



Lansing Neighborhood Revitalization Plan

Purpose

This plan is intended to promote the revitalization and development of the City of Lansing by stimulating new construction and the rehabilitation, conservation, or redevelopment of the area in order to protect the public health, safety, or welfare of the City by offering certain incentives, which include tax rebates.

Benefits of the Tax Rebate Program

- It will provide incentives for housing improvements through property tax refunds.
- 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 city.
- It will help stabilize land value.
- It will strengthen the fiscal capacity of our city government 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 city

Kansas Neighborhood Revitalization Act

The Kansas Neighborhood Revitalization Act allows the governing body of any municipality to pass an ordinance designating an area within that municipality as a "Neighborhood Revitalization Area" if it finds that "the rehabilitation, conservation or redevelopment of the area is necessary to protect the public health, safety or welfare of the residents of the municipality."

Criteria for Determining Eligibility

1. "Structure" means any building, wall, or other structure, including the building and improvements to the "living space". The only accessory structures allowed for the purposes of this plan will be garages.
2. There will be a three (3) year application period beginning April 1, 2002, and ending April 1, 2005. At the end of three (3) years, the city entities will review the plan and determine its continuation. Those approved during the three-year period will continue to receive the tax rebate for the full five (5) or ten (10) years following completion of the project.
3. There must be a minimum investment of \$5,000 to receive a tax rebate for residential construction.
4. There must be a minimum investment of \$10,000 to receive a tax rebate for commercial or industrial construction.
5. New as well as existing improvements on property must conform with all codes, rules, and regulations in effect at the time the improvements are made. Tax rebates may be terminated if improvements or new construction do not conform to code during the ten-year period. * (Code applicable at time of improvement)
6. Real estate taxes must be paid in full by June 20 or the property owner will forfeit any current or future rebates.
7. Qualified improvements or new construction eligible for tax rebates under the Neighborhood Revitalization Plan may submit only one application per piece of property. * Unless approved by City Council action.
8. Tax rebates are subject to approval of each taxing unit. See the City Clerk for taxing units who have adopted the Tax Rebate Program of the Neighborhood Revitalization Plan. A tax rebate will be based on the increase in assessed value following the first full year of completion.
9. **Tax rebate is made within approximately thirty (30) days after the real estate tax is paid in full. If property tax is paid in semiannual payments, the rebate is made in accordance with the Interlocal Agreement.**
10. In any given year (1 through 10) the rebate paid will be based upon the lesser of the increase in assessed value

from the first year or the value as assessed in the current year.

11. **Construction must be completed in one year.** Extensions beyond that period will be considered on a case by case basis.
12. Upon completion of your project, an itemized statement of costs will need to be provided. This will be necessary to receive your rebate.
13. Property Eligible for a Property Tax Rebate
 - A. Residential Property
 1. Property used after improvement for single or multi-family residential uses shall be limited to: rehabilitation and alterations, including new or existing accessory structures to any existing primary residential structure built prior to adoption of this Plan, including alteration of a single-family home into a multi-family dwelling, shall be eligible.
 2. The improvements must include the minimum health and safety code requirements of the city.
 3. **New construction of a primary single family or multi-family residential structure shall not be eligible.**
 4. Eligible residential property shall be eligible for a 95 percent rebate of property taxes on taxable value of eligible improvements for five (5) years. See Exhibit B.
 - B. Commercial & Industrial Property
 1. All property used exclusively *after* improvement for commercial or industrial uses shall be eligible.
 2. Mixed use residential and commercial property shall be eligible if the residential use qualifies or to the extent the improvements are assessed as commercial property.
 3. Mixed use residential and industrial property shall be eligible.
 4. Eligible commercial and industrial property shall be eligible for a rebate of property taxes on the taxable value of eligible improvements for ten (10) years. See Exhibit A.
 - C. Agricultural and all other property

Property used after improvement for agricultural or any non-commercial, non-industrial or non-residential uses shall not be eligible.
14. General Provisions Applicable to All Rebate Applications on Eligible Property
 - A. Property owners of all eligible property shall make application filed with the City Clerk on application forms provided by the city.
 - B. Eligible improvements must be authorized by a building permit.
 - C. **Property owners shall make application on or *after* a building permit has been issued and the permit fee paid for any eligible improvements.** The deadline for application shall be 60 calendar days after the issue date of the building permit. The property owner may appeal to the city council and the city council may approve an application for rebate after the deadline but not later than when the substantially completed improvements are first assessed by the Building Official.
 - D. There shall be no minimum improvement required. However, the improvements must result in an increase of \$5,000 for residential and \$10,000 commercial or industrial in the taxable value of eligible property. **Some improvements, such as repairs require a building permit but result in no increase in the taxable value and thus are not eligible for a property tax rebate.**
 - E. **Only one application for rebate shall be allowed per piece of property.**
 - F. Any otherwise eligible property with delinquent taxes or special assessments shall not be eligible for a rebate until such time as all taxes and assessments have been paid.
 - G. The property owner shall notify the city when all improvements covered under the building permit have been substantially completed and the city shall inspect the improvements for the required building codes and notify the County Appraiser that the improvements covered under the rebate application have been substantially completed.
 - H. The County Appraiser shall conduct an on-site inspection following substantial completion of the improvements and determine the increase in the taxable valuation due to the improvements and shall report that amount to the County Clerk.
 - I. The rebate shall be calculated each year using the taxable value due to the improvements upon completion of the improvements property tax mill levy during the year in which the rebate is due.
 - J. **The property taxes must be paid before a rebate can be issued.**
 - K. The City Clerk shall review all applications based on eligibility contained in this Plan and approve such eligible applications. If an application is not approved, the property owner may appeal the decision in writing to

the City Council for final determination.

L. If this Plan is repealed or the rebate criteria changed, any approved applications shall be eligible for rebates for the remaining term of the rebate originally provided in the Plan.

15. Effective Dates of the Plan

This Plan and property tax rebates provided by this Plan shall be effective upon the adoption of this Plan by resolution of the city council of the City of Lansing. This Plan and the Neighborhood Revitalization Area shall expire after three years from the date of adoption unless extended by the resolution of the city council prior to its expiration. The city council may repeal, amend or modify this Plan as conditions, policies or priorities of the city council change.

Passed by the Governing Body of the City of Lansing, Kansas, this 17th day of January, 2002.

/s/

Mayor Kenneth W. Bernard

ATTEST:

/s/

Karen J. Logan, City Clerk

Resolution Number: **B-1-2002**

EXHIBIT A

(*5% of Admin. fee for taxable improvement)

Commercial & Industrial Properties -- New/Rehabilitation Projects		
<i>Increase in Assessed Value of:</i>		
\$0 - \$500,000	\$500,000 - \$3,000,000	\$3,000,000 +
1-3 yr -- 95%	1-6 yr -- 95%	1-6 yr -- 95%
4 yr -- 80%	7 yr -- 70%	7-10 yr -- 75%
5 yr -- 70%	8 yr -- 60%	
6 yr -- 60%	9 yr -- 50%	
7 yr -- 50%	10 yr -- 20%	
8 yr -- 50%		
9 yr -- 30%		
10 yr -- 20%		

EXHIBIT B

(*5% of Admin. fee for taxable improvement)

Residential Property -- Rehabilitation Projects
<i>Increase in Assessed Value of Rehabilitation Projects</i>
1-5 yr -- 95%

Application Process

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

1. Obtain an application from the Lansing City Clerk, located at Lansing City Hall, 800 First Terrace, Lansing, KS 66043.
2. Prior to the commencement of construction of any improvement or new construction for which a tax rebate will be requested, the applicant-owner will complete Part 1 of the application. *Requests must be received and approved before commencement of construction.*
3. Part 1 of the application must be filed with the City Clerk with a non-refundable application fee (\$50.00 remodeling and \$100.00 for new reconstruction) prior to the commencement of construction.
4. The City of Lansing will notify by letter to the applicant within fifteen (15) working days, indicating approval or denial of the project.
5. The City Clerk 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 the Community Development Department for monitoring purposes.
6. The applicant-owner will notify the County Appraiser of the commencement of construction by filing Part 2 of the application within 10 days after starting the project.
7. For any improvement that is only partially completed as of January 1, following commencement of construction, the owner-applicant will file Part 3 of the application with the County Appraiser indicating the status of construction as of January 1. Part 3 will be filed on or before December 15, preceding the commencement of the tax rebate period.
8. For any improvement that is completed on or before January 1, following the commencement of construction, the owner-applicant will file Part 3 of the application with the County Appraiser on or before December 1, preceding commencement of the tax rebate period, certifying the completion of construction, along with an itemized statement of costs. This is necessary to receive your rebate.
9. 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.
10. Upon filing of Part 3, and the determination of the new valuation of the said real estate, the form will be filed by the City Clerk with the County Clerk and the County Appraiser certifying the project is in compliance with the requirements for a tax rebate.
11. 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 approximately thirty (30) day period following the date of tax distribution by the City of Lansing 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 Leavenworth County through the Neighborhood Revitalization Fund established in conjunction with the other taxing units participating in an Interlocal Agreement. The five percent of new taxable value is retained by the County Treasurer for administrative handling (5% of the improvement value or \$10, whichever is greater).

Frequently Asked Questions

Q. What is the Tax Rebate Program? A. During the 1994 legislative sessions, 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.

Q. What is "Tax Rebate"? A. It is refund of the property taxes which 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.

Q. What is "Qualified Improvement"? A. "Qualified Improvement" includes new construction and rehabilitation.

Q. How is "Structure" defined? A. "Structure" means any building wall or other structure, including the building and improvements to the existing structures and fixtures assimilated to the real estate.

Q. What kind of "Improvements" will increase the assessed value? A. New construction 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.

Q. Does "one dollar" spent on work equal "one dollar" of increased value? A. One dollar spent is not necessarily equal to one dollar of increased value.

Q. How can I determine if I am eligible for a tax rebate? A. There must be a minimum investment of \$5,000 for residential and \$10,000 for commercial or industrial. New as well as existing improvements must conform with all codes, rules, and regulations in effect. You should secure a building permit for all improvements. Call the Office of Community Development to obtain the permit.

Q. If qualified improvements have been made, how does one obtain a tax rebate? A. A property owner must file and have approved an application with the City of Lansing before construction begins. There will be no exceptions.

Q. Who applies? A. **The property owner applies.** 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.

Q. How often do I need to apply? A. Apply each year that you make a qualifying improvement to the property. 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. **The property owner must relinquish the first rebate to be eligible to receive another.**

Q. Will the schedule of tax rebates as determined by the increase in assessed value in the first year ever change? A. Yes. The rebate paid in any given year (1-10) will be based on the lesser of the increase in assessed value from the first year or the value assessed in the current year.