

# **Neighborhood Revitalization Program**

**MAY 17,  
2005**

## **What is the Neighborhood Revitalization Program?**

During the 1994 legislative session, lawmakers passed Senate Bill #732, which provides tax rebates for new construction and the rehabilitation of existing structures. In order to implement the legislation locally, each municipality must adopt a plan and designate an area in which they want to promote revitalization and development or redevelopment.

## **Questions and Answers**

### **What is "Tax Rebate"?**

It is refund of the property taxes that are paid on the actual value added to a property due to the improvement. Under the Neighborhood Revitalization Plan legislation, the taxes relating to the assessed value on the property prior to the improvement may not be reduced and will continue to be payable.

### **What is "Qualified Improvement"?**

"Qualified improvement" includes new construction, rehabilitation and additions.

### **Does "one dollar" spent on work equal "one dollar" of increased value?**

One dollar spent is not necessarily equal to one dollar of increased value.

### **What kind of "Improvements" will increase the assessed value?**

New construction, additions and major rehabilitations will increase the assessed value. Repairs generally will not increase the assessed value unless there are several major repairs or improvements completed at the same time.

### **How is "Structure" defined?**

"Structure" means any building wall or other structure, including the building and improvements to the existing structures and fixtures assimilated to the real estate.

### **How can I determine if I am eligible for a tax rebate?**

There must be a minimum investment of \$15,000. New, as well as, existing improvements must conform with all codes, rules and regulations in effect. You **must** secure a building permit for all improvements. Call the City Office or County Zoning Office to obtain the permit.

Applications are available from the Kingman County Clerk Or Appraiser

### **If qualified improvements have been made, how does one obtain a tax rebate?**

A property owner must file, and have approved, an application with the County Appraiser **before** construction begins. There will be no exceptions.

### **Who applies?**

The property owner. Even if, as a lessee, you are doing the improvements and your lease agreement has you paying the taxes, the **property owner** must apply. The tax rebate will be included as part of the property's tax record for the term of the rebate regardless of who owns or occupies the property.

### **How often do I need to apply?**

Apply each year that you make a qualifying improvement to the property, even though the improvements may not actually be completed during the year. If no further improvements are made, the initial application will be sufficient without the property owner having to file an additional application for succeeding years in which a tax rebate is received.

### **Will the schedule of tax rebates as determined by the increase in assessed value in the first year ever change?**

Yes, the total taxes rebated to you over the ten years may decrease only if the assessed value of the property decreases. However, if the assessed value of your property increases during the ten years, your rebate will not increase. In other words, the rebate paid in any given year (1-10) will be based upon the lesser of the increase in assessed value from the first year, **OR** the value assessed in the current year.

*The primary intent of the Neighborhood Revitalization Act is to provide communities with a long-term increase and stabilization in their property tax base by encouraging*

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**Benefits of the Tax  
Rebate Program Are:**

- ◆ It will provide incentives for housing improvements through property tax refunds.
- ◆ The benefits of this program will apply to individual homeowners, as well as, businesses.
- ◆ It does not interfere with current property tax revenues.
- ◆ The program will create new long-term tax revenue, without creating a fiscal burden for the cities and county.
- ◆ It will offer incentives for development where development might not otherwise occur.
- ◆ It will help create jobs because historically jobs follow development.
- ◆ It will help reverse the outward migration of residents, and the resulting deterioration of neighborhoods within the county.
- ◆ It will help stabilize land values.
- ◆ It will strengthen the fiscal capacity of our city and county governments to grow and serve our area.
- ◆ It provides a limited window of opportunity for participation, thereby, prompting immediate response.
- ◆ It will encourage housing, commercial, and industrial development in the county.

For More Information contact the  
**KINGMAN COUNTY  
CLERK  
620-532-2521  
APPRAISER  
620-532-2256**

## **APPLICATION PROCEDURE**

Prior to filing the Application for Tax Rebate, you will need to do the following:

**1/** The property owner obtains an application from the County Appraiser's Office.

**2/** Prior to the commencement of construction on any improvement or new construction for which a tax rebate will be requested, the applicant-owner will complete *Parts 1 and 2/3* of the application. Requests must be received and approved **before** commencement of construction. ***There will be no exceptions.***

**3/** *Parts 1 and 2/3* of the application must be filed with the County Appraiser's Office, with a non-refundable \$150.00 application fee, prior to the commencement of construction.

**4/** The County Appraiser's Office will return a copy of *Parts 1 and 2/3* to the applicant within fifteen (15) working days after the on-site inspection, indicating approval or denial of the project.

**5/** The County Appraiser's Office will forward a copy of *Part 1* to the County Clerk for notification and information purposes. Copies of the application will also be forwarded to all Economic Development Agencies for monitoring purposes.

**6/** The applicant-owner will notify the County Appraiser of the commencement of construction by filing *Part 4* of the application.

**7a/** For any improvement that is only partially completed as of January 1, following the commencement of construction:

\*The applicant-owner will file *Part 5* of the application with the County Appraiser, indicating the status of construction on January 1. *Part 5* will be filed on, or before December 1, preceding the commencement of the rebate period.

**7b/** For any improvement that is completed on, or before January 1, following the commencement of construction:

\*The applicant-owner will file *Part 5* of the application with the County Appraiser on, or before December 1, preceding commencement of the tax rebate period, certifying the completion of construction.

**8/** Soon after January 1, the County Appraiser will conduct an on-site inspection of the construction project (improvement, rehabilitation, or new) and determine the new valuation of the real estate accordingly. The valuation is then reported to the County Clerk by June 15. The tax records will be revised.

**9/** Upon filing of *Part 5* and the determination of the new valuation of the said real estate, the form will be filed with the County Clerk by the County Appraiser, certifying the project is in compliance with the eligibility requirements for a tax rebate. The applicant-owner will be notified immediately.

**10/** Upon payment in full of the real estate tax for the subject property for the initial and each succeeding year period, extending through the specified rebate period, **and within a thirty (30) day period following the date of tax distribution by Kingman County to the other taxing units,** a tax rebate in the amount of the tax increment will be made to the owner. The tax rebate will be made by the County Treasurer of Kingman County through the Neighborhood Revitalization Fund established in conjunction with the other taxing units participating in an Inter-local Agreement.