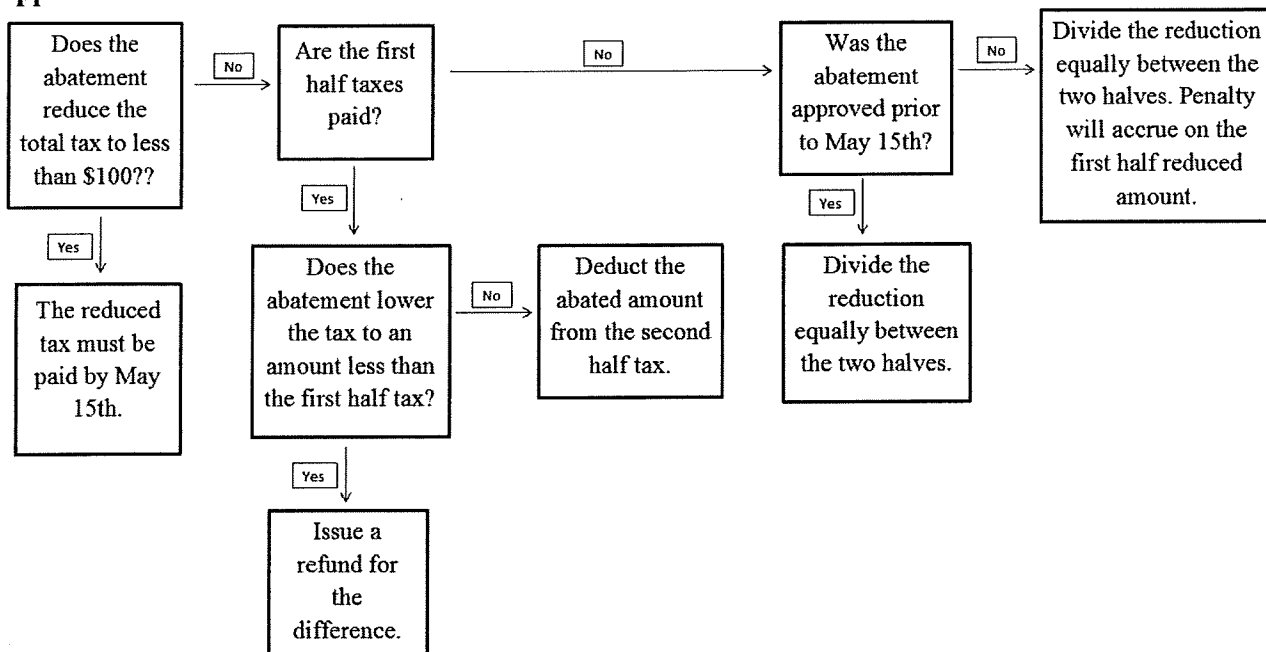
- Abatements involving special assessments administered by other units of government (ie. townships and cities) must be processed through those departments/agencies before County Board approval can be granted.
- Clerical errors may be processed and approved by the County Auditor/Treasurer without prior Board approval if that department/agency can provide the necessary documentation.
- The governing body responsible for the original assessment must provide a resolution approving the abatement prior to the approval of any special assessment abatement.

# Hubbard County Abatement Policy

## Penalty and Interest Abatements

- The County Board delegates to the County Auditor/Treasurer the authority to abate penalty on late payment of current tax, for sufficient reasons, in an amount up to \$5.00. (MS 279.01)
- Abatements requesting a reduction or waiver of penalties and interest on current or delinquent tax will be approved only:
  - If an error on the part of the County resulted in the non-payment of tax; and
  - The abatement is recommended by the County Auditor/Treasurer, because the penalty would be unjust and unreasonable. (MS 279.01)

## Application of Abatement Refund



## Abatements may be denied if any of the following apply:

- A petition has been filed with tax court and the outcome is still pending.
- A confession of judgement has been signed by the taxpayer/applicant.
- The abatement involves tax payable in a year other than the current or two previous years.
- The taxpayer has inadvertently omitted one parcel while making payment on other parcels owned.
- The taxpayer failed to receive a tax statement. Failure to receive a tax statement does not void liability to pay tax on time. (MS 276.04)
- The application requests a reduction or abatement on the basis of providing an incentive for economic development or redevelopment, except as provided in MS 469.1812 to 469.1815.
- The property is a part of "This Old House" or similar (value exemption) legislative implemented programs which require timely filing of an application to qualify for the program. Submission of the necessary information to the County Assessor in a timely manner shall be required.
- The property is subject to taxation on January 2nd that is acquired by a governmental entity, institution of purely public charity, church or educational institution after June 30th of the assessment year (MS 272.02 Subd. 4(b)).

# Hubbard County Abatement Policy

## County Board Delegation

- The County Board delegates authority to the County Assessor and County Auditor/Treasurer to approve and process applications involving:
  - Clerical errors;
  - Current year homesteads (MS 375.192).
- The County Board delegates authority to the appropriate department head and the County Auditor/Treasurer to process and approve applications involving administrative errors for County Administered Special Assessments (MS 375.192).

Adopted this 20<sup>th</sup> day of February, 2018

Ayes: 5 Nays 0

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Cal Johannsen, Chairman  
Hubbard County Board of Commissioners

  
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Debbie Thompson, County Coordinator