

Property Tax Relief for Property Damaged or Destroyed by A Natural Disaster

Disaster
Relief

Property Tax Fact Sheet: Disaster Relief

Fact Sheet

Tax relief for damaged or destroyed property

If your property sustained 50 percent or more damage or was destroyed during the recent disaster, you may be eligible for property- tax relief including:

- Property tax Abatements for taxes payable in the year of the disaster.
- Property tax Credits for taxes payable in the year following the disaster (relating to the assessment year in which the disaster occurred).

What should property owners do?

You should visually inspect your property and make notes of the damage that you observe. Document the damage with photographs whenever possible. This information may be valuable if you disagree with the amount of damage that the assessor determines your property has sustained.

If the assessor has not reassessed your property already and you believe your estimated market value has been reduced due to the disaster or damage, contact your county assessor's office. Ask to have an assessor view the damage for the purpose of property tax relief.

An assessor will view the property to estimate the damage resulting from the disaster. The assessor will determine how much your property's estimated market value has been reduced as a result of the damage.

To make certain that all damage is noted, you should be sure that your property has been reassessed before you begin to reconstruct or repair your property. In addition, keep copies of any estimates you receive from contractors regarding the estimated costs to repair the damage.

Additional information concerning these types of property tax relief can be obtained by calling your county assessor's

office. Applications for property tax relief for damaged or destroyed properties are also available at your county assessor's office.

How will the reassessment affect taxes?

Estimated market value is the value your assessor has estimated your property would sell for if offered for sale. This value is very different from a property's insurance value, which typically reflects the cost of replacing a structure. Consequently, insurance values are often times significantly higher than the assessor's estimated market value.

For example: A property owner has an older garage. Although old, the garage functions well for the purpose it was constructed. In establishing the garage's estimated market value, the assessor estimates how much it would add to the overall value of the property if the property were sold. This may be a very minimal amount of \$500 or \$1,000. However, the insurance value would reflect the cost of **replacing** the garage with one that provided the same function as the original. The cost of this replacement could easily range from \$5,000 to \$10,000 or more.

Assessors will review a number of factors in order to determine how the benefit is applicable to your property. Thus, it is important to follow the instructions above and retain any applicable documents.

Options for non-homestead property

State law allows the county board, **at its discretion**, to extend property tax relief to all types of property including commercial, industrial and agricultural outbuildings that meet the damage criteria outlined above. If you believe that a structure has sustained damage of 50 percent or more in value due to a disaster contact your county assessor's office.

**For more information, please contact the city assessor's office at: 612-673-5959 or
disaster.reassessment@minneapolismn.gov**