



**Brian J. Anderson**  
County Auditor/Treasurer  
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TO: County Board Meeting  
FROM: Brian J. Anderson, Director of Finance and Tax Payer Services  
SUBJECT: Abatement of Property Tax Penalties Program  
DATE: May 19<sup>th</sup>, 2020

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**DISCUSSION:**

At their regularly schedule County Board meeting on May 5<sup>th</sup>, the Goodhue County Board discussed implementing an Abatement of Property Tax Penalties Program to qualifying property owners. After much discussion, the Board approved a motion for staff to design an abatement program as discussed, create an application form, generate a press release, and edit the existing Goodhue County Abate Policy to allow for a pandemic hardship as a qualifier for property tax abatement. They also directed staff to bring it to the Budget Committee meeting on May 6<sup>th</sup> for further review.

At the May 6<sup>th</sup> Budget Committee meeting, it was further discussed to add clarifying language to the Abatement of Property Tax Penalties Program such as application deadlines, program penalty deadlines, and language in the application form.

**RECOMMENDATION:**

At this time, staff has drafted and implemented the Property Tax Penalties Program as discussed and is asking for the County Board to approve the Property Tax Abatement of Penalties Program, Property Tax abatement of Penalties Application, and the Abatement Policy as presented.

**Goodhue County**  
**Property Tax Abatement of Penalty Program**  
Adopted: May 6<sup>th</sup>, 2020

**Purpose:**

The purpose of the Goodhue County Property Tax Abatement of Penalty program is to mitigate the negative effects and economic impact COVID-19 has had on some Goodhue County property tax owners. In response to the Executive Order issued by the Governor, approval of this benefit provides a one-time property tax abatement of penalty up to 0% for those property taxes due May 15, 2020.

**Program:**

Components of the Property Tax Abatement of Penalty program include:

- All property owners that are able to pay their property taxes on time by May 15<sup>th</sup>, 2020 are encouraged to do so as this program affects all taxing jurisdictions.
- All property taxes paid through escrow along with all utility and railroad type properties are exempt from receiving this property tax abatement penalty relief and are still expected to pay their taxes on May 15, 2020.

**Application Process:**

- Applications for Property Tax Abatement of Penalty must be received by Goodhue County by May 31<sup>st</sup>, 2020. <https://www.co.goodhue.mn.us/DocumentCenter/View/19820>
- Application must be submitted by email to [brian.anderson@co.goodhue.mn.us](mailto:brian.anderson@co.goodhue.mn.us) or mailed to Goodhue County Taxpayer Services, 509 W 5th St, Red Wing, MN 55066
- Not all applicants may be approved for this program.
- Approved applicants shall receive a tax abatement of penalty through June 30<sup>th</sup>, 2020 at which time all first-half property taxes are due to be paid.
- Those applicants that are approved for this program shall receive some type of penalty relief up to 0% but not all applicants may receive a 0% penalty relief.
- First-half property taxes paid on July 1<sup>st</sup>, 2020 or after shall be subject to standard penalties.

**Press Release:**

Goodhue County staff continue working to keep Minnesotans safe and coordinate efforts to provide essential services and information during the COVID-19 pandemic. In response to the Executive Orders issued by the Governor, the County Board approved a Property Tax Abatement of Penalty program to mitigate the negative effects and economic impact COVID-19 has had on some Goodhue County property tax owners and businesses. For those that are approved, this benefit provides a one-time property tax reduction of penalty up to 0% for those property taxes due May 15<sup>th</sup>, 2020. All property taxes paid through escrow along with all utility and railroad properties are exempt from this abatement program and are still expected to pay their taxes by May 15<sup>th</sup>, 2020.

Property owners must submit an application to the Finance Department by May 31<sup>st</sup>, 2020. Approved applicants shall receive a tax abatement of penalty through June 30<sup>th</sup>, 2020 at which time property taxes are due to be paid. Property taxes paid on July 1<sup>st</sup>, 2020 or after shall be subject to standard penalties.

We do ask residents to understand that this abatement program has ramifications to all taxing jurisdictions as we are not expected to receive all property taxes as initially anticipated. Therefore, we ask that those in a position to pay their property taxes on time to please do so by the May 15<sup>th</sup>, 2020 deadline. For more information on the Property Tax Abatement of Penalty program and for a copy of the application, please visit the County's website at <https://www.co.goodhue.mn.us/649/Finance-Taxpayer-Services> .

**Application Form:**

## GOODHUE COUNTY, MINNESOTA APPLICATION FOR PROPERTY TAX ABATEMENT OF PENALTY

The purpose of the Goodhue County Property Tax Abatement of Penalty program is to mitigate the negative effects and economic impact COVID-19 has had on some Goodhue County property tax owners. Approval of this benefit provides a one-time property tax abatement of penalty up to 0% for those property taxes due May 15, 2020. Some of the components of the Abatement of Penalty include:

- All property taxes paid through escrow along with all utility and railroad type properties are exempt from this abatement and are still expected to pay their taxes on May 15, 2020.
- Applications must be received by Goodhue County by May 31<sup>st</sup>, 2020.
- Approved applicants will be notified and shall receive a tax abatement through June 30<sup>th</sup>, 2020 at which time property taxes are due to be paid.
- Property taxes paid on July 1<sup>st</sup>, 2020 or after shall be subject to standard penalties.

This application is being requested based upon the following:

Applicant's Name:	
Business Name (if applicable):	
Parcel I.D(s) or Address to be partially abated:	
Telephone Number:	
Email Address:	

1. Was your business ordered to close by Executive Order of the Governor? **Yes / No**
2. Was your business partially open during the Executive Order? **Yes / No**
3. Are your property taxes paid through escrow? **Yes / No**
4. Please tell us why you feel your property tax penalty should be abated for the first half of property taxes due May 15<sup>th</sup>, 2020:

**Applicant's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

\*by submitting his form you are agreeing that the information contained herein is true and correct to the best of your knowledge.

**FOR OFFICE USE ONLY:**

Date Received:

Was this property approved for the Property Tax Abatement?

What percent of abatement was this property approved for?

Comments:

Signature \_\_\_\_\_

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

# Goodhue County Abatement Policy

## **Policy**

The purpose of this policy is to ensure that all taxpayers and properties in Goodhue County are treated fairly and equitable, and have equal access and consideration under the statutory procedures. Abatement is not part of the appeals process for market valuation challenges, but shall be an administrative process by which corrections can be made to property and tax.

According to MN Statute 375.192 abatements for consideration by the County Assessor and County Auditor shall be approved or denied jointly. Any abatement over \$10,000 requires County Board action. The County Auditor shall make available to the Board of Commissioners the abatement requests and action taken periodically as needed or requested.

Goodhue County shall provide notice to the school board and municipality for any abatement over \$10,000, as required by law.

Abatements shall be considered as they relate to only taxes payable in the current year. The prior two tax years shall be considered only in case of documented hardship as defined in this policy.

Abatements for the current tax year will not be processed, when prior year taxes remain unpaid. Exceptions may be granted based on hardship as defined in this policy.

Any abatement resulting in a tax reduction or refund with a total of less than \$100.00 shall be denied.

Copies of all abatements shall be retained in the Office of the County Finance Department and will be available for inspection upon request in accordance with the Goodhue County record retention policy.

**The County Finance Department will provide the application forms to be submitted for consideration of abatement.**

## **Deadline**

To be considered abatement applications must be post marked or delivered to the County Assessor by November 30<sup>th</sup> in the year which the tax is payable. Disaster Abatements will be handled on a case by case basis. While any abatement application is pending approval or processing, it is taxes must be paid by date due regardless of the outcome of the abatement process.

## **Definitions**

**Abatement:** Administrative action of correcting errors in valuation or classification following a written request by the taxpayer of record, the property owner, or owner's agent.

**Addition:** Action to increase or add market value, taxes, or to change the property classification as a result of a change to the current year only.

**Clerical Errors:** Errors made by staff of a clerical nature, such as inputting incorrect codes, transposing numbers, keypunch errors and mathematical errors. Appraisal judgment errors are not considered clerical errors.

**Hardship:** An event or circumstance beyond the control of the taxpayer. Examples of hardship include, but are not limited to, the physical or mental incapacity of the taxpayer, **and negative economic impacts due to a pandemic**. To prove hardship documentation **and/or application forms** must be submitted. Hardship shall not include financial hardship.

## **Types of Abatements**

### **Market Value:**

Abatement for market value changes shall be considered if the following factors are met:

- 1) The property owner can show that a notice of market value and a truth in taxation notice were not received prior to the mailing of the tax statement
- 2) The assessor's estimated market value is substantially higher than the property's actual market value

### **Classification:**

Classification changes shall be considered based on ownership, principal use of the property and occupancy of the property. The following can be provided to support the change:

- 1) A recordable deed
- 2) A copy of the electronic Certificate of Real Estate Value filed with the County Assessor
- 3) A signed homestead application
- 4) Documentation proving the date of occupancy

### **.Homestead:**

Ownership AND occupancy requirements must be met December 1. For abatement for homestead where no homestead application has been properly signed and returned, property owners may be required to provide two forms of proof of occupancy, e.g., electric and/or other utility services to the homestead address for the assessment year in question. The following documentation may be accepted as proof:

- A recordable deed
- A copy of the electronic Certificate of Real Estate Value filed with the County Assessor
- A signed homestead application
- Documentation proving the date of occupancy

### **Disaster:**

An owner of homestead or non-homestead property that has been damaged or destroyed may apply for a disaster (local option) abatement to reduce taxes in the year the damage occurred and in the following year until rebuilt. To qualify the property:

- was accidentally or unintentionally damaged due to a disaster
- is uninhabitable or not usable, and
- the damage is at least fifty (50%) percent of the structure value as determined by the county assessor. Documentation of the damage must accompany the abatement application with the following criteria:
  - The property must be unoccupied for at least one calendar month
  - The property must be rebuilt on site unless not allowed by local zoning or building authorities.

### **Tax Court:**

Taxpayers may apply for change in property valuation or classification change with the Minnesota Tax Court. Applications are due April 30 of the year the taxes are due. Following the process established by the legal system and changes determined necessary by the Tax Court will be fully implemented upon receipt of the Order for Judgement and Judgement.