



SPECIAL ASSESSMENT POLICY AND PROCEDURE FOR PUBLIC IMPROVEMENTS AND MAINTENANCE COSTS

- SECTION 1. GENERAL POLICY STATEMENT**
- SECTION 2. IMPROVEMENTS AND MAINTENANCE COSTS ELIGIBLE FOR SPECIAL ASSESSMENT**
- SECTION 3. INITIATION OF PUBLIC IMPROVEMENT PROJECTS**
- SECTION 4. PUBLIC IMPROVEMENT PROCEDURES**
- SECTION 5. FINANCING OF PUBLIC IMPROVEMENTS**
- SECTION 6. GENERAL ASSESSMENT POLICIES**
- SECTION 7. METHODS OF ASSESSMENT**
- SECTION 8. STANDARDS FOR PUBLIC IMPROVEMENT PROJECTS**
- SECTION 9. POLICIES OF REASSESSMENT**
- SECTION 10. ASSESSMENT COMPUTATIONS**
- SECTION 11. DEFERMENT OF ASSESSMENTS**

SECTION 1. GENERAL POLICY STATEMENT

The purpose of this policy is to establish a fair and equitable manner of assessing the increase in market value (special benefit) associated with public improvements. The procedures used by the City for levying special assessments are those specified by Minnesota Statutes, Chapter 429 which provides that all or a part of the cost of improvements may be assessed against benefiting properties.

Three basic criteria must be satisfied before a particular parcel can be assessed. The criteria are as follows:

1. The land must have received special benefit from the improvement.
2. The amount of the assessment must not exceed the special benefit.
3. The assessment must be uniform in relation to the same class of property within the assessment area.

It is important to recognize that the actual cost of extending an improvement past a particular parcel is not the controlling factor in determining the amount to be assessed. However, in most cases the method for assigning the value of the benefit received by the improvement, and therefore the amount to be assessed, shall be the cost of providing the improvement. This shall be true provided the cost does not demonstrably exceed the increase in the market value of the property being assessed. The entire project shall be considered for the purpose of calculating and computing an assessment rate. In the event City staff has doubt as to whether the costs of the project may exceed the special benefits to the property, the City Council may obtain such appraisals as may be necessary to support the proposed assessment.

The assessment policy is intended to serve as a guide for a systematic assessment process in the City. There may be exceptions to the policy or unique circumstances or situations which may require special consideration and discretion by city staff and the City Council.

SECTION 2. IMPROVEMENTS AND MAINTENANCE COSTS ELIGIBLE FOR SPECIAL ASSESSMENT.

Subd. 1. Public improvements and related acquisition, construction, extension, and maintenance of such improvements, authorized by [Minn. Stat. § Sec. 429.021](#) and [Minn. Stat. § Sec. 459.14, subd. 7](#) are eligible for special assessment within the City.

Subd. 2. The City is also authorized by ordinance to recover, through special assessment, maintenance costs pursuant to [Minn. Stat. § Sec. 429.021](#)

SECTION 3. INITIATION OF PUBLIC IMPROVEMENT PROJECTS.

Public improvement projects can be initiated in the following ways.

1. Public improvement projects may be initiated by petition of owners of at least 35% in frontage of the property abutting the proposed improvement.
2. Public improvements also may be initiated by the City Council when, in its judgment, such action is required.
3. A resolution ordering any improvements initiated by the Council or by owners of less than 35% of abutting property owners requires a four-fifths majority vote of all members of the Council. A resolution ordering any improvements initiated by owners of not less than 35% of abutting property owners requires a majority vote of all members of the Council. A resolution ordering any improvements initiated by all owners of abutting property, and assessing the entire cost against their property, may be adopted without a public hearing.

SECTION 4. PUBLIC IMPROVEMENT PROCEDURE.

The following is the general procedure followed by the City Council for all public improvement projects from initiation through certification of the assessment roll to the County Auditor. Formats for the various reports and resolutions referenced in this section are made part of the policies and procedures of the City. Applicable state law provisions take precedence over the following general procedure.

1. Petition is submitted to the City Clerk for consideration.
2. Staff reviews petition or Developer's request for submission to Council.
3. Council accepts or rejects the petition or request. If based upon a petition, the Council adopts a resolution declaring whether the required percentage of property owners has signed. If the petition or request is accepted, Council orders preparation of feasibility report.

4. Staff prepares the feasibility report. The report shall evaluate whether the proposed improvement is necessary, cost-effective, and feasible and whether it should be made as proposed or in conjunction with another project. The report shall include an estimate of the cost of the improvement as proposed. A reasonable estimate of the total amount to be assessed and a preliminary assessment roll shall be included in the report or provided at the improvement hearing. If the preliminary assessment roll reflects any proposed deviation or changes from the assessment policy as to how the preliminary assessments were calculated or apportioned, the report or information provided at the improvement hearing shall describe the basis for that deviation or change. The report may also propose changes to the subsequent process or timeline specified herein, including proposing the adoption of the assessment roll prior to award of contract as allowed by law.
5. Council accepts or rejects feasibility report. If accepted, Council orders public hearing on the improvements.
6. Staff posts and publishes hearing notice and mails notices to affected property owners as provided in [Minn. Stat. § 429.031\(a\)](#).
7. Council conducts public hearing.
8. Within six (6) months of the hearing date, Council adopts or rejects resolution ordering improvement to be constructed and advertisement of bids. If adopted, staff prepares final plans, advertises for and opens bids as provided in [Minn. Stat. § 429.041](#), prepares bid tabulation, and makes recommendation to City Council for award. Bonds to finance project costs may be issued at any time after the improvements are ordered.
9. Council awards contract based on bids received.
10. Staff supervises construction and prepares payments.
11. Staff determines the assessment interest rate, typically on August 1, as identified in Section 6.
12. Council authorizes preparation of assessment roll, reviews proposed assessment roll, and orders assessment hearing.
13. Staff publishes hearing notice, mails notice of hearing date and proposed assessments to the affected property owners as provided in [Minn. Stat. § 429.061](#).
14. Council conducts assessment hearing and adopts, revises, or rejects resolution determining the amount of the total expense the City will pay, if any, and establishing the assessment roll. If adopted, Council authorizes certification of the assessment to the County Auditor.
15. Staff certifies the assessment roll to the County Auditor.

SECTION 5. FINANCING OF PUBLIC IMPROVEMENTS.

The City supports public improvement projects as areas grow and need services. This approach is reflected in the City's subdivision rules, zoning laws, and building codes. Developers must pay for and provide necessary improvements—such as roads, utilities, and parks—before development begins.

However, some parts of the City have previously developed without all the needed public improvements (e.g., parks, water, sewer, streets). In these cases, the City looks for ways to add

these improvements without placing an unfair burden on residents or taxpayers. To fund these projects, the City typically uses special assessments, which property owners can pay over several years. The City often issues bonds to cover the upfront costs. These bonds are repaid through special assessments and, if needed, property tax revenue.

While special assessments are a common way to fund improvements, how they're financed is important. Short-term payment plans can be too costly for property owners, while long-term plans can strain the City's budget and services.

As a rule, the City does not defer assessment payments, except as outlined in Section 11 of this policy.

SECTION 6. GENERAL ASSESSMENT POLICIES APPLICABLE TO ALL TYPES OF IMPROVEMENTS.

The cost of any improvement shall be assessed upon property by the improvements based upon benefits received. The following general principles shall be used as a basis of the City's assessment policy:

1. **Project Cost.** The "project cost" of an improvement includes the costs of all necessary construction work required to accomplish the improvement, plus engineering, legal, administrative, financing and other contingent costs, including acquisition of right-of-way and other property. The finance charges include all costs of financing the project. These costs include but are not limited to financial consultant's fees, bond rating agency fee, bond attorney's fees, and capitalized interest. The interest charged to the project shall be included as financing charges.
2. **City Cost.** The "city cost" of an improvement is the amount of the total improvement expense the City will pay as determined by Council resolution. Where the project cost of an improvement is not entirely attributed to the need for service to the area served by said improvement, or where unusual conditions beyond the control of the owners of the property in the area served by the improvement would result in an inequitable distribution of special assessments, or for any other reason determined by the City, the City, through the use of other funds, may pay such "city cost."
3. **Assessable Cost.** The "assessable cost" of an improvement is equal to the "project cost" minus the "city cost."
4. **Interest.** The City will charge interest on special assessments at a rate specified in the resolution approving the assessment roll. If bonds were sold to finance the improvement project, the interest rate shall be two percent (2%) above the interest rate of the bonds, rounded to the nearest quarter of a percent. If no bonds were sold, the interest rate shall be set at the U.S. Treasury rate (10-yr for 10-yr term, 5-yr for 5-yr term) plus 2 percentage points. For assessments with 1 year term, the interest rate shall be the prime rate, as published in the Wall Street Journal, plus 2%.
5. **Prepayment.** Property owners may pay their assessments in full, interest free for a period of 30 days after the assessment hearing. After such period interest shall be computed from the

date specified in the assessment resolution in whole months. The City will transmit a certified duplicate of the assessment roll with each installment, including interest, to the County Auditor, or in lieu of such certification, annually certify to the County Auditor by November 30 in each year, the total amount of installments of and interest on assessments on each parcel which are to become due in the following year.

Prior to certification of principal and interest to the County Auditor, a property owner may make a partial prepayment of the principal to the City. Such partial prepayment must be at least \$500.00. Partial payments are not allowed after the City has made the first certification of principal and interest to the County Auditor. For prior year outstanding special assessments, prepayment will only be accepted for the total remaining amount owed including interest and must be made prior to November 15 of any year.

If a parcel has two or more separate special assessments, prepayment of the remaining principal balance may be made on one or more assessment totals. Tax-exempt parcels such as churches and school properties may make only one partial prepayment to the first certification to the County Auditor. The remaining principal after the partial prepayment must be paid in equal installments over the remaining term of the assessment.

6. **Extensions.** Where an improvement is designed for service of an area beyond that receiving the initial benefit, the City may pay for increased project costs due to such provisions for future service extensions. The City will levy assessments to cover this cost when a new improvement is installed as an extension of the existing improvement upon identification of such additional amount in the notice of hearing for the extensions or new improvements. As an alternative, the City may assess these costs to the area of future benefit immediately.
7. **Project Assistance.** If the City receives financial assistance from the Federal Government, the State of Minnesota, the County, or from any other source to defray a portion of the costs of a given improvement, such aid will be used first to reduce the "city cost" of the improvement. If the financial assistance received is greater than the "city cost," the remainder of the aid may be placed in the Capital Improvement Fund to be applied towards other City projects. The amount or apportionment of the assessments to be levied will be consistent regardless if the project receives the above-mentioned financial assistance or not.
8. **Assessable Property.** Property owned by the City of Champlin or Champlin Economic Development Authority, shall not be assessed. Property owned by the United States governments is exempt from assessments for local improvements.
9. **Individual Benefits.** The City must construct improvements specifically designed for or shown to be of benefit solely to one or more properties. The costs for these improvements will be assessed directly to such properties and not included in the assessments for the remainder of the project. An example of this would be utility service lines running from the main lines to the property.
10. **Benefit Appraisals.** In the event City staff has doubt as to whether or not the proposed assessments exceed the special benefits to the property in question, the City Council may order benefit appraisals as deemed necessary to support the proposed assessments. As a general rule, benefit appraisals may be ordered when the proposed assessment exceeds \$5,000 for a standard city reconstruction on a residential lot or \$20,000 per acre for

commercial or industrial property.

11. **Condemnation Awards.** A property owner may elect to offset special assessments against condemnation awards. In such case, the property owner must execute an agreement (Net Assessment Agreement) with the City Council.
12. **Residential Property.** Residential parcel occupied or unoccupied, in accordance with the City of Champlin zoning and subdivision ordinances. For the purposes of this policy is defined as those that consist of three or less dwellings per building.
13. **Non-residential property.** Non-residential parcels occupied or unoccupied, in accordance with City of Champlin zoning and subdivision ordinances. For purposes of this policy, a non-residential property includes commercial and industrial zoned properties, apartment buildings (consisting of more than 3 dwelling units per building), and tax-exempt properties.
14. **Typical Utility and Street Lot Fees.** Utility and street lot fees are in place to establish assessment rates for street and utility improvement projects. These rates are established based on a typical project cost and are adjusted on an annual basis by resolution to account for construction cost increases.

SECTION 7. METHODS OF ASSESSMENT.

Subd. 1. General Statement. There are different methods of assessment: per unit, adjusted front foot, and area. The feasibility report will recommend one or a combination of these methods for each project, based upon which method would best reflect the benefit received for the area to be assessed. The City Council will select the preferred method of calculating the assessments along with other applicable assessment criteria.

Subd. 2. Policy Statement. The following methods of assessment, as described and defined below, are hereby established as methods of assessment in the City.

A. "Per Unit" Method of Assessment - Residential Properties

The "per unit" method of assessment applies to residential properties and shall be based on equal assessment of all dwelling units within the benefited area that have direct access to the improvement. A single-family residential home is considered 1 unit. Where one property consists of 2 or 3 dwelling units, each of those units shall be assessed individually at the assessment rate per unit.

For residential corner lots, the determination of assessment will be per unit based on the "short side" of the parcel. If a corner parcel has similar length sides (no more than 20-feet difference) the determination will come from the street side the property has access to. It is the intent not to assess properties multiple times if the lot is on a corner.

For residential parcels that have streets on the front and back of the parcel, the determination of assessment will be per unit based on the side that the property faces. There shall be no assessment for the street at the rear of the property. It is the intent not to assess a property multiple times if the lot sides on two streets.

Residential properties with more than one driveway access are assessed per dwelling unit regardless of the number of driveways.

B. “Front Footage” Method of Assessment – Non-residential properties

The front foot method of assessment applies to non-residential properties and is measured at the property line at the right of way.

The actual physical dimensions of a parcel abutting an improvement (i.e., street, sewer, water, etc.) shall not be construed as the frontage utilized to calculate the assessment for a particular parcel. Rather, an “adjusted front footage” will be determined.

The purpose of this method is to equalize assessment calculations for lots of similar size. Individual parcels by their very nature differ considerably in shape and area.

The following procedures will apply when calculating adjusted front footage. The selection of the appropriate procedure will be determined by the specified configuration of the parcel. All measurements will be scaled from available Hennepin County GIS parcel data and will be rounded down to the nearest foot dimension with any excess fraction deleted. For the purposes of determining the “assessable frontage,” all properties, including government agencies, shall have their frontages included in such calculation.

1. *Rectangular Interior Lots.* For rectangular interior lots, the footage equals the dimension of the side of the lots abutting the improvement.
2. *Odd Shaped Lots.* For odd shaped lots such as exist on cul-de-sacs and curved streets where there is more than 2.0 feet of difference between the front and rear lot lines, and where the lots frontage is greater than its depth, the “odd shaped lot” method of determining the adjusted front footage shall be used. The adjusted front footage shall be computed by dividing the area of the lot by typical residential lot size of 14,434 square feet to determine the equivalent number of front footage units in the parcel. The area of the lot is to be derived by taking the length of all streets abutting the benefiting property and multiplying by the depth of 165 feet.
3. *Corner or Through Lot Adjustment.* When improvements are made to a corner or through lot, including parcel abutting three streets, adjusted frontage will be determined by the short side will be assessed the actual front footage. The long side will be assessed one-half the actual side footage or seventy-five (75) feet, whichever is greater. Sanitary sewer and watermain will only be assessed on the short side of a corner lot.

C. “Area” Method of Assessment.

The “area” method of assessment shall be based on the number of square feet or acres within the boundaries of the appropriate property lines of the areas benefiting from the project. The assessment rate (i.e., cost per square foot) shall be calculated by dividing the total assessable cost by the total assessable area. On large lots, the City Engineer may determine that only a portion of the lots receives the benefit and may select a lot depth for

the calculations equal to the benefit received.

All properties included in the benefited area, including other governmental areas, churches, etc., shall be assessable. The following items may not be included in area calculations: public right-of-ways, and natural waterways, swamps and lakes and other wetlands designated by the Minnesota Department of Natural Resources or the City. The City Engineer will make a recommendation on the boundaries or parameters of the benefited area in the feasibility report.

SECTION 8. STANDARDS FOR PUBLIC IMPROVEMENT PROJECTS.

The following standards are hereby established by the City to provide a uniform guide for improvements within the City.

A. Surface Improvements

Surface improvements shall normally include all improvements visible on or above the ground within the right-of-way, and includes, but is not limited to trees, lighting, sidewalks, signing; street and accessory improvements such as drainage ponds and facilities, parking lots, parks and playgrounds. Surface improvements shall also normally include aggregate or granular base materials for bituminous and concrete pavements.

Policy Statement. Prior to construction or completion of surface improvements, all utilities and utility service lines (including sanitary sewers, storm sewers, water lines, gas and electric service) shall be installed to all planned service locations such as residences or buildings.

When practicable, no surface improvements to less than both sides of a full block of street shall be approved except as necessary to complete partially completed improvements initiated previously. Concrete curbing or curb and gutter shall be installed at the same time as street surfacing.

B. Sub-Surface Improvements

Subsurface improvements shall normally include such items as water distribution, sanitary sewer and storm sewer lines and electric and gas utilities.

Main lines are the publicly owned and maintained lines or facilities such as trunk lines, interceptors, mains, and laterals. Service lines are those privately owned lines or facilities extending from the main line to the property line.

Policy Statement. Sub-surface improvements shall be made to serve current and projected land use. All installations shall conform to applicable standards established by local, state and/or federal agencies of competent jurisdiction. All installations shall also comply, to the maximum extent feasible, with nationally recognized standards.

Service lines from the lateral or trunk to the property line of all planned service locations

such as residences or buildings shall be installed in conjunction with the construction of the mains.

SECTION 9. POLICIES OF REASSESSMENT.

The City shall design public improvements to last for a definite period. The life expectancy or service life shall be as stated in the policy statement of this section, or if different, shall be as stated in the resolution ordering improvement and preparation of plans.

Policy Statement. The following are the expected “life expectancies” or “service lives” of public improvements except as may be otherwise stated in the resolution ordering improvement and preparation of plans.

1. Sidewalks - 15 years.
2. Street improvements, including surfacing and curb and gutter - 25 years.
3. Ornamental street lighting - 25 years.
4. Water Mains - 50 years.
5. Sanitary Sewers - 50 years.
6. Storm Sewers - 50 years.

SECTION 10. ASSESSMENT COMPUTATIONS.

The following is the typical city assessment for various specified improvements.

A. Street and Curb and Gutter Improvements

1. **New Constructors:** New streets are assessed 100% to the abutting benefited properties. Street and curb and gutter improvements will normally be assessed by the adjusted front foot method; however other methods may be utilized if conditions warrant oversizing costs are determined by a method authorized by the City Council.
2. **Reconstruction:** Street reconstruction is defined as all necessary removals and replacements, grading, base, subsurface drainage, hard surfacing (such as bituminous or concrete), replacement of existing curb and gutter, spot replacement of sidewalk panels, driveway aprons, restoration, signage, striping, and other miscellaneous work necessary to reconstruct existing deteriorated streets.
 - Residential Assessment Rate: Based on a per dwelling unit assessment rate, not to exceed 50% of the actual cost.
 - Non- Residential Assessment Rate: Street reconstruction is assessed up to 100% based on the front footage rate of actual project cost.
3. **Reclaim and Pave:** Street reclamation and paving is defined as removal of the existing bituminous surfacing and a portion of the underlying base materials, mixing and compacting it to form a new base, and then applying new bituminous surfacing, spot replacement of deteriorated curb and gutter, spot replacement of sidewalk panels, restoration, signage, striping, and other miscellaneous work as necessary.

- Residential Assessment Rate: Based on a per dwelling unit assessment rate, not to exceed 50% of the actual cost.
- Non- Residential Assessment Rate: Street reconstruction is assessed up to 100% based on the front footage rate of actual project cost.

4. ***Overlays and Mill and Overlay.*** An overlay is defined as the construction of a new layer of pavement (typically bituminous) applied over an existing deteriorated street or roadway surface. On streets with curb and gutter, edge milling is complete adjacent to the curb and gutter to maintain the current surface elevations and then a pavement overlay is placed, spot replacement of sidewalk panels, isolated pavement patching, and spot replacement of deteriorated curb and gutter may also be included with a street overlay project. A mill and overlay project includes either an edge mill or full width mill of the existing pavement layer.

- Residential Assessment Rate: Based on a per dwelling unit assessment rate, not to exceed 50% of the actual cost. .
- Non- Residential Assessment Rate: 100% assessed based on the front footage assessment method

B. Sidewalks and Trails

New and fully reconstructed sidewalks and trails are not assessed to the abutting property on which the sidewalk is located, but rather are funded 100% by the City. In new subdivisions, the City will require the developer to finance sidewalk and trail improvements.

C. Storm Sewer

Storm sewers are assessed on a project-by-project basis. Storm sewers in new subdivisions are considered an assessable improvement on an area basis.

Oversizing costs due to larger mains and larger appurtenances are paid for by a combination of user charges and/or trunk area assessment charges. Trunk area storm sewer charges are levied to certain unplattem property at the time of platting, to re-plats that have not been charged trunk area charges when the land was originally platted, and to re-plats that have been charged trunk area charges when the land was originally platted but where the use is increasing (only the cost difference based on current and prior use is charged). The charges will be set in the annual fee schedule during the last City Council meeting of the year.

Normally, storm sewers are assessed on an area wide basis (square foot or acres), but in certain situations the per lot method or adjusted front method may be utilized at the City Council's discretion.

The replacement of existing storm sewers is not assessed but paid for entirely through the Stormwater Utility Fund.

D. Sanitary Sewer

Assessments for sanitary sewer in residential areas are based upon the cost of construction of 8-inch mains, which is the smallest size installed in residential areas of the City. Assessments for sanitary sewers in commercial and industrial areas are based upon a standard size of 12-inch mains.

Oversizing costs due to larger mains and larger appurtenances will be paid for by a combination of availability charges, user charges and/or trunk area assessment charges. Trunk area sanitary sewer charges shall be levied to certain un-platted property at the time of platting and to re-plats that have not been charged trunk area charges when the land was originally platted. The charges will be set in the annual fee schedule during the last City Council meeting of the year.

Normally, sanitary sewers are assessed on an area wide basis (square foot or acres), but in certain situations the per lot method or adjusted front method may be utilized at the City Council's discretion.

Lateral benefit from major trunk sewers or interceptors is assessed to the properties benefited by the sewer. Any oversizing cost is assessed as described above.

The replacement of existing sewers is not assessed but funded entirely by the City through the sewer enterprise funds.

Individual service lines installed directly to specified properties are fully assessed directly to the benefited properties. Any existing service lines found to be defective as part of a street reconstruction are replaced as part of the project and assessed directly to the property.

E. Watermain

Assessments for watermains in residential areas are based upon the cost of construction of 8-inch mains, which is the smallest size installed in residential areas of the City. Assessments for watermains in commercial and industrial areas are based upon the standard size of 12-inch mains.

Oversizing costs due to larger mains and larger appurtenance are paid for by a combination of availability charges, user charges and/or trunk area assessment charges.

Trunk, Source and Storage water charges shall be levied to all properties at the time of water connection. The charges will be set in the annual fee schedule during the last City Council meeting of the year.

Normally, watermains are assessed on a per-lot basis, but in certain situations the area or adjusted front method may be utilized at the City Council's discretion.

The replacement of existing watermains entirely funded by the City through the water enterprise funds.

Lateral benefit from major trunk water mains is assessed to properties benefited by the water main. Lateral water main assessments are based on the costs for an equivalent 8-inch diameter water main for residential properties and for an equivalent 12-inch diameter water main for residential properties and for an equivalent 12-inch diameter water main for commercial/industrial properties.

Individual service lines installed directly to specified properties are fully assessed directly to the benefited properties. Any existing service lines found to be defective as part of the project are assessed directly to the property.

F. Street Boulevard Trees

All street boulevard trees installed as part of new street constructions or in reconstructing existing streets shall be included as part of the overall project costs included in the assessment calculations.

G. Street Lights

Costs for constructing streetlights according to the Street Light Policy is as below:

- Residential Assessment Rate: Based on a per dwelling unit assessment rate, not to exceed 50% of the actual cost.
- Non- Residential Assessment Rate: 100% assessed based on the front footage assessment method

H. Other Improvements

Based on the City Council determination, any other improvements and/or requests initiated by property owners may be fully assessed or assessed in part.

SECTION 11. DEFERMENT OF SPECIAL ASSESSMENTS.

Subd. 1. The Council may defer the payment of any special assessment on homestead property owned by a person who is 65 years of age or older or a person retired by virtue of permanent and total disability. The City Clerk is hereby authorized to record the deferment of special assessments where the following conditions are met:

1. The applicant must apply for the deferment not later than November 1 after the assessment is adopted by the City Council.
2. The applicant must be 65 years of age or older or retired by virtue of permanent and total disability.
3. The applicant must be the owner of the property.
4. The applicant must occupy the property as his principal place of residence. (i.e. homesteaded)
5. The average annual principal and interest due for assessments levied against the

subject property exceeds three (3) percent of the total household income as evidenced by the applicant's most recent federal income tax return. The average annual payment of an assessment shall be the total cost of the assessment divided by the number of years over which it is spread.

Subd. 2. The deferment shall be granted for as long a period of time as the hardship exists and the conditions aforementioned have been met. However, it shall be the duty of the applicant to notify the City Clerk of any change in his status that would affect eligibility for deferment.

Subd. 3. The entire amount of deferred special assessments plus interest shall be due within sixty days after loss of eligibility by the applicant. If the special assessment is not paid within the sixty (60) days, the City Clerk shall certify the outstanding balance to the County Auditor for collection with taxes the following year.

Subd. 4. The option to defer the payment of special assessments shall terminate and all amounts accumulated plus applicable interest shall become due upon the occurrence of any one of the following:

1. The death of the owner when there is no spouse who is eligible for deferment.
2. The sale, transfer or subdivision of all or any part of the property.
3. Loss of homestead status on the property.
4. Determination by the Council for any reason that immediate or partial payment would impose no hardship.
5. Term has come due

State Law References(s): [Minn. Stat. § 435.193](#), Senior Citizens or retired & disabled persons hardship special assessment deferral.

Original Adoption: XXXXX by Resolution XXXXX