



DEVELOP NEWTON

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Neighborhood Revitalization Tax Rebate Program

Tax incentives are a valuable tool for residential and commercial revitalization. New infill construction, as well as rehabilitation of existing housing, commercial and industrial properties, produces benefits not only to the immediate neighborhood, but to the entire community. With the adoption of the Neighborhood Revitalization Program, the City of Newton, USD 373, and Harvey County have provided a tax incentive program to address the needs of a large portion of Newton.

The Newton Neighborhood Revitalization Program (NRP) is a way to receive up to a ten-year rebate on the increased taxes actually paid as a result of new construction or rehabilitation projects in the Neighborhood Revitalization Area (NRA). See the NRA map below, to determine if your home or property is located in the Neighborhood Revitalization Area

If you are building a new structure or making significant improvements to RESIDENTIAL, COMMERCIAL or INDUSTRIAL property in the NRPA, your project may be eligible for the NEIGHBORHOOD REVITALIZATION PROGRAM.

	C-3 Central Business	Commercial & Industrial	Residential Rehabilitation	New Residential
Year 1	100%	100%	100%	50%
Year 2	100%	90%	100%	50%
Year 3	100%	80%	100%	50%
Year 4	100%	70%	100%	50%
Year 5	100%	60%	100%	50%
Year 6	100%	50%	-	-
Year 7	100%	40%	-	-
Year 8	100%	30%	-	-
Year 9	100%	20%	-	-
Year 10	100%	10%	-	-

To Be Eligible For A Tax Rebate...

- ◆ Obtain a Building Permit and Tax Rebate application from the City of Newton Code Enforcement Office, 3rd Floor, City Hall.
- ◆ All improvements must conform to zoning, building and any other applicable regulations in effect in the Neighborhood Revitalization Program Area (NRPA).
- ◆ Construction must begin on or after the date of inclusion of the property in the (NRPA).
- ◆ Improvements must increase the appraised value of the property by at least 15% or \$5,000, whichever is greater.
- ◆ Properties for which taxes or special assessments are delinquent or under appeal or protest are not eligible until such delinquent payments or appeals have been resolved.
- ◆ Properties eligible for tax incentives under any other program shall be eligible for only one such program at a time.
- ◆ Only owners of property are eligible to receive a tax rebate.
- ◆ Tax rebates transfer with ownership of a property.
- ◆ Rebates are based on the increase in APPRAISED VALUE as of January 1 of the year following 100% completion of the improvements, contingent upon final inspection or issuance of a certificate of occupancy.

Tax rebates are based on the increase in APPRAISED VALUE of a property as of the January following completion of the project. The tax rebate is based solely on the improvements, not on any market factors. The example below illustrates which improvements to a \$100,000 home may qualify for the rebate:

Appraised value before improvements	\$100,000
*Increased value due to improvements	25,000
Increased value due to market forces	5,000
<u>Total appraised value</u>	<u>\$130,000</u>

***Increase in value eligible for a tax rebate \$25,000**

FAQs

Q: Can I simply paint my house or do some minor remodeling and be eligible for this program?

A: It is unlikely that minor repairs will enable a property to qualify for the program. Improvements must increase appraised value by at least 15% or \$5,000, whichever is greater. In addition, the increase in appraised value must be a direct result of the improvements.

Q: What is the application process?

A: Obtain an application for the Neighborhood Revitalization Program when applying for a building permit. Complete the application and return it to the City. After final inspection, City staff will forward the application to the County Appraiser's office for review and appraisal of the project. Applicants will receive their tax rebate, minus a 5% administrative charge, after their property taxes are paid in full.

Q: What types of property are eligible?

A: Residential and commercial/industrial property within the Neighborhood Revitalization Area is eligible for the NRP.

Q: Are the rebates transferable if I sell my property?

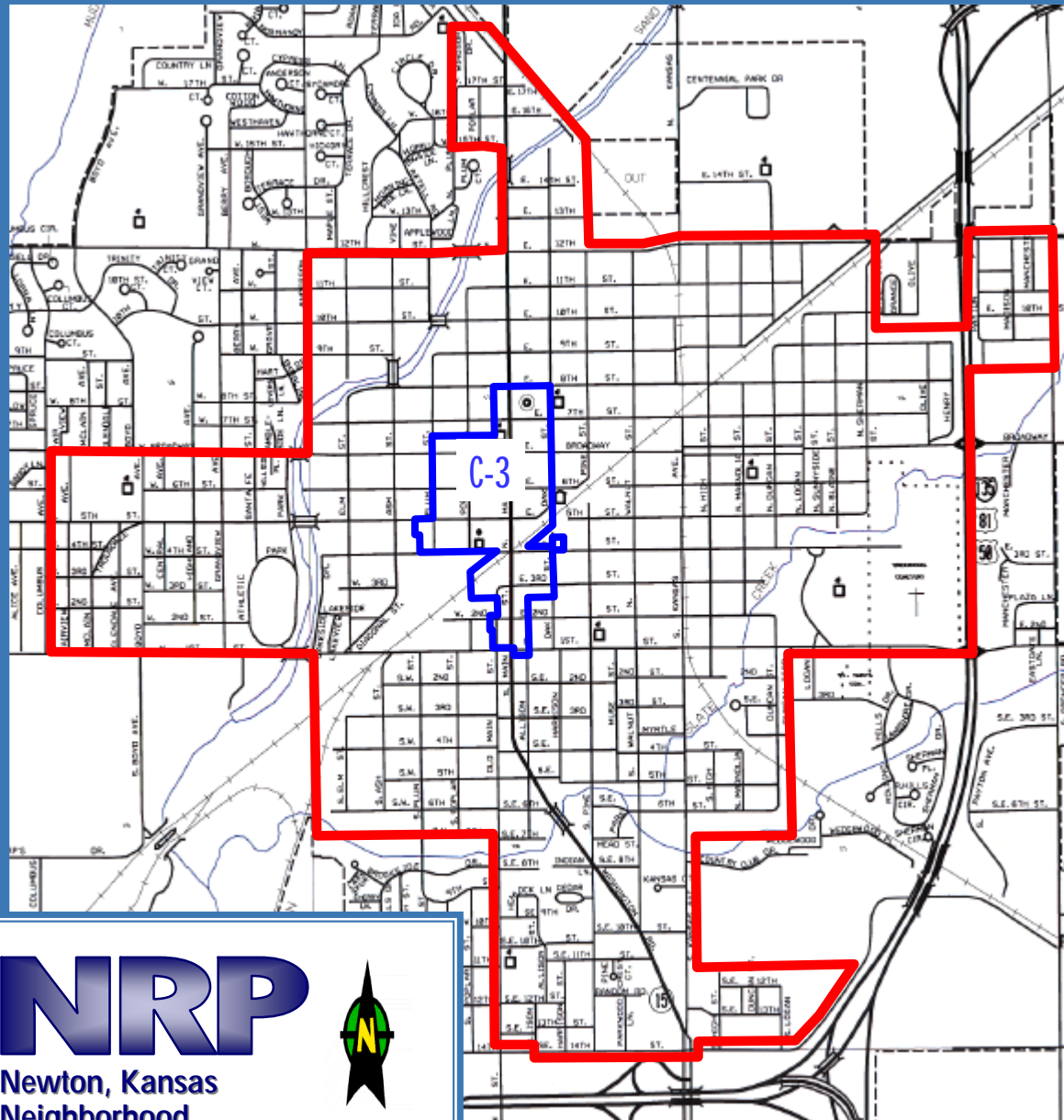
A: Yes. Rebates are transferable. If an individual has received two years of a five-year rebate, the party buying the property will receive the last three years of the rebate.

Q: Can I take advantage of the program if I don't live in the project area?

A: Maybe. Properties outside the Neighborhood Revitalization Area may be eligible for the program. However, those structures must meet stricter criteria for approval. Contact the Community Development office for details.

Q: Can this program be used in conjunction with tax abatement programs?

A: No property involved in the program can receive other tax abatement benefits.



NRP

Newton, Kansas
Neighborhood
Revitalization Program Area



- C-3 Central Business District
- Program Area