

## CLITHERALL TOWNSHIP SPECIAL ASSESSMENT POLICY<sup>11</sup>

Whereas, the Township of Clitherall in Otter Tail County, Minnesota desires and is petitioned from time to time to conduct various public improvement projects;

Whereas, Clitherall Township acknowledges Minnesota law which states when assessing a public improvement project the assessment should follow these guidelines: (1) the land must receive a special benefit from the improvement being constructed; (2) the assessment may not exceed the value of the special benefit; and (3) the assessment must be uniform within the same class of property;

Whereas, Clitherall Township desires to ensure that all properties and their owners are treated fairly with regard to the increase in value of their property as balanced against the use of the improvement;

Therefore, Clitherall Township adopts the following as its special assessment policy:

Except as otherwise provided in this policy, all property deriving a special benefit from the improvement, whether or not the property abuts on the improvement, will be assessed a portion of the project cost as follows.

1. All property shall be classified as either residential, agricultural or commercial. The classification of property shall be based upon its highest and best use. In determining a property's highest and best use, the board may consider:
  - (a) the current use of the property;
  - (b) the use to which the owner has taken steps indicating a new or future use, which may be evidenced by survey, staking, preliminary plat, metes and bounds description, advertising, listing with a realtor, etc.; and
  - (c) the suitability and likelihood of the property's subdivision, development or changed use in the near future.
2. Commercial property is any property that is devoted to or capable of either of the following:
  - (a) a commercial or industrial use and does not have a multiple dwelling; or
  - (b) a multiple dwelling, such as condominiums, common interest communities, town houses, yardscapes, association membership, cluster development, planned unit development or other multiple dwelling.
3. Residential property. A residential property is a tract of land that has or is capable of having a single family residence or dwelling on it, whether temporary or permanent, and whether the tract of land is described by the U.S. Geological Survey, metes and bounds, plat, or some other method of subdivision such as fractional share or unit of ownership. Residential property excludes property otherwise defined as commercial property. Each residential tract shall be assessed one share.
4. Agricultural property. Agricultural property is all property that is either being farmed or in timber, grass, wetland, or open space and is neither residential property nor commercial property. Land which has been or is currently agricultural, but which is being marketed as residential or commercial, shall be assessed according to the proposed use and number of lots or units to be created/subdivided by the seller.

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<sup>1</sup> Revised 6/12/2008

- (a) Agricultural property that is adjacent to a project for a distance less than three-fourths (3/4) of a mile (3,960 feet) will be assessed one share of the project. Should the highest and best use of the property be to subdivide the property, then the board shall assess the property according to the number of potential lots on the property under ¶ 2 or ¶ 3, depending whether its residential or commercial.
- (b) Agricultural property that is adjacent to a project for a distance greater than three-fourths of a mile (3,960 feet) will be assessed one (1) share of the project plus (+) 1/3,960 share of the project for each foot more than 3,960 feet. Parcels, including corner parcels, will be credited the equivalent of one side of the Township minimum lot size based on a square lot. For example: A property with 10,000 feet of land adjacent to the project would be assessed (2.53) shares of the project [ $1 + (10,000 - 3,960) / 3,960 = 2.53$ ]. Should the highest and best use of the property be to subdivide the property, then the board shall assess the property according to the number of potential lots on the property and ¶ 2 or ¶ 3, depending upon whether its residential or commercial.

5. The assessment roll will be calculated in the following order:

- (a) Determine the total cost of the project to be assessed.
- (b) Determine the amount to be assessed to commercial property, which amount shall be further divided between those commercial properties without dwellings and those with multiple dwellings.

Each commercial multiple dwelling property shall be assessed the lesser of the following: One (1) share for each identifiable unit, dwelling, yardscape, or association membership, whether such property is currently used as such or if that property's highest and best use is as such; OR the value of the special benefit received as a result of the improvement as determined by the appraiser hired by the township.

- (c) Subtract the commercial assessment from the total cost to be assessed, with the remainder being assessed to the residential and agricultural properties.
- (d) Determine the total number of residential shares.
- (e) Determine the total number of agricultural shares.
- (f) Divide the total number of residential and agricultural shares into the remaining cost to be assessed.
- (g) The assessment to any particular property shall be the lesser of its assigned share, or the special benefit received by that property.
- (h) The board may make further adjustments to make the assessment(s) uniform and fair.

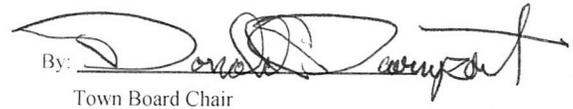
The board recognizes that a parcel may have other limiting factors which limits the increase in land value as determined by the appraiser hired by the township.

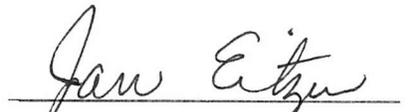
6. Parcels adjacent to two projects will be assessed for one of the projects as determined by the board on a case by case basis, unless the parcel is of sufficient size to be subdivided allowing access to each project, then the parcel will be assessed for each project.

7. Property owners of assessed property shall either: (a) pre-pay the assessment without penalty; (b) have the entire amount assessed added to their taxes; or (c) pay a portion of the assessment and have the remaining balance added to their taxes for the proper duration as indicated under paragraph 8.
8. The duration of an assessment added to an owner's property taxes shall be five (5) years for assessments less than or equal to Two Thousand Dollars (\$2,000.00); ten (10) years for assessments greater than Two Thousand Dollars (\$2,000.00) but less than Ten Thousand Dollars (\$10,000.00); and twenty (20) years for assessments greater than Ten Thousand Dollars (\$10,000.00).
9. All assessments added to property taxes shall be subject to an interest rate of ten percent (10%) per annum.
10. All deferments and exemptions will be determined on a case-by-case basis.

Date: 6/12/08

Town of Clitherall

By:   
Town Board Chair

  
Attested by Clerk of the Clitherall Town Board