



Nobles Home Initiative

Nobles County Guidelines

2023-2027 Final Draft

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 within Nobles County until and through December 31, 2027.

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 \$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 materials and seeks formal approval from appropriate local jurisdiction between January 1, 2023 and December 31, 2027 may be eligible to receive a property tax abatement from the County, appropriate City and School District share of the related increase in real estate taxes as a result of building newly constructed housing or a home, for a period of 5 consecutive 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, etc.).
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 via Escrow or ACH.
5. Program approvals must be obtained prior to the start of construction of the new housing/home.
6. Construction must commence within 12 months of application approval.

The amount of taxes to be abated shall be based on the value added related to the new residential construction. Value added is defined as: The new construction value, which equates to the “Captured Tax Capacity”, as determined by the Nobles County Assessor. Real estate taxes collected for the value of the land or any additional structures or outbuildings value are not eligible for the tax abatement, and will not be abated as part of this 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 school referendums.

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

Calculation of the Abatement

Prior to new development, the Nobles County Auditor-Treasurer shall determine the current tax capacity of the property. This shall be known as the "Original Tax Capacity". After the property has been developed in accordance with the above guidelines and increases in value, the increase above the original tax capacity is captured. The tax abatement shall be based on the "Captured Tax Capacity".

The first year of abatement shall commence once the Nobles County Assessor has determined that the project is complete and the property is assessed at the full estimated market value thereby enabling calculation of the captured tax capacity.

The abatement dollar amount will remain the same as the initial full year throughout the term of the program as long as the property owner adheres to all provisions of the agreement each of the five years.

The guideline shall be retroactive to included previously approved and existing abatements under this program guideline.

Nobles County shall issue the abatement payment upon receipt of annual real estate taxes. One single payment shall be made to the owner of record at the time of payment. Payment shall be issued no later than December 31 for that calendar year.

Application

Statute requires the County to consider 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. Applications must be approved prior to the start of construction of the residence.

A complete application for Abatement shall consist of:

- A letter requesting abatement for eligible projects addressed to the Nobles County Administrator.
- Legal description of the subject property, including address and parcel identification number.
- A site plan and construction plans for the proposed project.
- Submit a copy of the building permit once received.
- Provide proof that property taxes are current.
- ACH completed or information on escrow account.
- \$100 non-refundable application fee is paid.

Applications are to be submitted to Nobles County Government Administration, 315 Tenth Street, Worthington, Minnesota, 56187. Upon receipt of a completed application, it will be submitted to the county board and to the appropriate city and school district for each agency to schedule a date on which to consider the application at a public hearing. Applicant is encouraged to attend the respective hearing, but not mandatory. Each of the entities will publish their respective hearing date on their respective website and other required means of notification. 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 with receipt of the Certificate of Occupancy, when the property has been assessed at full value, or not more than one year following approval of the taxing authority's resolution, whichever is first, and shall continue for 5 consecutive years

Adopted May 20, 2014

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