



SPECIAL ASSESSMENT DEFERMENT

Objective

The City Council can defer the payment of any special assessment in cases where payment thereof would create a hardship for qualifying homeowners.

Current Deferment Policy

Attached is a copy of the Special Assessment Policy 5.14 - Section 6 - Deferment of Special Assessments - Senior Citizens, Disabled and Military. The policy provides definitions, eligibility requirements, process for deferment, and so on.

The policy also references the U.S. Federal Poverty Guidelines which can found at the following website: <https://aspe.hhs.gov/poverty-guidelines>

Process and procedure

To determine if you are eligible for the deferment, complete the "Application for Delayed Payment of 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 is submitted to the address below. It 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 Dakota County Treasurer-Auditor.

Due dates for submitting the "Application for Delayed Payment of Special Assessment" form:

- Initial Deferment: due no later than 90 days after the assessment is adopted by the City Council.
- Annual Renewals:
 - The property owner must reapply for the deferment each year. The application form will automatically be mailed to you annually.
 - due no later than September 30 of each year.

Termination of deferment

It shall be the duty of the applicant to notify the City Clerk of any change in the applicant's status that would affect eligibility for deferment.

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 events noted in the Special Assessment Policy, section 6h.

The unpaid special assessment principal and interest installments that accrued during the deferment period are due at the time when the deferment is terminated.

Contact information

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

Phone: 952-985-4500
Email: kholloway@lakevillemn.gov
Website: www.lakevillemn.gov

Mail: Engineering Department
City of Lakeville
20195 Holyoke Avenue
Lakeville, Minnesota 55044

6) DEFERMENT OF SPECIAL ASSESSMENTS – SENIOR CITIZENS, DISABLED AND MILITARY

9) Purpose

- a) The City Council finds that there is a need to establish a procedure permitting deferment of special assessments pursuant to Minn. Stat. §435.193-435.195 in cases where payment thereof would create a hardship for qualifying homeowners.

10) Definitions

- a) Permanent Total Disability. As defined by Minnesota Statutes 176.101, Subd. 5.
 - i) Hardship. A hardship exists when one of the following conditions exists:
 - (1) Annual Household Income is less than Poverty Guidelines as established by the US Department of Health and Human Services.
- b) Household Income. Household income includes the income of all owners of the property.
 - i) Adjusted Gross Income as reported on the individual's Federal income tax return is considered household income for City purposes.

11) Eligibility

All the following criteria must be met in order to be eligible for deferment:

- a) The property must be homesteaded.
- b) The applicant must be the fee owner, contract vendee or trustee of the property.
- c) The applicant must occupy the property as the applicant's principal place of residence.
- d) Annual household income is less than Poverty Guidelines as established by the US Department of Health and Human Services and one of the following criteria must be met:
 - i) A person 65 years of age or older or retired by virtue of a permanent and total disability.
 - ii) A person who is a member of the Minnesota National Guard or other military reserves who is ordered into active military service, as defined in Minn. Stat. §190.05, Subd. 5b or 5c, as stated in the person's military orders, for whom it would be a hardship to make the payments.

12) Application Process

- a) The applicant must apply for the initial deferment not later than 90 days after the assessment is adopted by the City Council.
- b) Applications for deferment of a special assessment must be submitted on or before September 30 of each year in order to continue the deferment.
- c) The Finance Director or designee is responsible for reviewing applications and providing to the City Council a list of applicants for approval or denial of deferments.

13) Evidence of Eligibility

- a) Senior Citizen
 - i) Driver's license or other valid ID.
- b) Permanent Total Disability
 - i) Letter of Determination.
- c) Military.
 - i) Military orders.
- d) Income verification includes total Household Income, as evidenced by

- i) Adjusted gross income as reported on the applicant's Federal income tax return

14) Appeal Process

- a) Homeowners may appeal the Denial of a deferment if written appeal is filed with the City Clerk within 30 days of receipt of the Denial.
- b) Homeowners will be provided the opportunity to present their appeal to the City Council at the next regular City Council meeting.

15) Interest

- a) During the period of deferral, simple interest will accrue for the term of the special assessment on any deferred principal at the rate established on the original special assessment.

16) Termination of Deferment

It shall be the duty of the applicant to notify the City Clerk of any change in the applicant's status that would affect eligibility for deferment.

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 events:

1. the death of the owner, provided that the spouse is otherwise not eligible for the benefits hereunder;
2. the sale, transfer, or subdivision of all or any part of the property;
3. loss of homestead status on the property;
4. property owner ceases to meet the requirements of Minnesota Statutes §190.05, Subd. 5b or 5c;
5. if for any reason the City Council shall determine that there would be no hardship;
6. failure by the owner or a representative of the owner to file a renewal application prior to the September 30 deadline;
7. at the request of the property owner.

If the deferment is terminated, the property owner must pay the deferment, including both principal and accrued interest, prior to December 1. If not paid, the amount will be certified with interest to the Dakota County Auditor to be collected with the subsequent year's taxes.

7) EFFECTIVE DATE

The effective date of this policy is as of January 1, 2018. The City will grandfather the property owners that were approved for the deferral program under the previous guidelines since 2017 and prior. If an existing deferment fails to meet the grandfathered criteria and the assessment is then activated, future re-application for deferment would be based on the new requirements. Property owners applying for the 2018 street reconstruction project and beyond must meet the new criteria as established by this policy.