

## Property Tax Relief for Properties Damaged in a Disaster

***Property tax relief is available for properties damaged by disasters***

[Minnesota Statutes sections 273.1231](#) to 273.1235 outline a number of programs that provide property tax relief when property has been damaged in a natural disaster, such as a flood or a tornado, or by another disaster, such as a fire or vandalism. A number of factors affect the amount of relief that is available, such as whether the damage was due to a state or federally declared disaster or emergency, whether the property is a homestead, and the extent of damage to the property. Relief mechanisms affect property taxes payable in the year the damage occurs and in the year following the disaster. The flow chart on the next page shows the remedies provided under each of the various circumstances.

***Disaster areas must be declared by a federal or local official and the Executive Council must approve relief applications***

In order for a taxing jurisdiction to be declared a disaster or emergency area, (a) a federal official (the president, the secretary of agriculture, or the administrator of the Small Business Administration) must have determined that a disaster exists pursuant to federal law, or a local emergency must have been declared by the mayor of a municipality or the chair of a county board; and (b) the state Executive Council must approve an application for property tax relief submitted by the jurisdiction. The council may only approve applications if the average damage to all buildings in the jurisdiction exceeds \$5,000, and (a) at least 25 taxable buildings were damaged, or (b) the aggregate damage exceeds 1 percent of the market value of all taxable buildings.

***County assessor reassesses property***

State law requires all properties potentially eligible for one of the relief programs to be reassessed by the county assessor following the disaster.

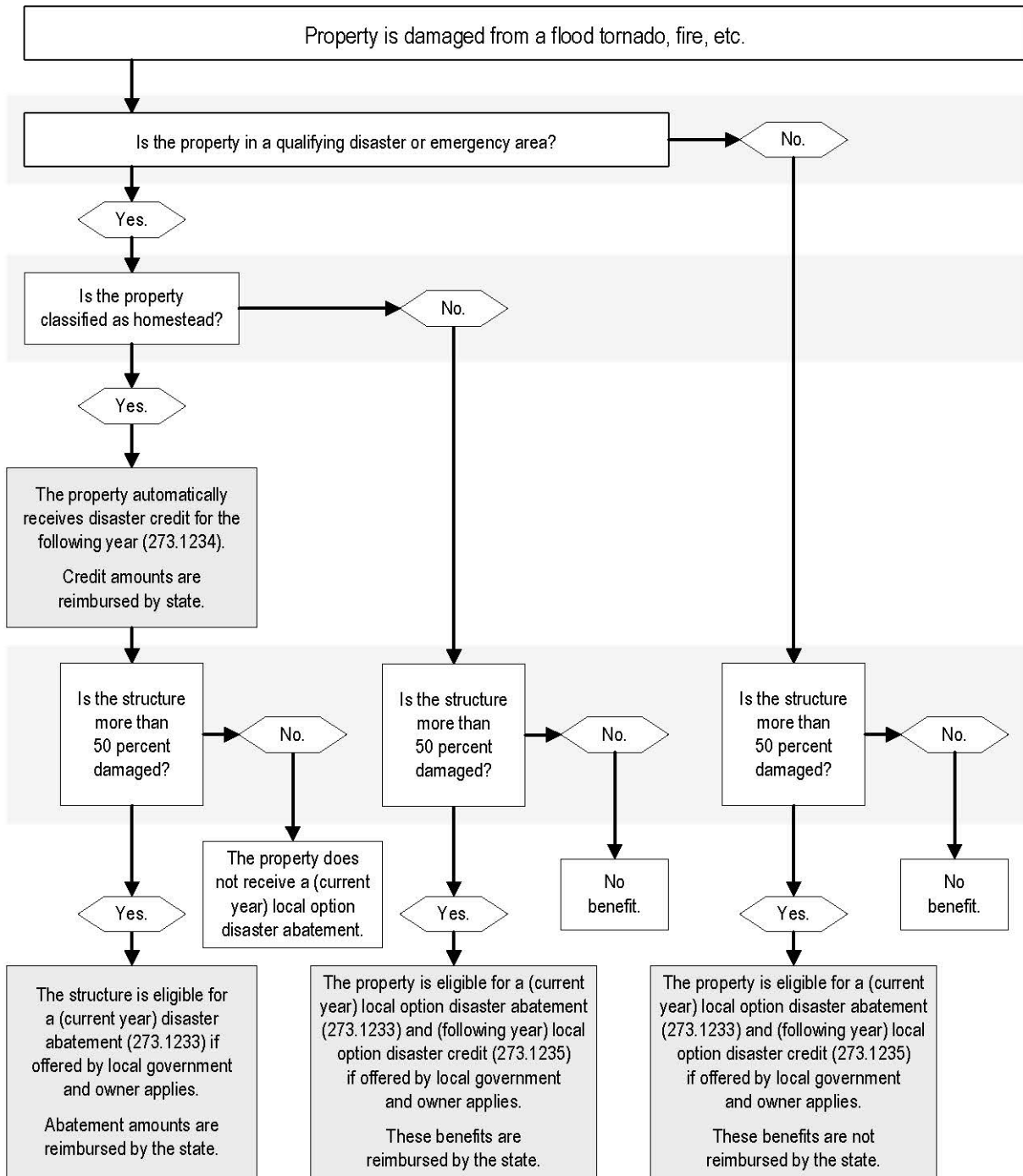
***Local option abatements provide relief in the year of the disaster***

*Local option abatements* provide relief in the year of the disaster. Only properties containing structures with damage equal to at least 50 percent of the building's value are eligible. In the case of properties in a disaster or emergency area, any abatements granted by the county will be compensated by the state. Damaged properties that are not in a disaster or emergency area may still receive abatements, but there will be no state compensation for the abatement. The abatements are offered at the discretion of the county and require the property owner to submit an application.

***Homestead disaster credits and local option disaster credits provide relief in the year following the disaster***

In the year following the disaster, a damaged homestead property that is located in a disaster or emergency area will qualify for a *homestead disaster credit*. This credit is automatically granted to qualifying properties and is reimbursable by the state. A damaged property of any type other than a homestead can qualify for a *local option disaster credit*, which is also reimbursable by the state. Taxes on a property not located in a disaster or emergency area may receive the *local option disaster credit* only if the damage is at least equal to 50 percent of the property's value. The credit is offered at the discretion of the county and no state compensation will be paid for this relief.

# Disaster Relief Flow Chart



Source: Minnesota Department of Revenue, revised 09/2013

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