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TO: County Board of Commissioners

FROM: Lucas Dahling, Finance Director

SUBJECT: Approve Revised Abatement Policy

DATE: August 13, 2026

Background:
The current Abatement Policy was adopted by the County Board on December 16, 2014. At that same meeting, the County Board delegated the full authority of the abatement process as outlined in MN Statute 375.192 to the County Auditor.

Staff has revised the policy to provide additional context and clarity. Additionally, the ability to increase or add market value and taxes through the abatement process has been removed to better comply with statute. Adjustments of this nature can continue to be made as long as they qualify through the clerical errors process.

With the exception of the one revision noted above, all dollar amounts, thresholds, and the overall spirit of the policy has remained the same.

Recommendation:
Staff recommends the County Board approve the revised Goodhue County Abatement Policy and the continued delegation of the full authority of the abatement process as outlined in MN Statute 375.192 to the County Auditor.

Goodhue County Abatement Policy

Effective immediately upon adoption

Delegation of Authority

Pursuant to Minnesota Stat. Sec 375.192 and Minn. Stat. Sec 279.01, the Goodhue County Board of Commissioners delegates to the Goodhue County Assessor and Goodhue County Auditor/Treasurer jointly the authority, power, and responsibility to approve the abatements described in this policy which have a total value less than $10,000 in tax. Delegation of this authority will allow for the efficient, responsive, and timely process of taxpayers requests. Any abatement over $10,000 requires County Board action.

Policy

The purpose of this policy is to ensure that all taxpayers and properties in Goodhue County are treated fairly and equitably, have equal access, and are given fair consideration under statutory procedures.

According to MN Statute 375.192, the County Board authorizes the County Assessor and County Auditor/Treasurer to jointly approve or deny abatements for consideration, reductions of market value, classification changes, or other items under this policy.

Abatements pursuant to this policy are not part of the appeals process for classification or market valuation challenges, but shall be an administrative process by which corrections can be made to property and tax.

The County Auditor/Treasurer shall make available to the Board of Commissioners any abatement requests and the action taken as needed or requested.

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

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.

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

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.

For any abatement request that exceeds $10,000, the Auditor/Treasurer shall place the abatement request on the County Board agenda for approval or denial by the County Board. Upon approval of any reduction or abatement when the reduction of taxes, costs, penalties, and interest exceed $10,000, the Auditor/Treasurer shall give notice within 20 days to the school board and the municipality in which the property is located. The notice must describe the property involved, the actual amount of the reduction being sought, and the reason for the reduction.

According to statute, all abatements must be applied for by “the owner of any property”. Neither the Assessor nor Auditor has any authority to initiate the abatement process on their own. The first step in the abatement process must always be the submission of an application by the property owner.

An abatement request shall not be considered until a written application and all required documents are submitted to the County Assessor. The abatement application must be signed by the property owner, taxpayer, or their designated representative.

Property taxes must be up to date with no penalties, interest or tax being due. No interest shall be granted on the refunded abatement amount.

The deadline for submitting a written abatement request shall be November 30th of the year in which the tax is payable. Written abatement applications post marked or delivered to the County Assessor by November 30th will be considered. A written abatement request shall not be considered complete unless all necessary documents are submitted or attached to the application.

Definitions

Abatement: Administrative action to reduce or abate the market value of a property, taxes, penalties, interest, cost, or to change a property classification, following a written request by the taxpayer of record, the property owner, or the owner's agent/representative.

Classification: Property classification is dictated by Minnesota Statutes 273.13 and identifies how the property is used on January 2nd of the Assessment Year.

Clerical Errors: An error made in the performance of clerical duties, such as data entry, transcription, computer system errors by the county or by county business partners, coding, transposition, or mathematics which causes erroneous classification, erroneous valuation, or late payment of tax. It does not involve judgement, but it may involve the failure of a governmental entity to perform a ministerial act related to the assessment of property. Failure of the United States Postal Service to deliver a tax payment is a clerical error only where the Service admits such error. A data error or failure to receive a tax statement is not a clerical error.

Data Error: An error in data the County is utilizing. A data error is not a clerical error when the County is relying on that data as the best information generally available to it and has not committed a clerical error in the application and use of that data in its work. Provision of new information after the assessment date does not create a clerical error, even in instances when that information results in a change of valuation or classification due to updated parcel or improvement characteristics such as crop productivity index ratings (CPIs), acreage amounts, or land use designations. A data error is not grounds for an abatement as a clerical error.

Hardship: Any event or circumstance beyond the control of the applicant which precludes the applicant from filing for a reduction or an adjustment of the value or property taxes according to the typical processes or in a timely manner for property not owned by an entity. Examples of a hardship include, but are not limited to, a tragedy or casualty suffered by the applicant (such as a death of the property owner or taxpayer or relative, extreme or extended illness or medical condition, mental incapacity, accident, fire or other extreme hardship). In the case of abatement of penalty/interest/cost, the hardship must not be the direct cause of the late payment of tax. Claims based on a lost check hardship will not be considered unless they are accompanied by a copy of the check register and a bank statement documenting the skipped check number. Financial hardship (an inability to pay), forgetting to pay, or a payment lost in the mail does not fall within this definition. Lack of control of the property at the time of the assessment and resulting tax subject to the abatement does not constitute a hardship. Hardship shall not include financial hardship.

Market Value or Valuation: Minnesota Statute, section 272.03, subdivision 8 defines Market Value as: "the usual selling price at the place where the property to which the term is applied shall be at the time of assessment; being the price which could be obtained at a private sale or an auction sale, if it is determined by the assessor that the price from the auction sale represents an arm's-length transaction. The price obtained at a forced sale shall not be considered."

The Appraisal Institute defines Market Value as: "The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specific property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

Types of Abatements

Market Value Reduction Changes:

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

- The assessor's estimated market value is substantially higher than the property's actual market value and the property owner or taxpayer is able to justify the value of the property in question does not reflect the market value of said property, AND
- The property owner or taxpayer is able to justify the failure to address the issue during Local and County Board of Appeal and Equalization meetings, AND
- The property owner or taxpayer 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.

Classification Changes:

Classification changes shall be considered based on ownership, type of property, principal use of the property and occupancy of the property. Failure to submit an application by the defined deadline is not considered justification to approve an abatement of property tax unless the property owner can identify a "hardship" that encumbered their ability to file the application in a timely manner. The following can be provided to support the change:

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

Homestead:

The statutorily defined date to own and occupy property for homestead will be strictly enforced. For abatement applications involving the homestead where a homestead application has not been fully completed or properly signed and submitted by the deadline will be denied. Property owners may be required to provide two forms of proof of occupancy, e.g., electric and/or other utility services to the homesteaded 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 (ex: electric, utility services)

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 written abatement application with the following criteria:

- The property must be unoccupied for at least one calendar month and only fulling unoccupied months may be considered.
- The property must be rebuilt on the same site unless not allowed by local zoning or building authorities.

Economic Development:

Economic Development Abatements shall not be included in this policy. The provisions for this type of abatement are contained in Minnesota Statute, MS Chapter 469.

Special Assessments:

Abatements for special assessments are also at the discretion of the local taxing level, not the Commissioner of Revenue.

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 Judgment and Judgment. Applications for Tax Court are not applications for abatement and are not covered under this policy.

Deadline for Filing

To be considered, abatement applications must be post marked or delivered to the County Assessor by November 30th 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, taxes must be paid by date due regardless of the outcome of the abatement process.

Adopted________