

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 Community Development & Housing Office, 603 N. Pine, Pittsburg, Kansas.
- ◆ Complete Part 1 of the application form. Attach \$25.00 application fee.
- ◆ Upon commencement of construction, complete Part 2 of the application and file a copy with the same office noted above.
- ◆ If the improvement is partially completed on or before December 15, file Part 3 of the application.
- ◆ If the improvement is completed on or before January 1, before the start of the tax rebate period, file Part 3 of the application before December.
- ◆ Upon filing of Part 3 of the application and a determination of the new value of the property, all parties will be notified if the project meets eligibility requirements for a tax rebate. A tax rebate will be made to the property owner within a thirty (30) day period following the date of the 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 that might not otherwise occur.

DEFINITIONS:

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 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 rehabilitation 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 become effective August 1, 2008 and be reevaluated in 2018. A property owner may apply for tax rebate any time during the program. The length of the tax rebate may be for up to ten (10) years, depending upon the amount of investment. Any application received by August 31, 2018 may receive a tax rebate.

7. CAN PROPERTY TAXES BE ELIMINATED USING THE TAX REBATE?

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

**City of Pittsburg
Community Development & Housing
P.O. Box 688
603 N. Pine
Pittsburg, Ks 66762
620-232-1210**

CRITERIA FOR DETERMINATION OF ELIGIBILITY

- ◆ "Structure means any building, wall or other structure, including the building and improvement to existing structures and fixtures assimilated to the real estate.
- ◆ There will be a ten (10) year application period. At the end of the ten years, the tax entities will review the plan and determine its continuation. Those approved during the ten-year period shall continue to receive the tax rebate for up to ten (10) years depending upon the investment.
- ◆ Construction of an improvement must have begun on or after the date of designation of the Neighborhood Revitalization Area by the application taxing units.
- ◆ There must be a minimum investment of \$5,000 for residential property to receive tax rebates.
- ◆ There must be a minimum investment of \$10,000 on commercial and/or industrial property to receive a tax rebate.
- ◆ New and existing property must conform with all other code, 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.
- ◆ Any property that is delinquent in any tax payment and/or special assessment shall not be eligible for any rebate or future rebate.
- ◆ Tax rebate transfers with ownership of the property.

SOME SPECIFIC BENEFITS ARE:

- ◆ It will provide incentives for housing improvements through property tax refunds.
- ◆ The benefits of this program will apply to individual homeowners and 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 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 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 CALL
DIVISION OF COMMUNITY DEVELOPMENT
620-232-1210**



TAX REBATE PROGRAM

**A Partnership:
CITY OF PITTSBURG
CRAWFORD COUNTY
USD #250**

**NEIGHBORHOOD
REVITALIZATION**