

KEARNY COUNTY, KANSAS
NEIGHBORHOOD
REVITALIZATION PLAN

Effective Date

October 31, 2011

Reviewed & Revised

July 9, 2013

February 13, 2015

KANSAS NEIGHBORHOOD REVITALIZATION ACT

K.S.A. 1996 Supp. 12-17, 114 et seq.

This law authorizes any municipality covered by the cash basis law to designate an area within its boundaries as a neighborhood revitalization area and to provide rebates to taxpayers in the amount of the incremental increases in property taxes resulting from improvements made to the property. The term "municipality" may include a city, township, school, county or other political subdivision. The rebates are to be made within in thirty (30) days of the payment of the full taxes.

Neighborhood revitalization area means in part, an area in which buildings or improvements by reason of dilapidation or obsolescence are detrimental to the public health, safety of welfare; or an area where there is a substantial number of deteriorating or defective structures and other improvements which impairs or arrests the sound growth of a city or constitutes an economic liability: or an area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use. See K.S.A. 1996 Supp.12-17, 115 (b), (1) (2) and (3).

Prior to designation of such an area, the municipality must adopt a plan for the area which shall include, among other things, any proposals for improving or expanding various municipal services within the area, criteria to be used by the governing body for eligibility for rebates, and the application process. Notice and public hearings are required prior to adoption of the plan.

Municipalities are authorized to create a neighborhood revitalization fund for this purpose and to place moneys in said fund from any lawful source and from the general fund. Any two or more municipalities may enter into inter local cooperating agreements to exercise the powers under this act.

STATEMENT OF FINDINGS

The population of Kearny County has decreased over 12% between 2000 and 2010.

The trade pull factor in Kearny County is .48: this is the lowest factor in the nineteen (19) Southwest Kansas Counties. Kearny County ranks 92nd of 105 counties in trade pull. This results in more of our local dollars leaving the county.

Personal per capita income is the 2nd lowest in the nineteen (19) county Southwest Kansas area.

The current assessed valuation decreased significantly in the recent tax years. The assessed valuation was 282,223,636 in 2007 and has dropped to 191,915,402 in 2010.

Homeowner rate in Kearny County is 1.6% indicating a lack of available housing to support community needs. Incentives to rehabilitate and revitalize older homes would provide opportunities for homeowners with limited resources and beautify neighborhoods.

There are a number of vacant commercial properties that could benefit from this program. Currently no incentive program exists should a viable commercial business choose to locate inside Kearny County.

Kearny County is more dependent on local property tax valuation to address the volatility of state and federal revenue resources that have been eliminated or reduced. This increased reliance on property tax revenues serves as a deterrent to investment in property improvements. In time this effect places an even larger burden on property owners who must maintain essential services.

TAX REBATE PLAN

PURPOSE:

This plan is intended to promote the revitalization and development of the County of Kearny by stimulating new construction of residential, commercial and agricultural properties, and the rehabilitation, conservation or redevelopment of residential, commercial and agricultural properties within the area by offering certain incentives, which include tax rebates.

CRITERIA FOR DETERMINATION OF ELIGIBILITY

- (A) "Structure" means construction of new residential, commercial or agricultural real estate to which building additions, remodeling, renovations, improvements and permanent fixtures are assimilated to the existing properties. In regard to residential projects, the addition of square footage will be considered; interior improvements will **not** significantly or necessarily affect valuation.
- (B) Any structure, which does not lend itself to obvious inclusion within the above meaning, should be cleared with the offices of the Kearny County Appraiser prior to application.
- (C) There will be an open application period for program participants, beginning July 1, 2011. Those applications approved during the open application period will continue to receive the tax rebate for the full six (6) years following completion of the project. Construction of an improvement may only begin after final approval of the application. There will be no exceptions.
- (D) To be eligible for any tax rebates under this plan:
 - a. Parts 1 and 2 of the Application For Tax Rebate must be completed in full and filed with the office of the Kearny County Appraiser, including the payment of a non-refundable \$100.00 fee;
 - b. Prior to the commencement of all new construction and all improvements to existing properties, an inspection of the site of the project shall have been completed by the office of the Kearny County Appraiser to establish the base line valuation between non-qualifying portions and the eligible portions under this Plan;
 - c. No later than ten (10) days after the project is commenced, Part 3 of the Application For Tax Rebate must be completed in full and filed with the office of the Kearny County Appraiser;
 - d. Part 4 of the Application For Tax Rebate must be completed and filed with the office of the Kearny County Appraiser no later than the 1st day of December of the year prior to the first year an eligible tax rebate is available;
 - e. There shall be no exceptions granted for noncompliance with this paragraph.
- (E) The minimum investment for eligibility in order to receive a tax rebate for commercial, agricultural, or residential, new construction or improvement to

- existing properties is \$10,000.00 which must be established upon request by checks and invoices; the project must be classified and taxable as real estate.
- (F) New construction as well as improvements to existing properties must be in compliance with all applicable building permit requirements; building codes and zoning regulations in effect within its location at the time the improvements begin. Tax rebates may be denied or terminated for noncompliance with this paragraph.
 - (G) No applicant having delinquent real, personal or special assessment taxes due in Kearny County will be eligible for this program. In the event any such taxes are not timely paid and become delinquent during the seven (7) year period, all-current and future tax rebates shall be forfeited in full. ***If property taxes are being appealed or in the appeal process, no rebate will be given for the year being appealed until the appeal process is finalized.***
 - (H) Once a project application for new construction or improvements to an existing property has been approved, no modifications to that project shall be allowed for additional benefits under this Plan. Only one (1) application per property will be eligible in any twelve (12) month period.
 - (I) All tax rebates are subject to the approval of this Plan by each taxing unit. See the Kearny County Clerk for taxing units, which have adopted the Tax Rebate Plan of the Neighborhood Revitalization Plan.
 - (J) All tax rebates under this Plan shall be based on the tax increase from the assessed valuation; will be paid commencing in the first calendar year following assessed valuation ***on the completed project*** and may change upward or downward depending on the change in applicable mil levies.
 - (K) All tax rebates under this plan shall be made only from the resulting increase in ad valorem taxes generated and collected by reason for the new construction or improvements to existing properties and may not equal the amount of the actual dollars spent. Example a \$10,000.00 improvement to an existing property may add only \$ 8,000.00 to the estimated market value of the property; thus the tax rebate will be based on the \$8,000.00 increment in value and not on the \$10,000.00 actually spent.
 - (L) All tax rebate benefits under this Plan shall transfer with a change of ownership of qualifying property.
 - (M) Upon payment of the real estate tax for the subject property for the initial and each succeeding year period extending through the specified rebate period, and within a thirty (30) day period following **the second (2nd) half tax due date**, the tax rebate will be made by the County Treasurer of Kearny County in conjunction with the other taxing units participating in a Inter-Local Agreement.
 - (N) New construction and improvements to existing properties must be completed within two (2) years of the date of application. **No extensions will be granted and participation in the tax rebate program will be discontinued. Should the project not be completed on January 1, of the year following commencement of the project, no tax rebate will be issued until final completion of the project.**
 - (O) **No amount levied by a uniform state statute or those levies to pay for “special improvements” shall be eligible for rebate.**
 - (P) **This plan will only consider a rebate in taxes on the revitalization of structures and not on any change in use of the land.**

(Q) Final approval of each application will be made by the Board of County Commission, Kearny County, Kansas.

**KEARNY COUNTY TAX REBATE PROGRAM
UNDER THE NEIGHBORHOOD REVITALIZATION PLAN**

There is a three (3) year open application period. The tax rebate will be of a length of six (6) years. Rebates will be figured on County mil levy only. The State mil levy will NOT be rebated.

- 1st Year - Rebate would be 100% of the increase in assessed value.
- 2nd Year- Rebate would be 100% of the increase in assessed value.
- 3rd Year- Rebate would be 80% of the increase in assessed value.
- 4th Year-Rebate would be 60% of the increase in assessed value.
- 5th Year-Rebate would be 40% of the increase in assessed value.
- 6th Year-Rebate would be 20% of the increase in assessed value.

On the seventh (7th) year and each year thereafter, the property owner would be paying the full tax.

A minimum investment of Ten-Thousand Dollars (\$ 10,000.00) is required.

A one-hundred dollar (\$100.00) non-refundable application fee will be charged by the county to cover office time and administration.

Rebates will apply to rehabilitation of existing structures, additions to existing structures and new constructions. Rebates are available to residential, agricultural, commercial and industrial structures.

Assuming values and mil levies remained the same for the entire term of the program, here is an example of how the program would work under the following hypothetical conditions;

A vacant lot in Lakin currently appraised at \$2,000.00 and assessed at 11.5% (230) using the consolidated mil levy of 136.853 would have a current tax of \$31.48. With an improvement when completed appraises for \$100,000.00 here is an example of how the rebate would work. Once successfully completed the tax on the property would be \$1, 573.81.

Program Year	Tax Prior to Improvement	Total Tax Paid	% of Rebate	Total amount of rebate	
1	31.48	1,573.81	100%	1542.33	
2	31.48	1,573.81	100%	1542.33	
3	31.48	1,573.81	80%	1,259.05	
4	31.48	1,573.81	60%	944.29	
5	31.48	1,573.81	40%	629.32	
6	31.48	1,573.81	20%	314.76	
7	31.48	1,573.81	0%	--	

A vacant lot in Deerfield appraised at \$2,000.00 and assessed at 11.5% (230) using the consolidated mil levy of 184.455 would have a current tax of \$42.42. With an improvement when completed appraises for \$100,000.00 here is an example of how the rebate would work. The improved property would have a tax of \$ 2,121.23.

Program Year	Tax Prior to Improvement	Total Tax Paid	% of Rebate	Total amount of Rebate	
1	42.42	2121.23	100%	2,078.81	
2	42.42	2121.23	100%	2,078.81	
3	42.42	2121.23	80%	1,663.05	
4	42.42	2121.23	60%	1,247.29	
5	42.42	2121.23	40%	831.52	
6	42.42	2121.23	20%	415.76	
7	42.42	2121.23	0%	--	

NEIGHBORHOOD REVITALIZATION APPLICATION PROCEDURE

NOTE; No applicant having delinquent taxes (real, personal or special assessments) due in Kearny County will be eligible for this program. In the event any such taxes become delinquent during the six (6) year period, all current and future tax rebates shall be forfeited in full. Property taxes on appeal will not generate a rebate for the year in question until the appeal process is resolved.

1. Meet with and obtain an application from County Building and Zoning Officer
2. Submit complete application and meet with County Appraiser.
3. Prior to commencement of construction on any improvement or new construction for which a tax rebate will be requested, the applicant-owner will complete Parts 1 and 2 of the application. **Requests must be received and approved before commencement of construction. There will be no exceptions.**
4. Parts 1 and 2 of the application must be filed with the County Appraiser's office with a non refundable One Hundred Dollar (\$100.00) application fee **prior** to the commencement of construction.
5. The County Appraiser will return a copy of Parts 1 and 2 to the applicant within fifteen (15) working days, indicating approval or denial of the project.
6. The County Appraiser will forward a copy of Parts 1 and 2 to the County Clerk for notification and information purposes.
7. The applicant-owner will notify the County Appraiser of the commencement of construction by filing Part 3 of the application, no later than ten (10) days after the project is commenced.
8. For any improvement that is only partially completed as of January 1st, following the commencement of construction:
 - a. The owner-applicant will file Part 4 of the application with the County Appraiser indicating the status of construction on January 1st. Part 4 on or before December 1st, preceding the commencement of the tax rebate period.
9. For any project that is completed on or before January 1st, following the commencement of construction:
 - a. The owner applicant will file Part 4 of the application with the County Appraiser on or before December 1st, preceding the commencement of the tax rebate period, certifying the completion of construction.
10. Soon after January 1st, the County Appraiser will conduct an on-site inspection of the project (improvement, rehabilitation, or new) and determine the new valuation of the real property accordingly. The valuation is then reported to the County Clerk by June 15th. The tax records will be revised.

11. Upon completion of the project and final filing of Part 4, and the determination of the new valuation of said real estate, the form will be filed with the County Clerk and the County Appraiser certifying the project is in compliance with the eligibility requirements for a tax rebate. The owner-applicant will be notified immediately.

12. Upon payment in full of the real estate tax for the subject property for the initial and each succeeding year period extending through the specified rebate period, and within thirty a (30) day period following the date of full payment by the taxpayer, the tax rebate will be made by the County Treasurer of Kearny County through the Neighborhood Revitalization Fund established in conjunction with other taxing units participating in a Contractual Agreement.

**COUNTY OF KEARNY
NEIGHBORHOOD REVITALIZATION PLAN**

Part 1: Application for tax rebate

A non-refundable \$100.00 application fee must accompany this application.

Owner's Name _____ Daytime Phone _____

please print

Owner's Mailing Address _____

Address of Property _____

Legal Description of Property _____

Proposed Property Use

Residential _____ New or _____ Existing _____ Rental or _____ Owner Occupied

_____ Single Family _____ Multi-family _____ # of Units

Agricultural _____ New or _____ Existing

Commercial _____ New or _____ Existing _____ Rental or _____ Owner Occupied

Does the applicant own the property? _____yes _____no

Will the proposed project be permanently attached to the property? _____yes _____no

I have read and do hereby agree to follow all application procedures and criteria. I further understand that this application will be void two years from the date below, if improvements or construction are not complete. Therefore, my participation in the Neighborhood Revitalization Program will be terminated. I further agree to complete the applicable portions of the questionnaire attached to this application.

signature of owner

date

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Part 2 Residential

Any and all financial information on this form will be considered confidential and will not be subject to public disclosure as provided in K.S.A. 45-221 (b)

General

Estimated date of completion _____

List of buildings proposed to be
demolished _____

Estimated cost of improvements: please attach copies of cost documentation and
blueprints or plans

Materials\$ _____ Labor \$ _____ Total Cost\$ _____

Property Construction: Please describe the project (contractor built, owner built,
combination owner/contractor, manufactured housing, pre built)

New or refurbished _____

Residential remodel (please describe type of remodeling to be done. i.e. kitchen,
bathroom, bedroom, etc.)

KEARNY COUNTY
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Part 3: Agricultural or Commercial

*Any and all financial information on this form will be considered confidential
and will not be subject to public disclosure as provided in K.S.A. 45-221 (b)*

Estimated date of completion _____

List of buildings to be demolished _____

Estimated cost of improvements: please attach copies of cost documentation and
blueprints or plans

Materials\$ _____ Labor \$ _____ Total Cost\$ _____

_ Property Construction: Please describe the project (contractor built, owner built,
combination owner/contractor, manufactured housing, pre built)

Kearny County
Neighborhood Revitalization Plan

Part 4: Completion of Improvement

Owner Name _____

Phone _____

Mailing address _____

Address of Property _____

Parcel ID Number _____

Date of original application _____ Building permit # _____

Date construction started _____

Date of estimated completion of construction _____

Signature of owner

Date

Part 5
Status of Construction Completion

Please report the status of this project if the construction is going to enter into the next calendar year before completion. Please report the percentage of completed project on December 31 of the current calendar year.

Applicant Name: _____

Address of Project: _____

Percentage of project complete: _____

Percentage of project incomplete: _____

Anticipated Date of project completion: _____

Please add any additional details you feel necessary about this project:

Signature of Applicant

Date

sample resolution of hearing

(First published in the *name of paper, date*)

NOTICE OF HEARING ON ADOPTION
OF NEIGHBORHOOD REVITALIZATION PLAN
FOR (name of taxing unit)

You are hereby advised pursuant to the provisions of KSA 12-17,117, a public hearing will be held at _____ Kearny County, Kansas on the __ day of __ 2011 at ___ o'clock _ m... to consider whether, *(name of taxing unit)* should adopt a "Neighborhood Revitalization Plan" for all of the area and territory lying within the corporate limits of *(Name of taxing unit)* _____ **Kearny County, Kansas.**

This proposed Revitalization Plan is available for public review and consideration at the office of *(name of office)* during regular business hours

(Name of authorizing Governing Body)

BY: _____
Chairman

ATTEST:

Name of clerk

NOTE TO PUBLISHER:

Please print for two consecutive weeks, commencing (date).

Immediately following second publication, please make your proof of publication to: