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TO: County Board of Commissioners
FROM: Brian J. Anderson, Director of Finance and Tax Payer Services
SUBJECT: Final Approval of the Property Tax Abatement of Penalty Program Applicants
DATE: July 7th, 2020

BACKGROUND:

In the wake of COVID-19, many businesses and residents have been financially affected by the Governor's Stay at Home order while others have not. In order to provide some economic relief, counties around the State have approved their own version of abating late penalties for those people and/or properties impacted by COVID-19. Based upon the discussion with the Board at their Budget Committee meeting on April 28th, Board meeting on May 5th, and Budget Committee meeting May 6th, the Board approved the Property Tax Abatement of Penalty Program for abating late penalties for qualified individuals and then asked for the qualified applications to come before the County Board for final approval.

DISCUSSION:

As discussed at their Budget Committee meeting on May 6th, the details of the Property Tax Abatement of Penalty Program provided a one-time property tax abatement of penalty up to 0% for those property taxes due May 15, 2020.

Recap of the Property Tax Abatement of Penalty 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 15th, 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 31st, 2020. <https://www.co.goodhue.mn.us/DocumentCenter/View/19820>
- Application must be submitted by email to 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 30th, 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 1st, 2020 or after shall be subject to standard penalties.

Results of the Abatement Program:

There were 46 Goodhue County property owners that took advantage of the Abatement Program with 101 properties being approved. This resulted in \$564,727 worth of property tax payments possibly being delayed until June 30th without penalty, which equated to us receiving approximately 99% of our estimated tax collections. Additional statistics are outlined below:

# of Approved Applications:			# of Approved Parcels:		
	46			101	
Jurisdiction's	Tax Amount	% of Total	ISD's	Tax Amount	% of Total
Belvidere Twp	\$ 2,390	0.42%	252	\$ 14,189	2.51%
Cannon Falls City	\$ 11,313	2.00%	253	\$ 4,382	0.78%
Cannon Falls Twp	\$ 1,166	0.21%	255	\$ 3,099	0.55%
Cherry Grove Twp	\$ 3,011	0.53%	256	\$ 468,197	82.91%
Goodhue City	\$ 1,003	0.18%	258	\$ 769	0.14%
Goodhue Twp	\$ 989	0.18%	813	\$ 7,454	1.32%
Hay Creek Twp	\$ 6,125	1.08%	2172	\$ 50,737	8.98%
Holden Twp	\$ 2,889	0.51%	2805	\$ 15,900	2.82%
Kenyon City	\$ 39,216	6.94%	Total	\$ 564,727	100.00%
Lake City	\$ 2,266	0.40%			
Minneola Twp	\$ 3,560	0.63%			
Pine Island City	\$ 1,228	0.22%			
Pine Island Twp	\$ 1,673	0.30%			
Red Wing City	\$ 465,459	82.42%	% Penalty	Tax Amount	% of Total
Roscoe Twp	\$ 16,098	2.85%	0.00%	\$ 451,018	79.86%
Stanton Twp	\$ 1,710	0.30%	1%, 2%	\$ 113,709	20.14%
Vasa Twp	\$ 1,503	0.27%	Total	\$ 564,727	100.00%
Wacouta Twp	\$ 1,067	0.19%			
Wanamingo Twp	\$ 2,061	0.36%			
Total	\$ 564,727	100.00%			

The attached Property Tax Abatement of Penalty Ledger outlines the applicants name, parcel ID's, jurisdiction, the amount of property taxes, and the percent of penalty being abated. To protect the individual's privacy, I removed some details regarding their profession. However, main reasons the applicants applied for the abatement are as follows:

- Red Wing Mall (Commercial)
- (2) Hotels & a Bed & Breakfast
- (6) Agriculture business
- (2) Restaurants and (1) Bowling
- Specialty automotive & rec. sports
- (10) Residential hardship
- Dance, gymnastics, cleaning business, trucking, pilot, (7) other small business
- (3) Instructor or councilor
- (5) Rental properties
- (2) Theatres
- (1) Real Estate Investor/Builder

I had good discussions with several of the applicants and although we didn't know the true effects of COVID-19 or how the State was going to assist with their policies, many people were grateful for the program. There were some that stated it could have went longer into July or August (until the State opened back up to allow them to earn some revenue). Unfortunately, some people were confused as to when the property taxes were actually due as they were getting it confused with the Governor's extension of the State income tax that went into July. Depending on when the applications came in, I was able to respond within 24 hours but many times I responded by email within 8 hours so the individual was informed of my decision.

I did repeatedly send out updates to the other jurisdictions, administrators, and superintendents shortly after the program began and didn't hear of any issues. Should the Board consider a similar program for the second half taxes due on October 15th, it would be challenging to extend the length of the program being we would be nearing the end of the fiscal and calendar year. On a side note, Olmsted County offered a 0% penalty until July 15th with no application process and only received 85% of their tax collection, partially due to the Mayo Clinic taking advantage of their program. That type of reduction could lead to significant cash flow issues for some of our other taxing jurisdictions. I felt some other good attributes of Goodhue County's Abatement Program were:

- Ensure it's COVID related,
- Submit an application,
- Apply a cut-off date for the application, and
- Offer two variations of penalty with that being either full or partial abatement of penalty.

RECOMMENDATION:

The Finance Director is recommending approval of the applicants for the Property Tax Abatement of Penalty Program as outlined in the attachment.

Goodhue County

Property Tax Abatement of Penalty Ledger

No.	Date Received	Applicants Name	Parcel I.D.'s	Jurisdiction	ISD	Tax Amount	Approved Y/N	% Penalty	Response Date
1	5/7/2020	Brian Hoven	40.016.0100	Roscoe Twp	2805	\$ 862	Yes	0.0%	5/8/2020
		Brian Hoven	40.010.1000	Roscoe Twp	2805	\$ 980	Yes	0.0%	5/8/2020
		Brian Hoven	40.010.0300	Roscoe Twp	2805	\$ 3,060	Yes	0.0%	5/8/2020
		Brian Hoven	40.009.0700	Roscoe Twp	2805	\$ 1,453	Yes	0.0%	5/8/2020
		Brian Hoven	40.003.1300	Roscoe Twp	2805	\$ 1,695	Yes	0.0%	5/8/2020
2	5/7/2020	Lisa Arends	43.135.0220	Wacouta Twp	256	\$ 922	Yes	0.0%	5/8/2020
		Lisa Arends	43.135.0230	Wacouta Twp	256	\$ 145	Yes	0.0%	5/8/2020
		Lisa Arends	55.535.0830	Red Wing City	256	\$ 661	Yes	0.0%	5/8/2020
		Lisa Arends	55.245.0090	Red Wing City	256	\$ 602	Yes	0.0%	5/8/2020
3	5/8/2020	Darren Vieths	33.011.0300	Goodhue Twp			No - Escrowed		5/8/2020
		Darren Vieths	33.011.0301	Goodhue Twp	253	\$ 989	Yes	0.0%	5/8/2020
4	5/8/2020	Michael & Sue Yanz	55.231.0010	Red Wing City	256	\$ 5,218	Yes	0.0%	5/8/2020
		Michael & Sue Yanz	55.231.0040	Red Wing City	256	\$ 12,028	Yes	0.0%	5/8/2020
5	5/9/2020	Jack Schlichting & Heathe	41.025.0200	Stanton Twp	252	\$ 1,608	Yes	0.0%	5/11/2020
		Jack Schlichting & Heathe	41.025.0700	Stanton Twp	252	\$ 102	Yes	0.0%	5/11/2020
6	5/11/2020	PMC Associates, Inc.	55.910.0020	Red Wing City	256	\$ 67,006	Yes	1%, 2%	5/12/2020
		PMC Associates, Inc.	55.910.0040	Red Wing City	256	\$ 10,593	Yes	0.0%	5/12/2020
		PMC Associates, Inc.	55.910.0010	Red Wing City	256	\$ 8,536	Yes	0.0%	5/12/2020
7	5/11/2020	CJB Real Estate, LLC	55.910.0030	Red Wing City	256	\$ 51,969	Yes	0.0%	5/12/2020
		CJB Real Estate, LLC	55.910.0031	Red Wing City	256	\$ 17,413	Yes	0.0%	5/12/2020
		CJB Real Estate, LLC	55.910.0011	Red Wing City	256	\$ 18,444	Yes	0.0%	5/12/2020
8	5/11/2020	Ryan Dahnert	66.375.0010	Kenyon City	2172	\$ 886	Yes	1%, 2%	5/12/2020
		Ryan Dahnert	66.375.0020	Kenyon City	2172	\$ 32,771	Yes	1%, 2%	5/12/2020
		Ryan Dahnert	66.375.0030	Kenyon City	2172	\$ 152	Yes	1%, 2%	5/12/2020
		Ryan Dahnert	66.375.0040	Kenyon City	2172	\$ 5,407	Yes	1%, 2%	5/12/2020
9	5/11/2020	Margo Rainwater	54.120.0190	Lake City	813	\$ 2,266	Yes	1%, 2%	5/12/2020
10	5/11/2020	Beverly Broen	55.625.0890	Red Wing City	256	\$ 1,975	Yes	1%, 2%	5/12/2020
11	5/12/2020	Shelley Endres	55.005.3280	Red Wing City	256	\$ 1,223	Yes	0.0%	5/12/2020
12	5/12/2020	Shelley Endres	55.450.0030	Red Wing City	258	\$ 769	Yes	0.0%	5/13/2020
13	5/12/2020	Shelley Endres	55.005.3450	Red Wing City	256	\$ 1,044	Yes	0.0%	5/13/2020
14	5/12/2020	Shelley Endres	55.050.0050	Red Wing City	256	\$ 803	Yes	0.0%	5/13/2020
15	5/12/2020	Chirag Patel	55.438.0020	Red Wing City	256	\$ 29,540	Yes	0.0%	5/13/2020
16	5/12/2020	Sarah Lundell	52.480.0500	Cannon Falls City	252	\$ 856	Yes	1%, 2%	5/13/2020
17	5/12/2020	Edwin Galaty	39.007.0100	Pine Island Twp	2805	\$ 1,673	Yes	0.0%	5/13/2020
18	5/12/2020	Edwin Galaty	68.260.0360	Pine Island City	255	\$ 1,228	Yes	0.0%	5/13/2020
19	5/12/2020	Jayesh Bhakta	55.445.0040	Red Wing City	256	\$ 15,369	Yes	0.0%	5/13/2020

20	5/13/2020	Donna Peters	42.014.0500	Vasa Twp	256	\$ 1,503	Yes	0.0%	5/13/2020
21	5/13/2020	Kyley Lindholm	55.134.0010	Red Wing City	256	\$ 7,049	Yes	0.0%	5/14/2020
22	5/13/2020	BeNita Hove-Domke	55.020.0390	Red Wing City	256	\$ 724	Yes	0.0%	5/14/2020
23	5/12/2020	Jerald & Peggy Olson	55.195.0130	Red Wing City	256	\$ 1,888	Yes	0.0%	5/14/2020
24	5/14/2020	Virgil and Constance Dyke	40.011.0200	Roscoe Twp	2805	\$ 425	Yes	0.0%	5/14/2020
	5/14/2020	Virgil and Constance Dyke	40.011.0100	Roscoe Twp	2805	\$ 1,899	Yes	0.0%	5/14/2020
	5/14/2020	Virgil and Constance Dyke	40.011.0203	Roscoe Twp	2805	\$ 1,479	Yes	0.0%	5/14/2020
	5/14/2020	Virgil and Constance Dyke	40.011.0300	Roscoe Twp	2805	\$ 638	Yes	0.0%	5/14/2020
	5/14/2020	Virgil and Constance Dyke	40.021.0700	Roscoe Twp	2805	\$ 1,736	Yes	0.0%	5/14/2020
	5/14/2020	Virgil and Constance Dyke	40.021.0300	Roscoe Twp	255	\$ 1,871	Yes	0.0%	5/14/2020
	5/14/2020	Virgil and Constance Dyke	38.019.0300	Minneola Twp	2172	\$ 752	Yes	0.0%	5/14/2020
	5/14/2020	Virgil and Constance Dyke	38.019.0500	Minneola Twp	2172	\$ 1,102	Yes	0.0%	5/14/2020
	5/14/2020	Virgil and Constance Dyke	38.020.0500	Minneola Twp	2172	\$ 585	Yes	0.0%	5/14/2020
	5/14/2020	Virgil and Constance Dyke	38.020.1100	Minneola Twp	2172	\$ 1,121	Yes	0.0%	5/14/2020
25	5/14/2020	Daniel & Mararet Greseth	44.012.0501	Wanamingo Twp	2172	\$ 2,061	Yes	0.0%	5/14/2020
26	5/14/2020	David Baer	55.005.3440	Red Wing City	256	\$ 3,987	Yes	0.0%	5/14/2020
27	5/14/2020	Edward P. Cavin	28.033.0500	Cannon Falls Twp	252	\$ 1,166	Yes	0.0%	5/14/2020
28	5/14/2020	Mark Hokanson	55.150.0070	Red Wing City	256	\$ 2,959	Yes	0.0%	5/14/2020
	5/14/2020	Mark Hokanson	55.175.1070	Red Wing City	256	\$ 2,234	Yes	0.0%	5/14/2020
	5/14/2020	Mark Hokanson	55.150.0030	Red Wing City	256	\$ 7,098	Yes	0.0%	5/14/2020
29	5/18/2020	Terry and Joni Westerberg	55.420.1060	Red Wing City	256	\$ 1,454	Yes	0.0%	5/18/2020
30	5/18/2020	Betty Ann Dicke	26.009.0400	Belvidere Twp	253	\$ 2,390	Yes	1%, 2%	5/18/2020
31	5/18/2020	Dean Schutte	30.019.0600	Cherry Grove Twp	2172	\$ 3,011	Yes	0.0%	5/18/2020
32	5/18/2020	Winston Kaehler	55.175.0370	Red Wing City	256	\$ 1,562	Yes	0.0%	5/18/2020
33	5/18/2020	Shira Charpentier	55.713.0090	Red Wing City	256	\$ 82	Yes	0.0%	5/18/2020
			55.713.0070	Red Wing City	256	\$ 536	Yes	0.0%	5/18/2020
34	5/19/2020	Gregory Jablonske	55.853.0090	Red Wing City	256	\$ 221	Yes	0.0%	5/19/2020
	5/19/2020	Gregory Jablonske	55.853.0080	Red Wing City	256	\$ 221	Yes	0.0%	5/19/2020
	5/19/2020	Gregory Jablonske	55.853.0020	Red Wing City	256	\$ 314	Yes	0.0%	5/19/2020
	5/19/2020	Gregory Jablonske	55.849.0190	Red Wing City	256	\$ 399	Yes	0.0%	5/19/2020
35	5/19/2020	Gregory Jablonske	52.540.0010	Cannon Falls City	252	\$ 452	Yes	0.0%	5/19/2020
	5/19/2020	Gregory Jablonske	52.540.0013	Cannon Falls City	252	\$ 1,282	Yes	0.0%	5/19/2020
	5/19/2020	Gregory Jablonske	52.540.0014	Cannon Falls City	252	\$ 138	Yes	0.0%	5/19/2020
	5/19/2020	Gregory Jablonske	52.540.0015	Cannon Falls City	252	\$ 961	Yes	0.0%	5/19/2020
	5/19/2020	Gregory Jablonske	52.540.0016	Cannon Falls City	252	\$ 818	Yes	0.0%	5/19/2020
36	5/20/2020	Mallary Anderson	55.535.0120	Red Wing City	256	\$ 5,024	Yes	0.0%	5/20/2020
37	5/21/2020	Dan Turen	52.625.0020	Cannon Falls City	252	\$ 6,806	Yes	0.0%	5/21/2020
38	5/22/2020	Rene Ellis	55.490.0920	Red Wing City	256	\$ 1,068	Yes	0.0%	5/22/2020

39	5/22/2020	John Wooden	34.005.0200	Hay Creek Twp	256	\$ 488	Yes	0.0%	5/26/2020
	5/22/2020	John Wooden	34.008.0400	Hay Creek Twp	256	\$ 449	Yes	0.0%	5/26/2020
	5/22/2020	John Wooden	55.722.0320	Red Wing City	256	\$ 26,977	Yes	0.0%	5/26/2020
	5/22/2020	John Wooden	55.835.1120	Red Wing City	256	\$ 3,212	Yes	0.0%	5/26/2020
	5/22/2020	John Wooden	55.835.1130	Red Wing City	256	\$ 1,294	Yes	0.0%	5/26/2020
	5/22/2020	John Wooden	55.835.1140	Red Wing City	256	\$ 3,684	Yes	0.0%	5/26/2020
	5/22/2020	John Wooden	55.835.1150	Red Wing City	256	\$ 313	Yes	0.0%	5/26/2020
	5/22/2020	John Wooden	55.835.1160	Red Wing City	256	\$ 66	Yes	0.0%	5/26/2020
	5/22/2020	John Wooden	55.835.1170	Red Wing City	256	\$ 4,267	Yes	0.0%	5/26/2020
	5/22/2020	John Wooden	55.835.1180	Red Wing City	256	\$ 950	Yes	0.0%	5/26/2020
	5/22/2020	John Wooden	55.835.1190	Red Wing City	256	\$ 38	Yes	0.0%	5/26/2020
	5/22/2020	John Wooden	55.865.0010	Red Wing City	256	\$ 8,377	Yes	0.0%	5/26/2020
	5/22/2020	John Wooden	55.999.7223	Red Wing City	256	\$ 953	Yes	0.0%	5/26/2020
40	5/26/2020	Lawrence Rother	35.027.0200	Holden Twp	2172	\$ 2,889	Yes	0.0%	5/26/2020
41	5/26/2020	Joerg Beckert	55.005.4650	Red Wing City	256	\$ 1,624	Yes	0.0%	5/27/2020
	5/26/2020	Joerg Beckert	55.005.4560	Red Wing City	256	\$ 13,016	Yes	0.0%	5/27/2020
42	5/29/2020	John Jaeger	34.036.0802	Hay Creek Twp	813	\$ 367	Yes	0.0%	5/29/2020
	5/29/2020	John Jaeger	34.035.0101	Hay Creek Twp	813	\$ 503	Yes	0.0%	5/29/2020
	5/29/2020	John Jaeger	34.035.0102	Hay Creek Twp	813	\$ 419	Yes	0.0%	5/29/2020
	5/29/2020	John Jaeger	34.035.0200	Hay Creek Twp	813	\$ 2,410	Yes	0.0%	5/29/2020
	5/29/2020	John Jaeger	32.035.0401	Hay Creek Twp	813	\$ 946	Yes	0.0%	5/29/2020
	5/29/2020	John Jaeger	34.035.0601	Hay Creek Twp	813	\$ 543	Yes	0.0%	5/29/2020
43	5/29/2020	Lori-Anne Harley	55.902.0030	Red Wing City	256	\$ 35,110	Yes	0.0%	5/29/2020
	5/29/2020	Lori-Anne Harley	55.902.0040	Red Wing City	256	\$ 35,362	Yes	0.0%	5/29/2020
	5/29/2020	Lori-Anne Harley	55.902.0050	Red Wing City	256	\$ 47,917	Yes	0.0%	5/29/2020
44	5/29/2020	Jean Balcome-Dicke	64.440.0120	Goodhue City	253	\$ 1,003	Yes	0.0%	5/29/2020
45	5/29/2020	Stephen & Clarice Vagask	55.056.0010	Red Wing City	256	\$ 1,544	Yes	0.0%	6/1/2020
46	5/29/2020	Jeff Gagnier Ttee	55.020.2550	Red Wing City	256	\$ 742	Yes	0.0%	6/1/2020