

APPLICATION PROCEDURES

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

BEFORE CONSTRUCTION BEGINS

- Obtain an application from the City of Parsons Community Development Department at 112 S. 17th Street, Parsons, Kansas 67357.
- Complete Part 1 of the application form with a \$25.00 application filing fee payable to Labette County, Kansas and submit to the Labette County Appraisers office at 517 Merchant, Oswego, Kansas 67356.
- Upon commencement of construction, complete Part 2 of the application and file a copy with the County Appraiser's Office.
- If the improvement is partially completed on or before December 15, file Part 3 of the Application with the County Appraiser's Office.
- If the improvement is complete on or before January 1st, before the start of the tax rebate period, file Part 3 of the application with the County Appraiser's Office before January 1st.
- Documentation of receipts must be forwarded to the County Appraiser's office within 30 days after completion.

Upon filing of Part 3 of the application and a determination of the new value of the property, the County Appraiser will notify the County Clerk.

and the property owner if the project meets eligibility requirements for a tax rebate, less an administrative fee specified in the Interlocal Agreement, will be made to the property owner within a thirty (30) day period following the date of tax distribution by the County.

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 rehabilitation or new construction which might not otherwise occur.

Properties qualify for either a 70% or 90% tax rebate depending on location. Contact the Parsons Community Development Department to determine the rebate for which your property qualifies.

MOST FREQUENTLY ASKED QUESTIONS

1. What is the Neighborhood Revitalization Plan?

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

2. What is "tax rebate"?

It is a refund of the property taxes which would otherwise be payable on the actual value added to a property due to a qualified improvement. The rebate only applies to the additional taxes resulting

from the increase in assessed value of the property due to the improvement. Under the Neighborhood Revitalization Plan, the taxes relating to the assessed value on the property prior to the improvement may not be reduced and will continue to be payable.

3. What is "qualified improvement"?

Qualified improvement to a structure includes new construction, rehabilitation, and additions.

4. How is "structure" defined?

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

5. 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 completed at the same time.

6. How long does the tax rebate run under the Neighborhood revitalization Plan?

The plan will remain in effect through October 9, 2008, and be reevaluated. A property owner may apply for tax rebate as appropriate any time during the program. The length of the tax rebate will be for (5) five years.

7. Can property taxes be eliminated using the tax rebate?

There will always be some taxes on property. Under Neighborhood Revitalization, the existing assessed value of the property and the resulting taxes prior to the improvements will continue.

Criteria for Determination of Eligibility

- (A) "Structure means any building, wall or other structure, including the building and improvements to existing structures and fixtures assimilated to the real estate.
- (B) There will be a five year application period. At the end of the five years, the tax entities will review the plan and determine its continuation. Those approved during the five year period shall continue to receive the tax rebate for the full five years.
- (C) Construction of an improvement must have begun on or after date of designation of the neighborhood revitalization area by the application taxing units.
- (D) There must be a minimum investment of \$5,000 for residential property, to receive tax rebates.
- (E) There must be a minimum investment of \$10,000 on commercial and/or industrial property, to receive a tax rebate.
- (F) The new as well as existing property must conform with all other codes, rules, and regulations in effect at the time the improvements are made, and for the length of the rebate or the rebate may be terminated.
- (G) Any property that is delinquent in any tax payment and/or special assessment shall not be eligible for any rebate or future rebate.
- (H) Commercial or industrial property eligible for tax incentives under any adopted Neighborhood Revitalization Plan and any existing tax abatement program, may submit only one application per project.
- (I) Tax rebate transfers with ownership of the property.

Some specific 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 individuals homeowners as well as business.
- 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 city.

For More Information
City of Parsons
Community Development Department
(316) 421-7031

City of Parsons

Tax Rebate Incentive Program

Neighborhood
Revitalization

October 9, 2003