

PREAMBLE

PURPOSE

The purpose of this policy is to ensure all taxpayers and property owners in Ramsey County are treated fairly and equitably, and have equal access and consideration under the statutory procedures.

WHAT IS AN ABATEMENT?

An abatement is a written request to the County Assessor by the owner of a property to correct an error in classification or estimated market value for property tax purposes. The applicant must demonstrate that a clerical error has been made. What constitutes an error is defined in [Minn.Stat.375.192](#).

- A purchase price less than the EMV is not sufficient evidence that a clerical error has been made.
- The county must agree that a clerical error has impacted the value.
- The applicant's deed must be recorded before an abatement request can be considered.
- An owner may request an abatement if the applicant was unable to file a timely appeal during the assessment year for a hardship reason.
- A hardship reason for abatement purposes has been defined by the Ramsey County Board as an event or circumstances beyond the owner's control which prevents the owner from filing a timely appeal.
 - a. Financial hardship does not qualify as a hardship for abatement purposes.

There is a filing fee in Ramsey County for an abatement request. The required filing fee must be submitted with the required forms by a specific date each year.

Applicants for an abatement are encouraged to pay the full amount of the tax, and any penalty, interest, or cost while the abatement application is pending. If the abatement is denied the applicant will be responsible for any unpaid tax along with any penalty, interest, or cost that have accrued. A refund will be issued to the taxpayer if the abatement results in an overpayment of tax.

TYPES OF ABATEMENTS

There are four types of abatements

- **Valuation:** These decisions are based on market value and the burden is on the taxpayer to demonstrate that an error has been made.
- **Classification:** The most prevalent classification abatements are for the Homesteads classification, but other classification errors are also correctable.
 - a. Homestead abatements are based upon ownership and occupancy within statute-specific dates. Homestead abatements put the burden of proof upon the applicant to

provide the necessary documentation to satisfy the statutory requirements. These applications must include:

- i. Copy of their Deed – the original must be recorded
 - ii. Evidence that a Certificate of Real Estate Value was filed when required by [Minn.Stat.272.115](#)
 - iii. Social Security Numbers. (Considered private data on individuals as defined in section 13.02 Subd. 12) Supporting documentation of occupancy proof for the date(s) in question (two types per occupant.)
- **Exemption:** The criteria for an exemption abatement is predicated upon ownership and qualifying use. These two requirements must be consistent with one another. Requested documentation may include a Commissioner of Revenue Application for Exemption from Property Tax, Articles of Incorporation, Federal Cert. 501 c (3), Minnesota Form 990, synopsis of organizational function and tenant lists. See the section on exemption for more detail.
 - **Local Option Abatement:** (See detailed info in the “Disaster Abatements and Credits” section of the manual, including new legislation)

WHAT AN ABATEMENT IS NOT

An abatement is not a method to appeal an estimated market value. There are other options available. Each option is outlined in the value notice mailed to owners annually in March.

- First, if an owner disagrees with the market value on the notice, they should contact the assessor’s office immediately to discuss their concerns.
- Second, an owner may participate in an “Open Book” meeting. An informal conversation with a county appraiser where the owner presents an alternative point of view supported by facts; such as a recent appraisal or sale. The appraiser is authorized to make adjustments if warranted.
- Third, an owner may make an appointment to appear before the County Board of Appeal and Equalization. After a hearing with the owner and the appraiser, the Board is authorized to make appropriate adjustments when the facts so warrant.

The county does not charge a fee for any on the above methods.

- Fourth, is to file a formal appeal with the Minnesota Tax Court. Fees do apply

Deadlines apply to all of the above

DEFINITIONS

Hardship – Hardship, as referred to in [Minn.Stat.375.192](#), is defined as any event or circumstance beyond the control of the applicant which precludes the applicant from filing for a reduction or an adjustment of the property taxes in a timely manner. Examples of hardship include, but are not limited to, a medical condition, mental incapacity, or the death of the property owner or a member of the family, which prevents the property owner from filing a timely appeal of the value or classification of the property. Financial hardship does not meet the statutory test, nor does lack of control of the property.

Clerical Error – The determination of whether a clerical error exists is to be made by the County Assessor on a case-by-case basis. A data error is not per se a clerical error. A clerical error does not involve judgment, but it may involve the failure of a governmental entity to perform a ministerial act relating to the assessment of property. Examples of clerical errors include, but are not limited to, data entry errors, transcription errors, computer system errors by the county or by county business partners, and significant arithmetic errors.

ABATEMENTS ALLOWED

Abatements by the County Board will be allowed only as follows:

Value Reduction Abatements – Value reductions, and any tax, penalty, interest or costs attached, will be allowed only when due to a clerical error, or when the applicant meets the hardship requirement.

Corrective Abatements – Abatement of tax, penalty, interest or costs will be allowed to correct an error, illegality or inequity other than incorrect value. Examples of this type of abatement include, but are not limited to, property that was taxed but should have been exempt, an incorrect classification, or incorrect homestead status.

Disaster Abatements – Such Abatements will be granted based on the statutory requirements of [Minn.Stat.273.1233](#).

Abatements for Economic Development – Such abatements will be granted based on the statutory requirements of [Minn.Stat.469.1812](#) through [Minn.Stat.469.1815](#).

RESTRICTIONS AND PROCEDURES

Prior Years – Abatements for the two calendar years prior to the current tax payable year will be considered for approval only as provided by [Minn.Stat.375.192](#) for hardship or clerical errors. The definitions of hardship and clerical errors adopted by this resolution shall be applied by the County Assessor in considering whether abatements for those prior two years will be approved.

Deadline for Filing – The deadline for filing a homestead abatement is July 1 of the payable year. All other abatements must be filed by December 31 of the year in which the tax is payable. The filing deadline requires that a properly completed abatement form, signed by the taxpayer, is postmarked and/or has been received by the assessor's office on or before the required date.

DELEGATION

The County Board delegates its authority to grant abatements of penalties for the late payment of taxes for the current year to the Director of the Department of Property Records and Revenue, acting as the County Treasurer.

The County Board delegates its authority to grant final approval, after approval by the County Assessor, for abatements to correct exemption, classification, and value errors, where the resulting aggregate reduction in taxes for an applicant is less than \$10,000 to the Director of the Department of Property Records and Revenue, acting as the County Auditor. Abatements approved pursuant to this delegation shall be reported to the County Board on a semi-annual basis. This report shall include an indication of which abatements resulted from the failure of a governmental entity to record a deed entitling the property to exemption.

Abatements approved by the County Board – Those abatements not delegated shall first be approved by the County Assessor and the Local Government Division of the Department of Property Records and Revenue for the Director of the Department of Property Records and Revenue, acting as the County Auditor, except that abatement of any penalty or interest on these abatements shall be approved by the Revenue Division of the Department of Property Records and Revenue for the Director of the Department of Property Records and Revenue, acting as the County Treasurer rather than the County Assessor. Finally, these abatements shall be presented to the County Board for approval with an indication of which of the abatements resulted from the failure of a governmental entity to record a deed entitling the property to exemption.

A report containing a list of the abatements that have been denied by the County Auditor, Treasurer or Assessor will be submitted to the Board on a semi-annual basis for its review. This list will also contain the reason for the denial.

Conflicts of Interest – Members of the County Board shall disclose any financial interest in an abatement, or any familial relationship with an abatement applicant, and shall abstain from voting on the application of any such abatement presented to the County Board for approval. Such a disclosure statement will be included with each monthly abatement resolution.

Inquiries – Inquiries by local or public officials (as defined in Minnesota Statutes section 10A.01) regarding specific abatement applications being processed shall be documented by the Department of Property Records and Revenue, and a written response shall be given.

Review – For all abatements reported to the County Board or submitted to the County Board for approval, the County Attorney's Office shall review the abatement documentation for form and legality.

Refund – Abatements are refunded to whoever paid the taxes. If however, it was paid by an escrow company then it will be refunded back to the company of record. If it was paid by multiple owners, it will be split between the parties that paid.

Records – Copies of all abatements will be kept on file in the Department of Property Records and Revenue and will be available for inspection upon request, consistent with the County's plan under the Records Retention Act, and consistent with the Data Practices Act.

SUMMARY

An abatement is not a method to request a change in the tax rate applied to the estimated market value. The property tax rates are set by the governing bodies of the school district, city or township, and county wherein the property in question is situated. Tax budget hearings ~~in~~ for each local governing body are held at the end of the calendar year. An owner may appear at these hearing and challenge the proposed tax rate.

All citizens will be treated equally in the abatement process. All classes of property will be treated equally and in a timely manner. Ramsey County endeavors to value all property on a fair and equitable basis and to treat taxpayers' objection to value with respect.