



## Multifamily Housing Tax Abatement Program

### Intent:

In an effort to spur development of more housing options for our workforce, the City of Fairmont, Martin County and School District all agreed to abate property taxes for new construction of multifamily residential housing in Fairmont. Approved applicants for new housing between January 1, 2020 and December 31, 2024 will have the taxes abated over ten years.

This effort is being made to provide incentives for construction of duplexes and other multifamily complexes within the City of Fairmont. There is a shortage of housing options available for our current residents and those who are interested in relocating to Fairmont.

### Eligibility

Eligibility includes any person or business who builds duplexes or multifamily complexes and who files application materials and seeks formal approval from appropriate local jurisdiction may be eligible to receive 100% tax abatement of the City, County and School District's share of increased real estate taxes as a result of building newly constructed housing, or a period of ten (10) years provided all of the following criteria are met:

1. The property is located within City of Fairmont and is zoned properly for the proposed development project.
2. The project is built to any and all applicable zoning and building codes adopted at the time the building/zoning permit is obtained.
3. Property taxes are current and paid on time and in full. Failure to keep property taxes current shall result in cancelation of the tax increment payments.
4. Program approvals must be obtained prior to the start of construction of the duplexes or multifamily complex.

The real estate taxes to be abated shall be for up to the full amount of the real estate collected due to the added tax base of the newly constructed multifamily housing annually. The value of the property is

not eligible for the abatement, so it will not be abated as part of this program. Any eligible abatement years are calculated on the tax increase due to the construction of the housing facility.

Partially constructed housing may result in an abatement in the first abatement year that may be significantly less than the following years based on the taxable value of the property. This will be considered one of the ten years of the eligible abatement.

If the owner refuses access to County Assessor staff to perform an appraisal for tax assessment purposes, the tax abatement shall expire for the remaining term of the abatement period.

The abatement period will begin in the tax year the property realized a value increase due to construction of the housing project.

This abatement will transfer with the sale of the property one time during the ten-year abatement period.

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

The City shall provide the awarded abatement payment following the 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:**

Statute requires that City approve each abatement application. The granting of tax abatement will be contingent upon Council approval of the abatement.

A complete application for abatement shall consist of the following:

- A letter requesting abatement for eligible project addressed to the Economic Development Coordinator, County Coordinator, and School Superintendent.
- Legal description of the subject property, including address and property identification number.
- A set of construction plans for the proposed project, including site plan
- Submission of a copy of the building/zoning permit once received
- Applicant shall sign a statement to the effect that no construction has started. For the purposes of this provision, construction shall be determined by the issuance of a building permit before approval of the City Council.

Upon submittal of a completed application, the City Council shall schedule a public hearing on the granting of the tax abatement. The date shall not exceed 60 days from the date of submitted application. After consideration, the Council will adopt a resolution outlining the details of the abatement program if approved by the taxing authority.

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