
DAKOTA COUNTY POLICIES AND PROCEDURES MANUAL

Policy 8751 Abatements

Original Publication Date: 10/14/2003

Revision Date(s): 7/30/2013

Last Reviewed: 7/30/2013

Department: Property Taxation & Records

Board or Administrative: Administrative

Related Policies: 8752 Economic Development Tax Abatement

POLICY STATEMENT

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.

Dakota County Policy No. 8752 addresses Economic Development Tax Abatement.

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 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. 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 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.
- 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 Dakota County Assessor and Dakota County Treasurer-Auditor will report, annually, on abatements granted under their delegated authority.

