

OTTER TAIL COUNTY - MINNESOTA

Property Tax Rebate Program for New Single and Two-family Homes *Interim Program Guidance*

Due to the current COVID-19 situation and the limitation of public participation in public hearings, the requirement for County Board approval prior to construction starts is waived through December 31, 2020.

Intent

The purpose of the Otter Tail County Tax Rebate Program is to encourage the construction of new primary residence single and two-family housing units and to encourage replacement of dilapidated housing structures within Otter Tail County between January 1, 2020 and December 31, 2022.

Eligible Participants

Any person who constructs a new single family or two-family home and who files application materials and seeks formal approval from appropriate local jurisdictions between January 1, 2020 and December 31, 2022 may be eligible to receive a 100% tax rebate of the County's share of increased real estate taxes as a result of building a new home, for a period of up to five (5) years or up to \$5,000 (whichever is met first) provided all of the following criteria are met:

1. Property is located within Otter Tail County and zoned properly for the proposed residence.
2. The applicant/property shall not have benefitted other local financial assistance (including tax increment financing (TIF), Workforce Housing, Small Cities Development Program).
3. Project is built to all local, state and federal regulations at the time the building/zoning permit is obtained.
4. Property taxes are current and paid on time and in full. Failure to keep property taxes current shall result in revocation of the tax rebate for each year taxes are not current.
5. Program approvals must be obtained prior to the start of construction of the new home.
(Required approval is an administrative approval through December 31, 2020.)

The real estate taxes to be rebated shall be for up to the full amount of the real estate taxes collected resulting from the added tax base of the newly constructed home annually. The current value of the property (defined as "original value") will not be rebated as part of this program. Any eligible rebate is calculated on the tax increase due to a value increase resulting from the new improvement.

Partially constructed housing may result in the rebate in the first rebate year that may be significantly less than the following years. This will still be considered one of the five years of eligible rebate.

In the event the property owner refuses access to County Assessor staff to perform an appraisal for tax assessment purposes, the tax rebate shall expire for the remaining term of the rebate period.

The rebate period will begin in the tax year the property realizes a value increase over original value due to construction of the housing project. In the event construction has not commenced within one year of approval, the rebate is eliminated and the property owner will need to reapply in accordance with the program. Additionally, the rebate:

- Will transfer with the sale of the property for the balance of the five-year period or until the \$5,000 maximum rebate is met
- Does not include voter approved property tax referendums
- Does not apply to or include existing and/or new assessments to the property

The County shall provide the awarded rebate payment following payment of due real estate taxes annually. One single payment shall be made to the owner of record at the time of the payment by December 30 for that calendar year.

Application

Minnesota Statute requires the County to approve each rebate application.

A complete application shall consist of the following:

- A statement requesting the tax rebate for eligible projects addressed to the Otter Tail County Community Development Director;
- Address (if assigned at time of application) and/or property identification number;
- A site plan for the proposed project; and
- Submit a copy of the building/zoning permit once issued, as applicable.

Applicant shall sign a statement to the effect that no construction has started prior to the County Board decision on the applicant's rebate request. (Through December 31, 2020, construction shall not start prior to administrative approval of an application.) For the purposes of this provision, construction shall include the installation of footings, slab, foundation, posts, walls or other portions of a building. Site preparation, land clearing or the installation of utilities shall not constitute construction.

The Community Development Director will forward the completed application to the County Board for consideration. The County Board shall schedule a date for a public hearing on the request(s) pursuant to Minnesota Statute, Sections 469.1812 to 469.1815 to receive public input on each request and shall pass a resolution to approve or deny said application.

The Community Development Director shall also forward the completed application to the appropriate City or Township and School District in the event one or more of these taxing jurisdictions have adopted policies and procedures for property tax rebates for single family or two-family residential construction.

Prior to the public hearing, Otter Tail County staff will perform a site inspection to verify no construction has commenced. (This provision is waived through December 31, 2020.)

Each taxing entity retains its individual authority on property tax rebates. The County is solely responsible for its share of property tax rebates and this policy does not allow the County to rebate City, Township or School District property taxes.