

# Wadena County, MN Board Action Form

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<b>Action Requested</b>	
<input checked="" type="checkbox"/> Action/Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Information Item	<input type="checkbox"/> Report <input type="checkbox"/> Resolution <input type="checkbox"/> Other
<input type="checkbox"/> Consent Agenda Item	

9:15 a.m. Public Hearing regarding the proposed Commerical Tax Abatement Policy

Date of Meeting: February 3<sup>rd</sup>, 2026 Total time requested: 10 min.

Department Requesting Action: Auditor/Treasurer Heather Olson

Presenting Board Action/Discussion at Meeting: Tax Abatement Committee

**Background**  Supporting Documentation enclosed

See attached proposed Commerical Tax Abatement Policy and the application

**Options**  Supporting Documentation enclosed

**Recommendation**  The Wadena County Board of Commissioners approves the following by Motion:

**Motion to approve the Commerical Tax Abatement Policy to be in effect from \_\_\_\_\_ to \_\_\_\_\_.**

**Financial Implications: \$**

Comments

Funding Source:

Budgeted:  Yes  No

Action	Voting in Favor	Voting Against
Motion:	<input type="checkbox"/> Noon	<input type="checkbox"/> Noon
Second:	<input type="checkbox"/> Winkels	<input type="checkbox"/> Winkels
<input type="checkbox"/> Passed	<input type="checkbox"/> Stearns	<input type="checkbox"/> Stearns
<input type="checkbox"/> Failed	<input type="checkbox"/> Kreklau	<input type="checkbox"/> Kreklau
<input type="checkbox"/> Tabled	<input type="checkbox"/> Kangas	<input type="checkbox"/> Kangas

**Signatures**

STATE OF MINNESOTA }  
 COUNTY OF Wadena }

I, Heather Olson, County Auditor/Treasurer, Wadena County, Minnesota hereby certify that I have compared the foregoing copy of the proceedings of the County Board of said County with the original record thereof on file in the Administration Office of Wadena County in Wadena, Minnesota as stated in the minutes of the proceedings of said board and that the same is a true and correct copy of said original record and of the whole thereof, and that said motion was duly passed by said board at said meeting. Witness my hand and seal:

Seal

## **WADENA COUNTY ECONOMIC DEVELOPMENT TAX ABATEMENT POLICY**

### **Intent**

The purpose of this Tax Abatement Policy is to provide a uniform set of standards and procedures for Wadena County to follow when utilizing tax abatement in conjunction with Minnesota Statutes §§ 469.1812 to 469.1815. Generally, tax abatement is a financing technique that allows a political subdivision to (i) rebate all or a portion of property taxes paid by a property owner, (ii) use abated taxes to finance public infrastructure or other authorized public improvements, and/or (iii) defer property taxes and rebate related interest and penalties, as permitted by law.

The County Board shall consider Economic Development Abatements for projects that serve to accomplish the goals for economic development, as they may change over time. The goals include facilitating projects that would result in the creation of quality jobs, stable employment, wages with benefits, and the attraction, retention and expansion of businesses, and housing options in Wadena County.

### **Conditions for Granting a Tax Abatement**

A tax abatement may only be granted if the benefits to Wadena County of the proposed abatement at least equal or exceed the cost of the abatement and the County finds that doing so is in the public interest because it will:

- increase or preserve tax base;
- provide employment opportunities in the political subdivision;
- provide or help acquire or construct public facilities;
- help redevelop or renew blighted areas;
- help provide access to services for residents of the political subdivision;
- finance or provide public infrastructure;
- phase in a property tax increase on the parcel resulting from an increase of 50 percent or more in one year on the estimated market value of the parcel, excluding increases attributable to improvements; or
- stabilize the tax base through equalization of property tax revenues for a specified period of time with respect to a taxpayer whose real and personal property is subject to valuation under Minnesota Rules, chapter 8100.

Tax abatements shall not be granted for property located within an active tax increment financing (TIF) district. Property taxes subject to abatement are limited to the net tax capacity-based tax on real property, including land and improvements. Market value-based taxes, special assessments, and other charges are not eligible for abatement.

## **Additional Criteria**

In addition to the requirements of state law, the County Board establishes the following additional criteria, which may be more restrictive than statutory requirements:

- A. Any real property, regardless of classification, must satisfy all statutory and policy requirements for receiving a tax abatement;
- B. Prior to consideration of an Economic Development Abatement, the subject property and all owners must be in full compliance with all Wadena County ordinances, property tax payments, and other legal or financial obligations to the County. The County Board may also review compliance status of other properties owned by the applicant, whether located within or outside Wadena County;
- C. Only the portion of property taxes attributable to new construction or qualifying renovation may be abated;
- D. For renovation projects, abatement eligibility requires that improvements increase the assessed value of the property by at least fifty percent (50%), and abatement shall apply only to the increased value;
- E. In any calendar year, the total amount of property taxes abated by the County shall not exceed the greater of ten percent (10%) of the County's net tax capacity for the applicable taxes payable year or \$200,000, or such other limit as may be established by state law;
- F. Equal consideration will be given to both existing business expansion and new businesses locating within the county;
- G. Applications must identify the property by parcel identification number(s) or legal description(s), and the property must be an existing parcel of record;
- ~~H. The abatement must be approved by the County Board prior to any new construction or improvements being made to the proposed property;~~
- I. The duration of the tax abatement will be for a maximum of 5 years; and
- J. Tax abatements will not be granted for projects receiving other County-provided economic development assistance, unless expressly approved by the County Board.

## **Types of Abatements**

Although multiple forms of tax abatement are authorized under Minn. Stat. § 469.1813, the County Board will provide tax abatement financing only in the form of a rebate of property taxes paid by the property owner. If an abatement is approved, the property owner shall receive a rebate of property taxes paid in excess of the taxes payable based on the estimated market value of the property as of the date the abatement resolution is adopted. Taxes attributable to improvements made during the abatement period shall be rebated in accordance with the approved abatement resolution. Abatements shall be administered on a pay-as-you-go basis, with rebates issued annually following verification of tax payment and compliance with abatement conditions.

## **Terms of Abatement**

Economic Development Commercial Tax Abatement may apply to the following project types:

- Apartments: defined as rental housing developments containing four (4) or more dwelling units;
- Commercial/Industrial projects: including retail, service, and manufacturing uses;
- Business development: defined as the establishment of a new business; and
- Redevelopment projects: defined as development or substantial renovation of existing property.

Unless otherwise approved by the County Board:

- The abatement shall be granted for up to five (5) years or a maximum total abatement of \$50,000, whichever occurs first;
- The project must be completed within two (2) years of County Board approval;
- Abatement benefits shall commence after project completion, and the property owner shall be responsible for any partial-year taxes.

## **Application and Approval Process**

A written application is required prior to County Board consideration of an economic development tax abatement. To be eligible for abatement in the following taxes payable year, applications must be submitted no later than July 1 of the preceding year. Applicants shall submit a completed Economic Development Abatement Application to the County Auditor/Treasurer, together with a nonrefundable application fee of \$50.00. The County shall review the application and provide a decision within thirty (30) days, unless additional information is required. Applicants may appeal a denial to the County Board by submitting a written request within thirty (30) days of the denial. If appropriate, the County Assessor shall prepare an abatement resolution for County Board consideration.

Final authority to grant or deny an abatement rests solely with the County Board. If the County Board grants the abatement, an abatement resolution shall contain the following:

- A. the terms and duration of the abatement;
- B. the maximum abatement amount;
- C. annual calculation and reporting requirements;
- D. the first taxes payable year subject to abatement; and
- E. the nature and extent of the public benefits.

The County Board may only approve the abatement resolution only after holding a public hearing. The public hearing and notification must comply with Minn. Stat. §469.1813, Subd. 5(a) and (b).

If the abatement application is approved, the project must be completed within 2 years of the date of approval of said application.

## **Payment of Taxes**

All property taxes must be paid when due and payable. Upon verification of payment, the County shall rebate abated taxes in accordance with the abatement resolution. Rebates are anticipated to be issued on or about June 15 and December 1, subject to administrative processing.

## **Annual Reporting**

All projects granted tax abatement must report annually to County Board by January 31<sup>st</sup> any information on the specifics of the proposed project.

## **Recapture of Abatement**

Imposition of any recapture is at the sole discretion of the County Board and reviewed and considered on a case-by-case basis. Reasons for the recapture of benefits include, but are not limited to, the sale or closure of the facility and departure of the company from the jurisdiction, the significant change in the use of the facility and/or the business activities of the company, and/or the failure to comply with annual reporting requirements

This Policy was adopted by the Wadena County Board of Commissioners and is effective \_\_\_\_\_, 2026.



## Tax Abatement Application

**Applicants must meet the Tax Abatement Policy criteria to be eligible for tax abatement.**

**If you have any questions, please contact the Wadena County Auditor at 218-631-7784**

Owner's Name:

Owner's Address:

Owner's Phone Number:

Owner's Email Address:

Parcel Tax ID number:

Please attach a copy of your current Wadena County property tax statement.

Abatement Type Requested:

New Commercial Build

Renovate Commercial Property

\*In order to qualify for the abatement, the applicant must provide proof of an investment of a minimum of 50 percent of the assessed value within 2 years of application approval.

Current Assessed Value: \$ \_\_\_\_\_

50% improvement amount: \$ \_\_\_\_\_

Please describe your project:

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**Please attach a \$50 application fee.**

**Applicant Statement**

I have read the Tax Abatement Policy and have asked questions as needed.

I understand:

- A Subsidy Agreement is required.
- I must file all required reports in a timely manner.
- If I fail to comply with the policy provisions, I will be subject to fines, repayment requirements, and be deemed ineligible by the State of Minnesota to receive any loans or grant from public entities for a period of five years.
- Underperforming projects shall result in reduced assistance on a pro rata basis.
- There will be a public hearing held on behalf of this application.

Applicant's Signature: \_\_\_\_\_

Applicant's Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

