

# Murray County Home Initiative

## *Guidelines*

### **Intent**

The purpose of the Murray County Home Initiative is to provide incentives to encourage the construction of new owner-occupied and residential housing units, encourage replacement of dilapidated housing structures, and increase future tax revenues in Murray County.

### **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 (1) 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 jurisdictions between January 1, 2023 and December 31, 2025 may be eligible to receive 100% tax abatement of the County's share of increased real estate taxes as a result of building newly constructed housing or a home for a period of five years provided all of the following are met:

1. Property is located within Murray County and zoned properly for the proposed development project. Note: Seasonal/Recreational homes do not qualify for abatement under this program.
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. Program approvals must be obtained prior to the start of construction of the new housing/home.

Multifamily projects of a minimum of 4 rental units may seek approval for a longer tax abatement period not exceeding the maximum defined by State Statute. Each of these multi-unit requests will be considered on an individual basis.

The real estate taxes to be abated shall be for up to the full amount of the real estate taxes collected from added tax base of the newly constructed housing/home annually. Real estate taxes collected for the value of the land or any current additional structures value are not eligible for tax abatement and will not be abated as part of this program.

Taxes must be paid in full and on time to qualify for abatement each year. Failure to comply will result in disqualification from the program.

This abatement will transfer with the sale of the property for the balance of the five-year abatement period.

This abatement will not include voter approved referendums.

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

The County will make one single abatement payment to the owner of record by December 31<sup>st</sup> of each year. This will be done after the County verifies (1.) real estate taxes are paid in full and (2.) that payments were made on time. No payment will be made if either requirement is not met.

### **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 applicable board approval and abatement capacity as defined above.

A complete application for abatement shall consist of:

- A letter requesting abatement for eligible projects addressed to the Murray County Economic Development Coordinator.
- Legal description of the subject property, including address and property identification number.
- A site plan and construction plans for the proposed project.
- Estimate of new home value based on construction cost and value of comparable properties.
- Submit a copy of the zoning/building permit if required by the city or township where property is located.
- For properties located outside of city limits, a Letter of Compliance is required from the Environmental Services Office regarding setback permits and septic systems.

The applicant will be responsible for paying for the public hearing notices when the application is submitted. Notice of the hearing must be published at least once more than 10 days but less than 30 days before the hearing.

Applications are to be submitted to Murray County Economic Development, 2848 Broadway Avenue, PO Box 57, Slayton MN 56172. Upon receipt of a completed application, the Murray County Economic Development Coordinator will submit the information to the county administrator and to the appropriate city (if applicable) and school district (if applicable) to schedule a date on which to consider the application. Notice of that date shall be sent to the applicant within 30 days of the application being filed. Upon consideration by the appropriate taxing authority, each taxing authority will approve a resolution outlining the details of the abatement program and authorization of staff to enter into a tax abatement agreement with the developer/builder/owner.

The abatement period will commence upon completion of new construction or not more than one year following approval of the taxing authority's resolution, whichever is first, and shall continue for 5 years.

For more information, call Murray County Economic Development at 507-836-6023 or email [jwettschreck@co.murray.mn.us](mailto:jwettschreck@co.murray.mn.us)

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