

Application Period Through March 17, 2025

Type of Application ☐ Single Family
☐ Duplex
☐ Multi-Family _____

Determination Initials
 Approved Denied & Date
 Auditor/Treasurer ☐ ☐ _____
 Planning & Zoning ☐ ☐ _____
 County Assessor ☐ ☐ _____

OFFICE USE ONLY

Applicant Name

Date

Martin County Board of Commissioners Signature

Housing Tax Abatement Policy Application

Section 1: Applicant Information

Applicant Name _____

Address _____ City _____ State _____ ZIP Code _____ New Construction? ☐ Yes ☐ No

Property Type
 Single Family ☐ Duplex ☐ Multi-Family * ☐ *(If Multi-Family - How many units will it be? _____)

Section 2: Property Owner Information

(Only Needed if Different from Applicant)

Property Owner Name _____

Address _____ City _____ State _____ Zip Code _____

Section 3: Property Information

Location _____ Access Road _____

Section	Township	Range	Property Identification Number	Acreage of Property	Sq. Ft. of Property
---------	----------	-------	--------------------------------	---------------------	---------------------

Legal Description (attach if needed) _____

Purchase Date or Anticipated Ownership Date _____ Purchase Price (attach purchase agreement or other evidence of the commitment of both parties) _____

Section 4: Property Valuation & Taxes

Current Appraised Value (attach the appraisal or assessor's value) _____ Projected Value After Completion _____

Has applicant ever defaulted on property taxes on this property or any other property located within the state?
☐ Yes ☐ No (if yes please provide details on separate page(s))

Are property taxes current?
☐ Yes ☐ No

Section 5: Applicant Statement

Please provide a statement as to why you are requesting an abatement of property taxes.

Please include the Tax Abatement Application Fee of \$250.

Please make checks payable to Martin County. Please note that the application fee is nonrefundable.

County Staff Reserves the right to request any additional information from the applicant as needed.

I/We declare that any statement in this application or information provided herein is true and complete in substance and in fact. I/We as applicant(s) for the tax abatement certify that no construction has begun or will begin prior to the decision by the Martin County Board of Commissioners on my/our application. 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.

I/We as applicant(s) for the tax abatement submit this application having read the Tax Abatement Policy For New Construction of Single and Multi-Family Housing and understand the provisions. I/We agree to comply at all times with all provisions of the Tax Abatement Policy For New Construction of Single and Multi-Family Housing.

Signature of Applicant(s)		Date	Daytime Phone
Evening Phone	Email		
Signature of Property Owner(s) (If Different from Applicant)		Date	Daytime Phone
Evening Phone	Email		

Please attach the following documentation:

- Map and site plan showing the boundaries of the proposed development, the size and location of the building(s) and parking areas.
- Construction plans
- Building / Land Use / Septic permits
- Nonrefundable Application Fee in the amount of \$250
- Applicant statement as to why abatement is being requested
- List of all properties owned by applicant and proof of current property taxes
- Current appraisal or assessor's value
- Purchase agreement or commitment for purchase of property (if applicable)
- Other information as requested.

Return Completed Application to:

Martin County Coordinator Office
County Courthouse
Room #100
201 Lake Avenue
Fairmont, MN 56031

Martin County Tax Abatement Policy for New Construction of Single and Multi-Family Housing - FAQ

1. What is the purpose of the Martin County Housing Tax Abatement Policy? To encourage decent, safe and sanitary housing for residents and job seekers in the County, and to alleviate a housing shortage.
2. What is the incentive to construct new owner occupied and rental residential housing units? An applicant may be eligible to receive up to 100% of the County's share of property taxes on the new construction value annually for 10 years. (For instance, County taxes on a \$360,000 single family home in Fairmont are about \$1,480/yr X 10 years = **\$14,800**)
3. What other taxing jurisdictions are participating in this program? The City of Fairmont and Fairmont School District have a similar program to encourage Multi-Family Housing projects.
4. What is the process? Complete an application, attach required documentation including a check for \$250 and deliver all to the County Assessor. When a completed application is submitted, a public hearing date will be set, publicized, and held on a regular County Board of Commissioners meeting date. Your application will be considered for approval at that meeting.
5. Will there be any correspondence of the approval of the tax abatement aside from the meeting minutes? Would a letter also be expected to be received at my home address? We will email you a copy of the signed application, board action, and resolution.
6. What are some of the challenges that I need to plan for? The County policy states that construction will not begin until the Board can take action on each application. Your risk here is for non-approval of your Application for not complying with the Board Policy. The Board typically meets every two weeks and the public hearing notice must be published 10 days in advance of the meeting. You will want to allow 3-4 weeks for this process to be completed.
7. Am I to notify you of when the time comes for a known date of occupancy? If so, is email ok? Yes, please email the County Assessor. We'll need to do an interior walk thru to update the property record card for assessment / valuation / new construction. If construction carries over year end we'll need to do the appraisal as partial completion "as of" January 2 for the current year assessment. The first "valuation" will be on 1/2/2021 for taxes paid in 2022 – so 2022 will be your first year of abatement (tax refund on new construction).
8. Am I to provide you with receipts as property taxes are paid on the home? Would you like copies of cleared checks and corresponding Property Tax Statements? Is email ok here, too? Email is fine anytime. The assessor shouldn't need these items from you as the information is available within the Auditor's records.
9. How will reimbursement of the tax amount work? If all taxes are current a check will be issued to each property owner for the abatement amount each December or January. Feel free at any time to inquire if you have questions.

County Assessor Michael Sheplee; 507-238-3278; mike.sheplee@co.martin.mn.us

**Tax Abatement Policy For New Construction of
Single and Multi-Family Housing
County of Martin, MN
Effective March 17, 2020**

Intent

The purpose of this Tax Abatement Policy for New Construction of Single and Multi-Family Housing (the "Policy") is to establish Martin County's (the "County") policy for the use of tax abatement assistance for single and multi-family housing projects.

The County is granted the power to utilize Tax Abatement by Minnesota Statutes, Sections 469.1812 through 469.1815, as amended (the "Abatement Act"). The public purpose of this policy is to utilize tax abatement assistance to encourage the construction of new single and multi-family homes that would not otherwise occur but-for the assistance provided through the proposed assistance. The County has a shortage of decent, safe and sanitary housing for residents and job seekers in the County. Based on a City of Fairmont Housing Study completed in January 2020 by Community Partners Research, Inc., there is a need for future new rental and owner-occupied housing units in the County to keep up with projected housing needs in the County. The use of tax abatement for new housing units will help alleviate this shortage. The County desires 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 the County between March 17, 2020 and March, 2025 in the furtherance of the above public purpose.

Tax Abatement Availability

Section 469.1813, subdivision 8, of the Abatement Act, places limitations on tax abatement. In any given year, the total amount of property taxes abated by a municipality shall not exceed (i) 10% of the net tax capacity of the political subdivision for the taxes payable year to which the abatement applies, or (ii) \$200,000, whichever is greater.

Eligible Participants and Project Requirements

Any person who constructs a new single family home or multi-family complex, files application materials, and seeks formal approval from the County between March 17, 2020 and March 17, 2025, may be eligible to receive abatement of up to 100% of the County's share of the increased property taxes as a result of constructing the new housing for a period of ten (10) years. To be eligible for the tax abatement assistance, new housing projects must meet the following mandatory minimum approval criteria:

1. The housing project shall include new construction single family homes or multi-family complexes.
2. The length of any tax abatement assistance for qualifying property shall be for ten (10) years.
3. The property to be developed or redeveloped shall be located within the County and zoned properly for the proposed housing project. Property may not be located within a tax increment district.
4. The applicant shall not have received other local government financial assistance, including but not limited tax increment financing, Workforce Housing, Small City Development Program (SCDP), or County Revolving Loan Funds.
5. The tax abatement assistance must be approved prior to the start of construction of the housing project.

6. The housing project shall not include resident assistance services (i.e. assisted living services, nursing homes, memory care, etc.).
7. The construction of the proposed housing project must be in the public interest in accordance with the Abatement Act.
8. The real estate taxes to be abated shall be 100% of the County property taxes collected from the added tax base of the newly constructed housing annually. Property taxes collected for the value of the land or any current structures on the property are not eligible to receive tax abatement assistance and will not be abated as part of any assistance granted under this Policy.
9. Approved property owners will receive tax abatement assistance for the first year following the date of occupancy of the housing project. Occupancy is determined December 1st of each year.

Additional Policy Information

The tax abatement is for the County's portion of increased property taxes as a result of the construction of new housing. Property taxes levied by other units of government are not eligible for abatement under this Policy.

An abatement granted under this Policy will transfer to the new owner of the property with the sale of the property for the balance of the ten (10) year abatement period. The County is not responsible for notifying new owners of the tax abatement assistance or any tax abatement agreement.

This abatement will not include voter approved school referendums. It also does not apply to, or include, existing or new assessments to the property.

Ongoing Compliance and Termination

1. In the event construction of the housing project has not commenced within one year of approval by the Board of Commissioners of the County (the "County Board"), the abatement will be terminated and the property owner will need to reapply in accordance with this Policy.
2. The property shall at all times comply with all local and county laws and ordinances (including, but not limited to environmental, zoning, building code, housing code and public health laws and regulations). The County shall immediately terminate the payment of tax abatement assistance to any property found in violation of any local laws and ordinances.
3. The property owner shall grant County Assessor staff access to the property to perform an appraisal for tax assessment purposes. Failure to grant such access shall result in the immediate termination of the abatement assistance.
4. The property taxes on each property owned by the property owner in the County shall be current and paid on time and in full. Failure to keep property taxes current shall result in immediate revocation of the tax abatement for any year that the taxes are not current.
5. The Property owner shall not challenge the market value of the property or the property taxes on any of the property under any state law over the term of the abatement. Any challenge to the market value of the property shall result in immediate suspension of the tax abatement assistance until the challenge is resolved.
6. An abatement agreement between the County and the property owner will be required when county taxes abated are expected to exceed \$15,000 per year.

Application Guidelines

The Abatement Act requires the County to consider each abatement application at a public hearing. All applications will be considered on a first-come, first-serve basis, based on the date of receipt and completeness of the application, as determined by the County in its sole discretion. The award of tax abatement assistance will be contingent upon approval by the County Board after a duly noticed public hearing and abatement capacity as described above.

A complete application for Abatement shall consist of the following:

1. Completed and submitted application form and required documentation as set forth in EXHIBIT A attached hereto including, but not limited to:
 - a. Statement as to why the abatement is being requested;
 - b. Legal description of the subject property including address and property identification number;
 - c. Map and site plan showing the boundaries of the proposed development, the size and location of the building(s) and parking areas.
 - d. Construction plans for the proposed project;
 - e. Building/zoning permits;
 - f. Applicant shall sign a statement to the effect that no construction has started prior to the County Board decision on the applicant's abatement 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;
 - g. List of all properties owned by applicant and proof of current property taxes
 - h. Purchase agreement or commitment for purchase of property (if applicable)
 - i. Application fee of \$250.

Applications shall be submitted to Martin County Coordinator Office, County Courthouse, Room #100/201, 201 Lake Avenue, Fairmont, MN 56031. The County reserves the right to request additional information as necessary to process an abatement application.

The County Coordinator shall forward the completed application to the appropriate City or Township and School District, in the event one or more of these taxing jurisdictions have adopted a tax abatement policy for new construction of single and/or multi-family housing. Each taxing entity may consider tax abatement for its portion of property taxes. 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.

Approval Process

The approval process will take approximately sixty (60) days, including the required public hearing.

1. The County Coordinator will forward the completed application to the County Board for consideration by the County Board.
2. The County Board will schedule a public hearing on the abatement and publish notice of the public hearing as required under the Abatement Act.

3. Prior to the public hearing, the County Coordinator will notify the County Assessor to perform a site inspection to verify no construction has commenced.
4. The County Board will hold the public hearing. The public hearing will allow the County Board to receive public input on each abatement.
5. The County Board will act on a resolution either approving or denying the tax abatement application and authorize staff to enter into a tax abatement agreement with the property owner, if required.

The abatement period will commence upon receipt of a certificate of occupancy, if issued, or completion of construction as verified by the County, or not more than one year following the approval of the resolution noted above, whichever is first, and shall continue for ten (10) years. Decisions by the County Board on whether to grant to the tax abatement are final.

Partially constructed housing may result in an abatement in the first abatement year that may be significantly less than the following years. This will still be considered one of the ten (10) years of eligible abatement.

Payment of Tax Abatement

The County shall provide the abatement payments to the property owner upon receipt of the payment of the total property taxes due annually, otherwise referred to as the “pay-as-you-go” method. The property owner shall provide to the County evidence of property taxes paid by November 15th annually. The County will reimburse the owner of record as of December 31st for abated property taxes paid in one single payment by January 31st of the following year.

Hold Harmless

The property owner releases from and covenants and agrees that the County and the governing body members, officers, agents, servants and employees thereof shall not be liable for and agrees to indemnify and hold harmless the County and the governing body members, officers, agents, servants and employees thereof against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the housing project. The property owner agrees to protect and defend the County and the governing body members, officers, agents, servants and employees thereof, now or forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this policy, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, maintenance and operation of the housing project.

No County officer authorized to take part in administering the tax abatement, in his or her official capacity, shall have a personal financial interest or benefit financially from the abatement. No member, official, or employee of the County shall be personally liable to the applicant, or any successor in interest, for any act or omission of the County or for any amount which may become due to the applicant or successor or on any County obligations.

Public Data

The County is a governmental entity and as such must provide public access to public data it receives. All applications and supporting documents submitted to the County shall remain the property of the County. All such materials should be assumed to be fully accessible to the public

unless the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as amended, or other applicable law provides otherwise.

Disclaimer

The County reserves the right to approve or reject projects on a case by case basis, taking into consideration established policies and project criteria. Meeting this Policy criteria does not guarantee the award of assistance to the project. Approval or denial of one project is not intended to set precedent for approval or denial of another project.