



# OTTER TAIL COUNTY

<b>Property Tax Assessment Abatement Policy</b>	<b>Issued</b>	October 1993
	<b>Reviewed</b>	
	<b>Revised</b>	July 2009 April 28, 2015 November 27, 2018
<b>Objective</b>	To grant abatements where fairness and equity are required.	
<b>Policy Statement</b>	To ensure that all taxpayers that apply for an abatement are consistently, equally and fairly treated.	
<b>Scope</b>	Real and personal property owners in Otter Tail County	
<b>Statutory References</b>	<b>Minn. Stat. § 375.192</b> <b>Minn. Stat. § 273.1233 (Local Option Disaster Abatement)</b>	

## Policy

Abatements are to correct errors made in a property tax assessment. Abatements are 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 two preceding years 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 Otter Tail County Board of Commissioners.

“Clerical Errors” is defined as the following per 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 application due to a “hardship” which is determined by the Otter Tail County Board of Commissioners. “Hardship” is defined as following: A documented tragedy or casualty suffered by the property owner such as: death in the immediate family, extreme or extended illness, accident, fire, or other emergency circumstances that prevented timely application by the property owner.

Being out of state, not being aware that there was an issue or concern, or personal financial issues are not to be considered a hardship under this policy.

Property Tax Assessment Abatement Policy–Revised policy adopted by County Board on 4/28/2015 & 11/27/2018

An abatement for the current year tax may be granted when a structure is erroneously placed on a parcel.

Abatements will not be granted if there is a question of judgment of the estimated market value or classification. Questions of judgment regarding the estimated market value or classification will be considered in the upcoming assessment. The assessment books are considered closed on July 1st of the assessment year and there is ample opportunity for taxpayer to make an appeal.

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. Current assessment data is on the Otter Tail County website at <https://ottertailcountymn.us>. The responsibility for an accurate assessment lies with the property owner as well as the Assessor's Department.

Abatements will not be granted solely due to a selling price being 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 per parcel/per tax payable year basis.

If there are abatement requests that involve \$10,000 or more, Otter Tail 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 may be granted when a taxpayer fails to file an application due to a "hardship" as defined herein.

### **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 because 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, a structure is replaced after January 2, 2016, which is the assessment date for taxes payable in 2017. Since the structure is replaced after the assessment date, the value of that structure will not be taxed until 2018, granting an additional year of relief.

### **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 Otter Tail County 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.