

Lyon County

Tax Abatement Policy

for New Construction of Single and Multi-Family Homes

Intent

The purpose of the Lyon County Tax Abatement Policy for New Construction of Single and Multi-Family Homes is to provide incentives in Lyon County to encourage the construction of new owner occupied and residential rental housing units and increase the value of the future tax base for Lyon County taxpayers.

Duration

This policy is in effect from July 1, 2018, to December 31, 2022, and may be modified or rescinded at any time by the Lyon County Board of Commissioners.

Tax Abatement Authority

Minnesota Statute § 469.1813 grants a political subdivision the authority to abate property taxes.

Eligible Participants

Any person or entity who constructs a new single family home, duplex, or multi-family complex consisting of 12 units or less, and who files application material and seeks formal approval from Lyon County between July 1, 2018, and December 31, 2022, may be eligible to receive a 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 four (4) years provided all of the following are met:

1. Property is located within Lyon County and zoned and permitted properly for the proposed development project.
2. The applicant has not and will not receive other local public financial assistance (tax increment financing/TIF, Workforce Housing, Small Cities Development Program), however, this program will coordinate with other local government tax abatement programs.
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 approval is obtained for construction beginning after January 1, 2018.

Each abatement application will be individually considered by the Lyon County Board of Commissioners. The county board reserves the right to accept or reject any application for any reason.

When an abatement is approved, a percentage of the county portion of annual real estate taxes will be returned via a single payment made to the taxpayer of record as of the date of payment issuance and by December 30 for that calendar year. The abatement of the county portion of property taxes will be:

Year 1	80%
Year 2	60%
Year 3	40%
Year 4	20%

The abatement will transfer with the sale of the property for the balance of the four year abatement period.

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

Application Procedure

Statute requires the County to approve each abatement application. Thus, all applications will be considered on a “first come - first served” basis.

A complete application for Abatement shall consist of:

- A letter requesting abatement for eligible projects addressed to the Lyon County Auditor/Treasurer and remittance of an application fee.
- Legal description of the subject property, including address and property identification number.
- A site plan and construction plans for the proposed project.
- A copy of the building permit.

Applications are to be submitted to the Lyon County Auditor/Treasurer. The Auditor/Treasurer will forward the completed application to the County Board for consideration. The County Board shall schedule a date for a public hearing on the abatement request(s) pursuant to Minn. Stat. § 469.1812 to § 469.1815 to receive input on each abatement request and shall pass a resolution to approve or deny said application.

The County is solely responsible for its share of property tax abatements and this policy does not allow the County to abate City, Township or School District property taxes.

The abatement period will begin two taxes payable years following the year of application, or not more than two years following approval of the taxing authority’s resolution, whichever is first, and shall continue for four (4) years.