

What is a local option disaster abatement or credit?

Minnesota Statute 273.1233 & 273.1235 provides for the owners of a homestead or non-homestead property that has been accidentally destroyed by arson or vandalism by someone other than the owner to apply for a reduction in the amount of property taxes payable for the year of, or the year following in which the destruction occurred.

How do I qualify for a disaster credit?

There are just a few requirements to qualify for a disaster credit:

- At least 50% of the structure must have been destroyed. (To be determined by the Bloomington Assessor's Office and/or the Hennepin County Assessor's Office.)
- The structure must have been uninhabitable for at least one *whole* calendar month.
- You must apply for the credit.

How do I apply for the disaster credit?

Contact the Bloomington Assessor's Office to report the structure damage as soon as practical after the damage occurred. An appointment will be arranged to physically review the damage. A Bloomington appraiser will take down a detailed description of the damage and may take some photographs. The Bloomington Assessor will forward this information, along with your name, address, and telephone number, to the Hennepin County Assessor's Office. Hennepin County will send you an application and may also request a physical review. Complete and return the application, along with your insurance damage report, insurance claim, and other pertinent information to Hennepin County.

How is the disaster credit calculated?

The following information is required to calculate the disaster credit:

- The pre-disaster and after-disaster estimated market value determinations.
- The number of *whole* months you were unable to inhabit the property, and
- The annual amount of property tax.

Example:

A home with a 2008 estimated market value of \$225,000 and an assumed net tax of \$2,600 is damaged by fire on March 15, 2008. The property becomes habitable again on October 7, 2008. The after-disaster estimate of market value is \$125,000 with an assumed net tax of \$1,400. Since the owner was not able to inhabit the property for 6 *whole* months (April through September) and the difference in the amount of tax is multiplied by 6/12. This calculates out to a credit of \$600.

How long does it take to process a disaster credit application?

Typically, the property must be habitable again before the disaster credit can be calculated. The credit will be issued within a week or two after that, or as soon as practical.

How will I receive the disaster credit?

There are two possible methods for receiving payment of a disaster credit:

- If you move back into the property before the second half property tax payment is due, you will receive a credit towards your second half tax payment.
- If you move back in after you have made your second half property tax payment, you will receive your credit in the mail by check.

Are there any other things I should do?

- If you change your address temporarily while your home is being returned to a habitable condition, please notify Hennepin County of your change of address and telephone number.
- When all of the work is completed, please notify the Bloomington Assessor's Office. A physical review will be required.

Bloomington assessing personnel are available to help answer your questions Monday through Friday, from 8:00 am. to 4:30 pm. Our phone numbers are listed below.

Questions for Hennepin County should be directed to:

Hennepin County Assessor's Office
Attention: Jodie Szabo
Phone: (612) 348-8814
FAX: (612) 348-8751
E-mail: Jodie.Szabo@co.hennepin.mn.us

Revised: May 20, 2008