

Wadena County Abatement Policy

Abatements are to correct errors made in a property tax assessment. Abatement is discretionary and implemented only where fairness and equity require it.

Abatements may be considered on the current (payable) year property tax only. However, an application of the abatement to the current year and one preceding year may be considered in the case of a clerical error or when the taxpayer fails to file an application due to a hardship as determined by the Wadena County Board of Commissioners.

"Clerical Error" is defined by the Minnesota Department of Revenue: A "Clerical Error" is made by someone doing the work of a clerk. These include math errors, transposition of numbers, keypunch errors, and coding errors. Clerical errors do NOT include poor estimations or incorrect data used in making the estimations, such as an incorrect record of the actual square footage or the number of bathrooms. These would be "errors in judgment."

Abatements may be granted when a taxpayer fails to file an application due to a "hardship" which is determined by the Wadena County Board of Commissioners. "Hardship" is defined as: 1) A documented tragedy or casualty suffered by the property owner such as: a death in the immediate family, an extreme or extended illness, or 2) a documented disaster affecting the property or business (fire, flood, and windstorm) during the applicable time period, and, where the property does not qualify for the local option disaster credit under MS 279.01. Being out of state, not being aware that there was an issue or concern, and personal financial issues will not be considered hardship under this policy.

Abatements will not be granted if there is a question about the judgment of the estimated market value or classification. The assessment books are considered closed on July 1st of the assessment year and there is ample opportunity for a taxpayer to make an appeal. The property has to be owned by December 1 and apply by December 15.

Local and County Boards of Appeal and Equalization are held each year.

The assessment books are open to the public for their review at any time. The responsibility for an accurate assessment lies with the property owner as well as the Assessor's Department.

Abatements will not be granted solely because the selling price of the property was lower than the assessed value.

Abatements resulting in reductions of \$50.00 or less in taxes will not be considered. The \$50.00 threshold will be applied on a per parcel/per tax payable year basis.

If there are abatement requests that involve \$10,000.00 or more, Wadena County will give written notice within 20 days to the school district and the municipality affected, as required by **Minnesota Statute 375.192, Subd. 2.**

Homestead Abatement

Abatements for homestead classification will not be approved unless a timely homestead application is on file. It is the property owner's responsibility to file a homestead application by the filing deadline of December 15. Abatement may be granted when a taxpayer fails to file an application due to a "hardship" as defined herein or for a clerical error.

Local Option Disaster Abatement – Non-Declared Disaster Area

The "Local Option Disaster Abatement" may be considered for homestead and non-homestead property that has been unintentionally or accidentally destroyed.

On a written application submitted by the owner, a reduction in value for the current assessment year (for taxes payable the following year) may be considered provided that the primary structure is at least 50% destroyed. The value adjustment made as a result of the disaster will be divided by the number of months the primary structure was usable versus not being usable. (If the primary structure is used for any portion of a month, it will be considered as usable for the entire month.)

Example:

An event occurred June 30, 2015:

Assessment Year 2014/Payable Year 2015 – An abatement will not be considered in a non-declared disaster area, because, as of the assessment date, the pre-event value did exist. (Note: The value and classification that generates the payable 2015 tax is based on the classification and value as of January 2, 2014.)

Assessment Year 2015/Payable Year 2016 – An abatement may be considered in a non-declared disaster area if the event occurred after the assessment date for taxes payable in 2016. Therefore, to grant the property owner(s) relief for an event occurring after the most recent assessment date, an abatement may be considered. (Note: The value and classification that generates the payable 2016 tax is based on the classification and value as of January 2, 2015.)

Assessment Year 2016/Payable Year 2017 – An Abatement no longer needs to be considered in a non-declared disaster area because for taxes payable in 2017, the tax is based on the value and classification of the property as of January 2, 2016, which is after the date of the event and, therefore, will reflect the post event value.

Special Note: Consideration of an abatement in the year of the event is not necessary because depending upon when the structure is replaced, an additional year of relief is automatically granted on the back-end of the taxation process. For example, if a structure is replaced after January 2, 2016, which is the assessment

date for taxes payable in 2017. The value of that structure would not be taxed until 2018, granting an additional year of relief.

Abatements will not be given to non-primary structures (Sheds, Non-attached garages Barns) damaged or destroyed. The status of the property on January 2 will remain until January 2 of the following year. An exception to this will be when primary structures (House, Attached garage, Main commercial Building) are destroyed.

Local Option Disaster Abatement – Declared Disaster Area

The “Local Option Disaster Abatement” may be considered for homestead and non-homestead property that has been unintentionally or accidentally destroyed.

On a written application submitted by the owner, a reduction in value for the taxes payable in the year in which the event occurs may be considered provided that the primary structure is at least 50% destroyed. The abatement, if granted, is equal to the difference in the net tax on the property computed using the market value of the property established for the January 2 assessment of the year of the event and as computed using the (post event) reassessed value.

Example:

An event occurred June 30, 2015:

Assessment Year 2014/Payable Year 2015 – A declared disaster area abatement may be considered because state reimbursements are possible in a declared disaster area.

Assessment Year 2015/Payable Year 2016 – If an abatement is granted in a declared disaster for Assessment Year 2014/Payable Year 2015, a local option/homestead disaster credit will or may be granted as authorized under the provision of Minnesota Statute 273.1234 and Minnesota Statute 273.1235.

Assessment Year 2016/Payable Year 2017 – A declared disaster area abatement or credit no longer needs to be considered because for taxes payable in 2017, the tax is based on the value and classification of the property as of January 2, 2016, which is after the date of the event and, therefore, will reflect the post event value.

Special Note: Local option disaster abatements and local option/homestead disaster credits will be authorized and implemented only by County Board Resolution.

County Board Delegation

Per the provision of Minnesota Statute 375.192 Subdivision 4, except for the administration of Local Option Disaster Abatement in a Declared Disaster Area, the County Board of Commissioners hereby delegates to the Wadena Auditor/Treasurer the authority, power or responsibility assigned to the County Board as set forth in Minnesota Statute 375.192 for the purpose of administering this policy.

It is highly recommended that the taxpayer who applies for abatement pay the first half of the taxes due by May 15th and/or second half when applicable. Processing the abatement may put the approval date past the due date and the taxpayer will be charged penalty.

APPLICATIONS FOR ABATEMENT SHALL BE DENIED IF ANY OF THE FOLLOWING APPLY:

1. Applications for current year tax cannot be filed after September 1st.
2. A petition has been filed with tax court and the outcome is still pending.
3. A confession of judgement has been signed by the taxpayer/applicant.
4. It involves tax payable in a year other than the current or one previous year.
5. The taxpayer has inadvertently omitted one parcel while making payment on other parcels owned
6. The taxpayer failed to receive a tax statement (Minnesota Statutes 276.04). Failure to receive a tax statement does not void liability to pay tax on time.
7. The property sells for less than the assessor's estimated market value, when it is valued equally with similar properties.
8. Applications requesting 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
9. "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 strictly adhered to.
10. Property, 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)).

All applicants will be notified of the results of their application for abatement.