



SPECIAL ASSESSMENT DEFERMENT FOR SENIOR CITIZENS AND RESIDENTS WITH DISABILITIES

Objective

The City Council can defer the payment of any special assessment on homestead property owned by an individual who is at least 65 years old or is unemployed due to a total and permanent disability and meets the income requirements.

Qualification requirements

The City Council can defer the payment of special assessments if

- The property is homesteaded, and
- The property is owned by an individual who is at least 65 years old or is unemployed due to a total and permanent disability, and
- The average annual payment for all assessments levied against the individual's property exceeds one (1) percent of the adjusted gross income of the individual.

The following are examples of how the deferment application qualification requirements are applied for various property owners.

	<i>Examples</i>			
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
<i>Property is homesteaded?</i>	No	Yes	Yes	Yes
<i>Property owner age and/or disability?</i>		<i>64 and/or no disability</i>	<i>65 and/or disabled</i>	<i>65 and/or disabled</i>
<i>Adjusted Gross Income</i>			\$50,000	\$12,000
<i>Qualification of income</i>			<u>1%</u> \$500	<u>1%</u> \$120
<i>Average annual payment of special assessments</i>			\$450	\$450
<i>Conclusion</i>	<i>Does not meet homestead requirement</i>	<i>Does not meet age and/or disability requirement</i>	<i>1% of income exceeds annual pmt.</i>	<i>Meets all requirements</i>
<i>Deferment?</i>	No	No	No	Yes

Process and procedure

To determine if you qualify for the deferment, complete the Application for Delayed Payment of Tax on Special Assessment form. The application form can be obtained by contacting the City of Lakeville as noted at the bottom of this information sheet.

The Application Form will be forwarded to the City Council for their review and approval. If a deferment is granted by the City Council, the information will be forwarded to the County Treasurer-Auditor.

The property owner must reapply for the deferment each year. The application form will automatically be mailed to you annually.

Application due date: September 30

Termination of deferment

The special assessment deferment will terminate if any one of the following occurs:

1. The death of the property owner when no spouse is eligible for the deferment; or
2. The sale, transfer or subdivision of all or any part of the property; or
3. The loss of homestead status on the property; or
4. Determination by the Council that no hardship would occur if immediate or partial payment were required; or
5. Failure to file a renewal application on time.

The unpaid special assessment principal and interest installments that accrued during the deferment period are due at the time when the deferment is terminated. The following is an illustration of how the amount due is calculated.

On November 1, 2012 the property owner who qualified for the deferment is assessed \$5,000 at 4 percent interest for 20 years. The first year's assessment would have been paid with the property taxes in 2013, if the property owner had not qualified for a deferment. On August 1, 2015, the title to the property transfers to the property owner's children, at which time the deferment is terminated. At the time of property transfer, the property owner owes \$1,350, which was calculated as shown below.

Year Taxes <u>Payable</u>	<u>Deferred</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 250	\$ 200	\$ 450
2014	\$ 250	\$ 200	\$ 450
2015	<u>\$ 250</u>	<u>\$ 200</u>	<u>\$ 450</u>
Total	<u>\$ 750</u>	<u>\$ 600</u>	<u>\$ 1,350</u>

Upon termination of the deferment, all deferred amounts (\$1,350) would become due, and the \$4,250 principal balance, together with interest, will be collected with property taxes over the remaining 17 years.

Contact information

Persons with questions or who are seeking more information can contact the following:

Phone: 952-985-4500
Email: dquinnell@lakevillemn.gov
Website: www.lakevillemn.gov
Mail: Engineering Department
City of Lakeville
20195 Holyoke Avenue
Lakeville, Minnesota 55044