



Nobles Home Initiative *Program Guidelines*

Intent

The purpose of Nobles Home Initiative (NHI) is to provide incentives to encourage the construction of new owner occupied and rental residential housing units, and to encourage replacement of dilapidated housing structures that may not be suitable to live in within Nobles County between January 1, 2018 and December 31, 2022.

Tax Abatement Availability

Minnesota Statute 469.1813 Subdivision 8 places limitations on tax abatement. In any given year, the total amount of taxes abated by a municipality shall not exceed 10% of the net tax capacity (NTC) of the political subdivision for the taxes payable year to which the abatement applies, or (2) \$200,000, whichever is greater.

Eligible Participants

Any person who constructs a new single family home, duplex, or multi-family complex and who files application material and seeks formal approval from appropriate local jurisdiction between April 1, 2014 and December 31, 2022 may be eligible to receive 100% tax abatement of the County's share of increased real estate taxes as a result of building a newly constructed housing/home for a period of 5 years provided all of the following are met.

1. Property is located within Nobles County and zoned properly for the proposed development project.
2. The applicant shall not have received other local financial assistance (tax increment financing/TIF, Workforce Housing, SCDP).
3. Project is built to building codes adopted at the time building permit is obtained.
4. Property taxes are current, and, paid on time and in full.
5. Future school construction bond payments are excluded from total abated taxes.
6. Program approvals have to be obtained prior to the start of construction of the new housing/home.
7. Multi-family projects of a minimum of 4 rental units may seek approval for longer tax abatement period not exceeding the maximum defined by State Statute and approved on a case by case basis.

The real estate taxes to be abated shall be for the real estate taxes collected from added tax base of the newly constructed housing/home. Real estate taxes collected for the value of the land or current structure value is not eligible for tax abatement, and will not be abated as part of this program.

This abatement may transfer with the sale of the property for the balance of the original five years abatement period.

This abatement does not apply to, or include existing and/or new assessments to the property.

The tax abatement will be for no more than five years commencing on the first year of taxes payable for the newly assessed increase in value(s).

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

Application

Statute requires the County to approve each abatement application. Thus, all applications will be considered on a “first come - first served” basis. The acceptance of new applications will be contingent upon board approval and abatement capacity as defined above.

A complete application for Residential and or commercial tax abatement shall consist of:

- A letter requesting abatement for eligible projects addressed to Executive Director, Worthington Regional Economic Development Corp. The letter should include property address, and whether the proposed construction is new or is to replace a dilapidated home/structure
- Legal description of the subject property, including address and property identification number.
- A site plan and construction plans for the proposed project.
- Include and submit a copy of the building permit once received.

Applications are to be submitted to **Worthington Regional Economic Development Corporation (WREDC)**, 1121 3rd Avenue, Worthington, Minnesota, 56187. Upon receipt of a completed application, WREDC Executive Director will submit to the County Board and to the appropriate city and school district to schedule a hearing date to consider the application. Notice of the hearing date shall be sent to the applicant within 30 days of the application being filed. Upon consideration by the appropriate jurisdictions, and if approved, each jurisdiction will approve a resolution outlining the details of the abatement program and authorization of staff to enter into a tax abatement agreement with developer/builder/owner.

The effective abatement period will commence with receipt of the Certificate of Occupancy, or not more than one year following approval of each jurisdictions resolution, whichever is first, and shall continue for a maximum period of 5 years.