

QUESTIONS & ANSWERS

1. **What is the Tax Rebate Program?**
During the 1994 legislative session, lawmakers passed Senate Bill #732, which provides tax rebates for new construction and the rehabilitation of existing structures. In order to implement the legislation locally, each municipality must adopt a plan and designate an area in which they want to promote revitalization and development or redevelopment.
2. **What is “tax rebate”?**
It is a refund of the property taxes, which are paid on the actual value added to a property due to the improvement. Under the Neighborhood Revitalization Plan legislation, the taxes relating to the assessed value on the property prior to the improvement may not be reduced and will continue to be payable.
3. **What is “Qualified Improvement”?**
Qualified improvement includes new construction, rehabilitation and additions.
4. **How is “Structure” defined?**
“Structure” means any building, wall or other structure, including the building and improvements to the existing structures and fixtures assimilated to the real estate.
5. **What kind of “Improvements” will increase the assessed value?**
New construction, additions and major rehabilitations will increase the assessed value.
6. **Does “one dollar” spent on work equal “one dollar” of increased value?**
One dollar spent is not necessarily equal to one dollar of increased value.

7. **What determines eligibility for a tax rebate?**
Must be a minimum investment of \$10,000. New, as well as existing improvements, must conform with all codes, rules and regulations in effect. You should secure a building permit for most improvements, where applicable. Call the City Office to find out if you need a building permit.
8. **If qualified improvements have been made, how does one obtain a tax rebate?**
A property owner must file, and have approved, an application with the County Appraiser **before** construction begins. There will be no exceptions.
9. **Who Applies?**
The property owner. Even if, as a lessee, you are doing the improvements and your lease agreement has you paying the taxes, the property owner must apply. The tax rebate will be included as part of the property’s tax record for the term of the rebate regardless of who owns or occupies the property.
10. **How often do I need to apply?**
Apply each year that you make a qualifying improvement to the property, even though the improvements may not actually be completed during the year. If no further improvements are made, the initial application will be sufficient without the property owner having to file an additional application for succeeding years in which a tax rebate is received.
11. **How soon do I have to complete the new construct or improvement?**
New construction & improvements to existing properties must be completed within two (2) years of the date of application. No extensions will be granted and participation in the rebate program will be discontinued.
12. **Will the schedule of tax rebates as determined by the increase in assessed value in the first year ever change?**
Yes. All tax rebates under this Plan shall be based on the tax increase from the assessed valuation; will be paid commencing in the first calendar year following the year of completion; and may change upward or downward depending on the change in applicable mill.

NOTE: No applicant having delinquent taxes due in Clark County will be eligible for this program. In the event any such taxes become delinquent during the ten (10) year period, all current and future tax rebates shall be forfeited in full.

APPLICATION PROCEDURE

Prior to filing the Application for Tax Rebate you will need to do the following:

1. Meet with and obtain an application from the County Appraiser’s Office.
2. Prior to the commencement of construction on any improvement or new construction for which a tax rebate will be requested, the applicant-owner will complete Parts 1 and 2 of the application. Requests must be received and approved before commencement of construction. There will be no exceptions.
3. Parts 1 and 2 of the application must be filed with the County Appraiser’s Office with a non-refundable \$100 application fee prior to the commencement of construction.
4. The County Appraiser’s Office will return a copy of Parts 1 and 2 to the applicant within fifteen (15) working days, indicating approval or denial of the project.
5. The County Appraiser’s Office will forward a copy of Part 1 and 2 to the County Clerk for notification and information purposes.
6. The applicant-owner will notify the County Appraiser of the commencement of construction by filing Part 3 of the application, no later than ten (10) days after the project is commenced.
7. For any improvement that is only partially completed as of January 1, following the commencement of construction: *The owner-applicant will file Part 4 of the application with the County Appraiser indicating the status of construction on January 1. Part 4 will be filed on or before December 1, preceding the commencement of the tax rebate period.

8. For any improvement that is completed on or before January 1, following the commencement of construction: *The owner-applicant will file Part 4 of the application with the County Appraiser on or before December 1, preceding the commencement of the tax rebate period, certifying the completion of construction.
9. Soon after January 1, the County Appraiser will conduct an on-site inspection of the construction project (improvement, rehabilitation, or new) and determine the new valuation of the real estate accordingly. The valuation is then reported to the County Clerk by June 15th. The tax records will be revised.
10. Upon completion of the project and final filing of Part 4, and the determination of the new valuation of said real estate, the form will be filed with the County Appraiser certifying the project is in compliance with the eligibility requirements for a tax rebate. The owner-applicant will be notified immediately.
11. Upon payment in full of the real estate tax for the subject property for the initial and each succeeding year period extending through the specified rebate period, and within a thirty (30) day period following the date of full payment by the taxpayer, the tax rebate will be made by the County Treasurer of Clark County through the Neighborhood Revitalization Fund established in conjunction with the other taxing units participating in a Contractual Agreement.

There is a three (3) year open application period. The tax rebate will be for a length of ten (10) years. Rebate will be 100% of the county mil levy the first year, decreasing 10% annually, with the taxpayer paying 100% of real estate taxes by the 11th year. (Rebates will not include State mil levy.)

Some specific benefits of the tax rebate program are:

- It will provide incentives for housing improvements through property tax refunds.
- The benefits of the program will apply to individual homeowners as well as businesses.
- It does not interfere with current property tax revenues.
- The program will create new long-term tax revenue, without creating a fiscal burden for the cities and county.
- It will offer incentives for development where development might not otherwise occur.
- It will help create jobs because historically jobs follow development.
- It will help reverse the outward migration of residents, and the resulting deterioration of neighborhoods within the county.
- It will help stabilize land values.
- It will strengthen the fiscal capacity of our city and county governments to grow and serve our area.
- It provides a limited window of opportunity for participation, thereby prompting immediate response.
- It will encourage housing, commercial, agricultural, and industrial development in the county.

The primary intent of the Neighborhood Revitalization Act is to provide communities with a long-term increase and stabilization in their property tax base by encouraging rehabilitation or new construction which might not otherwise occur.

Clark County

Neighborhood Revitalization Plan

2010

**For More Information
Contact**

**Clark County
Appraiser**

(620) 635-2142