



## WADENA COUNTY - MINNESOTA

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### HOUSING TAX ABATEMENT POLICY

#### Intent

The purpose of the Wadena County Tax Rebate Program is to encourage the construction of new primary residence single and two-family housing units and to address the housing shortage in Wadena County and to increase the value of the future tax base of Wadena County. Per MN state statute 469.1813.

#### Duration

This Policy is in effect September 5, 2023, and may be modified or rescinded at any time by the Wadena County Board of Commissioners

#### Qualifying Units of Housing

Eligible units of housing include a single-family house or two-family house. A house may be a new construction or modular, including an attached garage up to 1000 square feet. Mobile homes do not qualify.

#### Eligible Participants

Any person who constructs a new single family or two-family home and who files application materials and seeks formal approval from appropriate local jurisdictions may be eligible to receive a 100% tax rebate of the County's share of increased real estate taxes as a result of building a new home, for a period of up to five (5) years or up to \$15,000 (whichever is met first) provided all of the following criteria are met:

1. The property is located within Wadena County and zoned properly for the proposed residence.
2. The applicant/property shall not have benefitted from other local financial assistance (including tax increment financing (TIF)).
3. Project is built to all local, state and federal regulations at the time the building/zoning permit is obtained.
4. Property taxes are current and paid on time and in full. Failure to keep property taxes current shall result in revocation of the tax rebate for each year taxes are not current.
5. Application must be submitted prior to the start of construction of the new home.

The real estate taxes to be rebated shall be for up to the full amount of the real estate taxes collected resulting from the added tax base of the newly constructed home annually. The current value of the property (defined as "original value") will not be rebated as part of this program. Any eligible rebate is calculated on the tax increase due to a value increase resulting from the new improvement.

Partially constructed housing may result in the rebate in the first rebate year that may be significantly less than the following years. This will still be considered one of the five years of eligible rebate.

In the event the property owner refuses access to County Assessor staff to perform an appraisal for tax assessment purposes, the tax rebate shall expire for the remaining term of the rebate period.

The rebate period will begin in the tax year when the property realizes a value increase over original value due to construction of the housing project. In the event construction has not commenced within one year of approval, the rebate is eliminated, and the property owner will need to reapply in accordance with the program. Additionally, the rebate:

- Will transfer with the sale of the property for the balance of the five-year period or until the \$15,000 maximum rebate is met.
- Does not include voter approved property tax referendums.
- Does not apply to or include existing and/or new assessments to the property.
- One tax abatement per taxpayer

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

### **Application**

Minnesota Statute requires the County to approve each rebate application.

A complete application shall consist of the following:

- A statement requesting the tax rebate for eligible projects addressed to the Wadena County Auditor/Treasurer;
- Address (if assigned at time of application) and/or property identification number;
- A site plan for the proposed project; and
- Submit a copy of the building/zoning permit once issued, as applicable.

The applicant shall sign a statement to the effect that no construction has started prior to the administrative approval of the applicant's rebate request. For the purposes of this provision, construction shall include the installation of footings, slab, foundation, posts, walls or other portions of a building. Site preparation, land clearing, or the installation of utilities shall not constitute construction.

Each taxing entity retains its individual authority on property tax rebates. The County is solely responsible for its share of property tax rebates and this policy does not allow the County to rebate City, Township or School District property taxes.

If denied, the applicant has the option to appeal to the county board.