

EXEMPTION AGREEMENT

THIS EXEMPTION AGREEMENT, made and entered into this ___ day of _____ 2007, by and between Big Stone County (referred to as the "County") and the Minnesota State Auditor (referred to as the "State Auditor").

WHEREAS, the State Auditor, pursuant to Minn. Stat. § 6.80, has the authority to grant a waiver from administrative rules or a temporary, limited exemption from enforcement of state procedural laws governing delivery of services by a local government unit; and

WHEREAS, Minn. Stat. § 375A.121 currently allows for the reassignment of specific duties of the delinquent tax process from the County Auditor to the County Treasurer upon their concurrence; and

WHEREAS, the State Auditor granted a similar exemption request in 2006; and

WHEREAS, absent the waiver, the County Treasurer is assigned the responsibility for delinquent tax administration through the judgment stage as defined in the "Delinquent Tax and Tax Forfeiture Manual" developed by the MN Department of Revenue; and

WHEREAS, it is agreed that, in this case, it would be more efficient to assign all of the delinquent tax proceedings, including tax forfeiture, to one department; and

WHEREAS, the County has requested a temporary, limited exemption from enforcement of state procedural laws governing delivery of services; and

WHEREAS, the State Auditor in 2007 granted the County a temporary, limited exemption from enforcement of state procedural laws governing delivery of services;

THEREFORE, it is agreed:

- I. **EXEMPTION.** The County is hereby granted a temporary, limited exemption from enforcement of procedural requirements governing the administration of delinquent taxes and forfeitures as outlined in the Minnesota Department of Revenue's Delinquent Tax & Tax Forfeiture Manual (commonly known as the "Red Book"), allowing the County Treasurer to perform all such duties, provided adequate internal controls through supervision of procedures and processes of staff are implemented by the County.
- II. **OUTCOMES.** Through the implementation of this exemption, the County intends to improve the services delivered to its citizens by providing more efficient service to taxpayers attempting to pay

delinquent property taxes and going through the forfeiture process. This agreement will also allow the Treasurer to perform tax-forfeited land sales annually, as opposed to the sale every two years that the Auditor was able to conduct, where convenient and practical.

- III. **BARRIERS.** These outcomes cannot be met under current laws that prescribe different duties in the delinquent tax and forfeiture process to the Auditor and Treasurer.
- IV. **REPORTING AND EVALUATION.** By May 10, 2008, the County Auditor and Treasurer shall each prepare a written report detailing the efficiencies achieved from the exemption during the previous year and assessing the service outcomes achieved. The reports shall include the effect of the exemption on the amount of staff time spent on delinquent tax administration and describe how the changes in staff time spent has impacted services provided by the staff.
- V. **TERM OF AGREEMENT.** This agreement shall be effective upon the date it is executed by the County and the State Auditor and shall remain in effect until ten (10) days after adjournment of the 2008 regular legislative session, unless the legislature has acted to extend or make permanent the exemption.
- VI. **CANCELLATION.**
 - a. Upon the County's failure to comply with any provision of this agreement, the State Auditor may rescind this agreement. The rescission shall be effective upon the State Auditor giving the County written notice.
 - b. The State Auditor and the County may mutually agree to cancel this agreement at any time.
 - c. The County Auditor or County Treasurer may cancel the agreement by giving written notice to the Department of Revenue and the State Auditor.
- VII. **LIABILITY.** The County agrees to indemnify and save and hold the State Auditor and its agents and employees harmless from any and all claims or causes of action arising from the performance of this agreement by the County or the County's agents or employees. This clause shall not be construed to bar any legal remedies the County may have for the State Auditor's failure to fulfill obligations pursuant to this agreement.

BE IT RESOLVED upon approval by the State Auditor's Office of the exemption, the Big Stone County Board of Commissioners hereby expands the assignment to include all delinquent tax proceedings, including tax forfeiture, to the County Treasurer. This assignment includes all duties and responsibilities contained in the "Delinquent Tax and Tax Forfeiture Manual" developed by the Minnesota Department of Revenue.

Big Stone County

Minnesota State Auditor

Chairman

Minnesota State Auditor

Date

Date

Recommended By:

County Auditor

County Treasurer