



Board of County Commissioners Agenda Request

4A
Agenda Item #

Requested Meeting Date: 10/8/2019

Title of Item: Aitkin County Property Tax Payment Variance Policy

<input checked="" type="checkbox"/> REGULAR AGENDA <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	Action Requested: <input type="checkbox"/> Approve/Deny Motion <input checked="" type="checkbox"/> Adopt Resolution (attach draft) <small><i>*provide copy of hearing notice that was published</i></small>	<input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing*
Submitted by: Lori Grams		Department: County Treasurer
Presenter (Name and Title): Lori Grams		Estimated Time Needed: 5-10 minutes
Summary of Issue: Requesting Board consideration to adopt a property tax payment variance policy. With increasing costs of postage, supplies, checks and staff time I would like to recommend establishing a threshold for refunds to only be processed if over paid by more than \$10.00 unless the refund is requested by the taxpayer in writing. Also, to establish a threshold for taxes short by \$10.00 and under to be written off. Both of these processes would be handled through the property tax system.		
Alternatives, Options, Effects on Others/Comments:		
Recommended Action/Motion: Approve request by adopting resolution		
Financial Impact: Is there a cost associated with this request? <input type="checkbox"/> Yes <input type="checkbox"/> No What is the total cost, with tax and shipping? \$ Is this budgeted? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>Please Explain:</i>		

Proposal to establish a tax payment variance (over/under) policy

Purpose: To increase efficiency and cost effectiveness by establishing an over/under policy at \$10.00.

Estimated Costs:

In 2018 we refunded approximately 60 individuals who overpaid by \$10 or less. For each refund the costs were as follows:

Check	.15
Envelope	.07
Postage	.50
Paper/printing costs	.06
Staff Time	9.50
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Total	\$10.28

It is difficult to know how many "Balance Due" statements were sent out in 2018 . For each the costs were as follows:

Tax Statement	.05
Envelope	.07
Postage	.50
Paper	.06
Staff Time	3.50
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Total	\$4.18

There can be additional costs if the check is lost or not cashed and when additional late reminders need to be mailed. The MCIS tax system will process write offs and overpayments and it will flow through the settlement process when paying out the various taxing authorities.

Comparison Counties:

Carlton	\$10.00
Cass	\$10.00
Cook	\$5.00
Itasca	\$5.00
Koochiching	\$1.00
Lake	\$5.00
Mille Lacs	\$10.00
Sherburne	\$10.00
St. Louis	\$5.00

Proposal: No refund for overpayments of \$.01 to \$10.00, unless requested in writing.

No balance due statements mailed for shortfalls of \$.01 to \$10.00 and to be written off at year end

By Commissioner: xx

20191008-0xx

Aitkin County Property Tax Payment Variance Policy

WHEREAS, payments are made to Aitkin County for payment of property taxes, and

WHEREAS, on occasion payments are made incorrectly with a small balance due being owed or a refund being due, and

WHEREAS, it has become increasingly more expensive to mail balance due notices and issue refund checks, and

WHEREAS, any overages on first half tax will be applied towards second half tax due and refunds of \$10.00 and under will only be sent if requested in writing by customer.

THEREFORE, BE IT RESOLVED, that Aitkin County establish a policy of no balance due notice mailed and the amount written off, if the balance due is \$10 or less and no refund given if such remittance is overpaid by \$10.00 or less, unless requested in writing by the customer, both to be handled thru the property tax system. Effective October 9, 2019.

Commissioner xx moved the adoption of the resolution and it was declared adopted upon the following vote

FIVE MEMBERS PRESENT

All Members Voting Yes

STATE OF MINNESOTA}
COUNTY OF AITKIN}

I, Jessica Seibert, County Administrator, Aitkin County, Minnesota do hereby certify that I have compared the foregoing with the original resolution filed in the Administration Office of Aitkin County in Aitkin, Minnesota as stated in the minutes of the proceedings of said Board on the 8th day of October 2019, and that the same is a true and correct copy of the whole thereof.

Witness my hand and seal this 8th day of October, 2019

Jessica Seibert
County Administrator