

Re: Abatement Policy Adopted by the County Board July 1993. Reviewed and adopted by the County Board July 2009.

Due to changes in State Laws made by the 1993 legislature, the following policy is submitted for approval by the Otter Tail County Board. This policy only deals with abatements that are initiated in the Assessor's Office. In order to have fair, objective and, above all, consistent guidelines with regard to abatements I feel it is necessary to modify the current policy.

Criteria to consider when acting on abatements:

1. Abatements are discretionary. They should be used only where fairness and equity require an abatement.
2. Abatements are to correct errors in assessment. They are not to be used to reduce a property's tax liability.
3. Abatements should not be granted when a property sells for less than the estimated market value if it is valued equally in comparison to similar property.
4. Since the assessment books are considered closed on July 1 of the assessment year, abatements should not be granted on the following year's tax if there is a question of judgment. The Boards of Review each year are held to provide a means of appeal and possible adjustment.
5. Abatements resulting in reductions of \$50.00 or less in taxes will not be considered.
6. Ample opportunity exists to appeal estimated market value or classification. Local and County Boards of Review are held each year and the assessment records are open to public review at any time. The responsibility for an accurate assessment lies with the property owner as well as the Assessor's Office. Abatements for an error carried several years should be abated for current year and 1 prior year tax. There should be no exceptions since all property owners have equal access to their assessment records. I feel it is very important to be consistent on this to promote equal treatment of all property owners.
7. Homestead Abatements:
 - A. Abatements for the homestead classification are usually due to the failure of the owner to apply for homestead in a timely manner. Notices are published regarding applying for homestead classification. Banks, Realtors and Attorneys are or should be aware of the need to apply and should remind new property owners of the application requirement. When property transfers, the new owners must apply for homestead since homestead cards will no longer be sent to each homestead owner each year. The occupancy deadline has been changed to December 1 of the

assessment year and the taxpayer must submit an application to the Assessor's Office by December 15 of the assessment year to receive homestead for taxes payable the following year. Due to the extended deadlines to qualify for homestead, it is recommended that no abatement is processed if application for homestead is not received by December 15 of the assessment year.

- B. If homestead was not granted due to Assessor's Office error, a full homestead will be granted if abatement is requested prior to December 1 of the taxes payable year. No homestead abatement will be granted after this date.
- C. Homestead abatements for personal property taxes that are payable the same year as the assessment must apply for homestead by May 29. If homestead was not granted due to Assessor's Office error, a full abatement will be granted if abatement application is filed by December 1.

8. Local Option Disaster Abatement:

- A. Originally, properties that were assessed on January 2 remained on the assessment roll for the following year even if they were destroyed. A change was made by the legislature that allowed an abatement for taxes payable the same year as the damage (homestead property) if 50% or more was destroyed and was uninhabitable or unusable. This was later expanded to non-homestead properties as well.

I would recommend that abatement be allowed only on a primary homestead residence for the following year tax payable. Calculations will be done according to the state guidelines for disaster abatements.