



## POPE COUNTY PROPERTY TAX ABATEMENT POLICY

MS 375.192 authorizes county boards to consider and grant reductions or abatements of estimated market value or taxes and of any costs, penalties or interest as the board deems to have been erroneously or unjustly paid or to correct error or inequities within the tax system and restricts consideration for abatement approval to the current tax year and prior two years.

- Current assessment year abatements can be used to correct a valuation or classification issue.

The definitions of clerical error and hardship, as stated below and in VI. Definitions, are applied by the County Assessor and County Auditor when considering whether the abatement is approved. The County Assessor will consider all market value abatements as well as abatements for classification and clerical errors that result in classification and market value errors.

**The County Assessor and the County Auditor must both approve an abatement prior to the County Board considering an application for an abatement.**

- Abatements for the two previous years are limited to instances where a clerical error was made, or the taxpayer failed to file for a reduction or an adjustment due to a hardship.
- Clerical errors include an error made by the County, municipality or other taxing authority performing clerical duties, such as coding, transposition, or mathematics which causes erroneous classification or valuation; or late payment of tax.
- Failure of the United States Postal Service to deliver a tax payment **where the Service admits** such error falls within this definition.
- Hardships for abatement purposes is defined by the Pope County Board as an event or circumstances beyond the owner's control which prevents the owner from filing a timely appeal. Financial hardship does not qualify as a hardship for abatement purposes.

It is the intent of Pope County to ensure fairness and equity within the real estate tax billing and tax collection system. Abatements should be used only as a last resort method to correct assessments and/or collection errors due to costly administrative expense and reduced tax levy revenues for all local units of government, with no statutory levy authority to recover these levy dollars from any other source.

### **I. NO ABATEMENT WILL BE CONSIDERED IF:**

1. A 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. The actual tax reduction for any one year is less than \$50.00.
4. It involves a year other than current tax or the two (2) previous years' tax.
5. The abatement involves a homestead classification and the applicant owns and occupies the property as of the assessment date in question and was sent to the address of record, as listed in the property tax records of Pope County, and no response was received as of December 31 of the assessment year as follows.
  - a. First notice of potential homestead letter or application,
  - b. Second notice of potential homestead letter or application, and/or
  - c. Notice of Valuation and Classification showing property as non-Homestead, or
  - d. Proposed Property Tax Notice (Truth in Taxation) showing non-Homestead.
6. The abatement involves a relative homestead as defined in MS 273.124, Subdivision 1 and application for homestead treatment was **not** made as of December 31 of the assessment year in question.

#### ***Applications/reapplications include, but are not limited to:***

1. 4c(3)(II) Charitable Donations
2. Special Agricultural Homesteads
3. Green Acres and Rural Preserves
4. 1b Disability or Blindness
5. Veterans with a Disability Property Tax Exemption
6. Property Tax Exemptions

7. The abatement involves property which requires applications or annual reapplications that were not returned by the statutory deadline and was sent a:
  - a. Second notice to apply/re-apply,
  - b. Notice of Valuation and Classification showing the different classification, or
  - c. Proposed Property Tax Notice showing the different classification and tax consequence.
8. Due to the inherent subjective nature of such requests, and notwithstanding the provisions of MS 375.192, **current year abatements will not be considered for the sole reason of a claimed hardship.**
9. Taxpayers have inadvertently omitted one parcel when making payments.
10. The only reason is that a contract for deed vendor, upon cancellation of contract, failed to be aware of unpaid taxes.
11. The only reason is that the taxpayer failed to receive a tax statement (MS 276.04).
12. The abatement 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.
13. Pursuant to MS 276.017, the postmark of the United States Postal Service shows the payment was not made timely.
14. Applicant failed to receive a tax statement **OR** forgot to pay on time.

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

1. Exemption by public ownership.
2. Double assessments or other overlapping listings.
3. Homestead classification for new applicants.

More information may be requested to determine whether there is an error or not.

## **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 the tax.
2. Pursuant to MS 279.01, Subdivision 2, the Pope County Board may delegate to the County Treasurer the power to abate the penalty for late payment of taxes in the current year.
3. If an abatement application submitted under section 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 Auditor/Treasurer.
4. If the taxpayer meets the conditions of MS 276.017 as reviewed and approved by the County Auditor or Treasurer.

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

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

An abatement of the portion of the penalty and interest on a delinquent tax will be approved if an abatement is granted under Sections I or II of the *Pope County Property Tax Abatement Policy*, subject to the limitations therein, related to the portion of the tax being abated, that has not been paid.

- 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 a contract, failed to be aware of unpaid taxes.

The County Board, County Assessor or County Auditor do not reduce, abate or refund any special assessment made or levied by any municipality unless the municipality also approved such reduction, abatement or refund. The County Board delegates its authority and responsibility for tax abatements to the County Auditor/Treasurer for Special Assessments upon written authorization from the municipality or other governmental units.

On 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. The notice must describe the property involved, the actual amount of the reduction being sought, and the reason for the reduction.

Abatements must be approved by both the County Assessor and County Auditor prior to the County Board having authority to approve or deny an abatement.

The County Board may delegate its authority to approve disaster abatements to the County Assessor. The Assessor applies the standards set forth in MS 273.1231 through 273.1235 including all sections related to disasters.

## V. PROCEDURES

Procedures are maintained by the County Assessor and County Auditor/Treasurer Offices.

## VI. DEFINITIONS

*Abatement:* Reduction in valuation, taxes and/or diminution of penalty, interest and cost on taxes not paid by 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 Postal Service admits** such error falls within this definition.

*Current Tax Year:* Year in which property taxes are payable.

*Disaster Abatement (Local Option):* A reduction in 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 (50) percent of the structure value.

*Hardship:* A tragedy or casualty suffered by the taxpayer, which is beyond the control of the applicant, such as a death in the family, extreme or extended illness, mental incapacity, accident, fire, or other extreme issue as documented by the County Assessor or County Auditor/Treasurer that results in erroneous valuation, erroneous classification or late payment of tax and which may prevent the property owner from filing a timely appeal of the value or classification of the property. 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 meet the statutory test, nor does lack of control of the property. Claims of a lost check must be accompanied by a copy of a dated stop payment order filed with the claimant's bank.

*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 abatement is sought. Current year applications are accepted for penalty only. Prior year applications are accepted for penalty, interest, and cost.