



Board of County Commissioners Agenda Request

5b
Agenda Item #

Requested Meeting Date: 4/28/2020

Title of Item: Property Tax Penalty Abatement

<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) <i>*provide copy of hearing notice that was published</i>	<input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing*
Submitted by: Lori Grams County Treasurer and Kirk Peysar County Auditor		Department: County Treasurer and County Auditor
Presenter (Name and Title):		Estimated Time Needed: 10 min
Summary of Issue: <p>The Covid-19 Pandemic has affected many of our businesses and other property owners and their ability to pay their first half property taxes due May 15th.</p> <p>The purpose of this request is to provide relief to property owners by implementing a temporary abatement which will charge no penalty on current year taxes for all classifications thru June 30,2020 and then reinstate the penalty imposed by law as of July 1, 2020.</p> <p>MN Statute 279.01 states, "The county board, may with the concurrence of the county treasurer, delegate the county treasurer the power to abate the penalty provided for late payment of taxes in the current year."</p> <p>Currently penalty rates are set up for a 2-4% penalty for May payments that are made after the 15th of the month, they rise to 4-8% on June 1st.</p>		
Alternatives, Options, Effects on Others/Comments:		
Recommended Action/Motion: Approve the Temporary Abatement of the Penalty for Late Property Tax Payments due with the First Half Payment in 2020 During Aitkin County's COVID-19 Public Health Emergency		
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>		

Legally binding agreements must have County Attorney approval prior to submission.

Property Tax Penalty Abatement

WHEREAS, Minnesota Governor Tim Walz has issued a series of Emergency Executive orders which include, among many others, a "Stay at Home" order which temporarily requires non-critical workers to stay safe at home, and several orders that require the temporary closure of certain non-critical businesses, all of which are aggressive, but necessary, community mitigation strategies to slow the transmission of COVID-19, reduce illness and deaths, and limit the economic impacts of the outbreak; and

WHEREAS, these necessary measures put in place to mitigate the COVID-19 health emergency have resulted in a significant loss of income to many individuals, businesses, and property owners in the County and across the state and nation; and,

WHEREAS, all levels of government are looking for ways to reduce the impact of the COVID-19 health emergency on the economy in general and on individuals, businesses, and property owners; and

WHEREAS, at the county government level, temporary abatement of the penalty for late property tax payments by extending the date when penalty begins to accrue to July 1, 2020 for the May 15th due date would be helpful to property owners. The first one-half of property taxes in Minnesota are due on May 15, 2020. Paying property taxes by this date may be difficult for many property owners that have been affected by COVID-19;

WHEREAS, not all individual and business property owners are experiencing financial hardship in the County due to COVID-19, and those who can, should pay their property taxes in a timely manner. Escrowed property, railroad and Utility taxpayers are exempt from this abatement; and

WHEREAS, pursuant to Minn. Stat. Section 279.01, Subd. 2 (a), the county board may, with the concurrence of the county treasurer, delegate to the county treasurer the power to abate the penalty provided for late payment of taxes in the current year if any county board so elects, the county treasurer may abate the penalty on finding that the imposition of the penalty would be "unjust and unreasonable".

WHEREAS, the County Board finds that the imposition of penalties for late payments of property taxes owed by property owners due by May 15, 2020 would be "unjust and unreasonable" due to the significant economic hardships experienced by these property owners during the COVID-19 public health emergency; and,

WHEREAS, The County Treasurer within Aitkin County has concurred with the proposal to temporarily abate the penalty for late property tax payments on all properties other than those mentioned as exempt within the County due to the public health emergency that would otherwise be owed by May 15, 2020, until July 1 2020. Property owners who are financially able to make their first half property tax payments by the May 15, 2020 deadline are strongly encouraged to do so to help insure the County and other local governments will have access to the financial resources they need to serve the public during this public health emergency.

NOW, THEREFORE, BE IT RESOLVED,

- 1) The County Board temporarily abates any penalties for late payments made for first half property tax payments due by May 15, 2020 but paid by June 30, 2020. The date that penalty will begin to accrue

on first half property taxes is July 1, 2020, except for property owners with escrowed property, railroad and utility property.

- 2) The County Treasurer, pursuant to Minn. Stat. Section 279.01, Subd. 2 (a) shall abate until July 1, 2020, the penalties provided for late payment of taxes due May 15, 2020. Property owners will not be required to submit an application of any kind to the County in order to take advantage of this postponement of penalties. Property owners that have already made first half tax payments prior to the May 15, 2020 deadline will not qualify for a refund in order to allow the taxes owed to be paid later on.
- 3) Property taxes paid by escrow, taxed as railroad or utility are not included in this resolution.

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

FIVE MEMBERS PRESENT

All Members Voting

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 28th day of April, 2020 and that the same is a true and correct copy of the whole thereof.

Witness my hand and seal this 28th day of April, 2020

Jessica Seibert
County Administrator