

CLARK COUNTY
NEIGHBORHOOD
REVITALIZATION PLAN

Effective Date

January 1, 2007

Revised

January 1, 2010

KANSAS NEIGHBORHOOD REVITALIZATION ACT

K.S.A. 1996 Supp. 12-17, 114 et seq.

This law authorizes any municipality covered by the cash basis law to designate an area within its boundaries as a neighborhood revitalization area and to provide rebates to taxpayers in the amount of the incremental increases in property taxes resulting from improvements made to the property. The term "municipality" may include a city, township, school, county or other political subdivision. The rebates are to be made within 30 days of the payment of the full taxes.

Neighborhood revitalization area means in part, an area in which buildings or improvements by reason of dilapidation or obsolescence are detrimental to the public health, safety of welfare; or an area where there is a substantial number of deteriorating or defective structures and other improvements which impairs or arrests the sound growth of a city or constitutes an economic liability; or an area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance, should be preserved or restored to productive use. See K.S.A 1996 Supp. 12-17, 115 (b), (1), (2), and (3).

Prior to designation of such an area, the municipality must adopt a plan for the area which shall include, among other things, any proposals for improving or expanding various municipal services within the area, criteria to be used by the governing body for eligibility for rebates, and the application process. Notice and public hearings are required prior to adoption of the plan.

Municipalities are authorized to create a neighborhood revitalization fund for this purpose and to place moneys in said fund from any lawful source and from the general fund. Any two or more municipalities may enter into inter local cooperating agreements to exercise the powers under this act.

STATEMENT OF FINDINGS

Using the word “blighted” to describe Clark County, Kansas does not come easily. However, that same community must recognize that growth and revitalization of rural areas must occur to insure survival. The lack of growth and revitalization will over time bring an end to the way of life known as a rural community.

Lack of housing, the dilapidation, deterioration and obsolescence of residential, commercial and industrial structures, high housing vacancy rates, loss of population, and a declining real wage structure all contribute to the indicators of a “blighted” community.

In examining all of these factors, a clear warning is sounded for Clark County, Kansas; Clark County is classified as an agricultural dependent county by the USDA. A broadening and diversification of the local economy base, construction of new or the extensive rehabilitation of existing housing and commercial properties are some of the items needing attention to insure growth and stability of any rural community.

A survey of the housing needs countywide indicates a major shortfall of all types of housing exists. The need for new or improved multi-family and individual living units for families with children are badly needed; for our senior citizens the need is similar for alternative living units.

Clark County has an aging and deteriorating house base. According to the office of the Clark County Appraiser, of the 967 existing homes built in Clark County through 2005, 619 or 64% were built before 1940. Only 175 or 18% percent of the existing houses were built between 1940 and 1959; 12% or 113 homes were built between 1960 to 1979, and 6% or 60 homes were built between 1980 to 2005.

During the period 2000 through 2005, only 18 new homes were built throughout Clark County, Kansas. Also during that same period a total of 5 commercial units were built, all of them except one were ag-related businesses.

In 2000 the assessed valuation of all real estate improvements, not including exempt properties in Clark County, Kansas, was 4,950,169. In 2005 the assessed valuation of real estate improvements, not including exempt properties was 5,446,719.

In the short span of time between 2000 and 2005, real estate improvements in Clark County, Kansas increased only 496,550 dollars in assessed valuation or 1.10%.

The latest available figures for Clark County from the Kansas Center of Community Economic Development are from 2005. Such figures show a total population of Clark County, Kansas of 2283. The population of Clark County decreased by six percent (6 %) during the ten (10) year period since 1995. At this rate of decline, a 10-year projection to the year 2015 would indicate a population for Clark County of less than 2146, unless the rate of decline in population began to accelerate.

The latest available figures with reference to the age of our citizens are from the Kansas Center for Community Economic Development. Statistics show that twenty-six (25%) of Clark County Citizens were 65 years of age or older. This figure has decreased slightly from 1980-2000.

The average annual number of employed residents of Clark County was 1253 in 1994, by 2004 that number had dropped to 1208 representing a four percent (4%) decline. These numbers were taken from the most recent figures available from the Kansas Department of Human Resources, Labor Market Information Services. The average wage per job in 1995 was \$18,531 which ranks 42nd out of 105 counties in Kansas. Almost more disturbing is that the percent of families with income below the poverty level in Clark County in 1989 was 8.6% and in 1999 it had increased to 10.8%, a 20% increase, and in 2002 had decreased slightly to 10.7%.

In summary, even though the taxable base has not significantly changed, all the above indicators show that over time Clark County has lost population and its work force has dropped. In short, Clark County has in the recent past lost ground in nearly every area necessary to sustain itself. If something is not begun immediately to reverse the obvious trends and indicators, our rural community way of life will surely disappear through nothing more certain than the passage of time.

TAX REBATE PLAN

PURPOSE:

This plan is intended to promote the revitalization and development of the County of Clark by stimulating new construction of residential, commercial and agricultural properties, and the rehabilitation, conservation or redevelopment of residential, commercial and agricultural properties within the area by offering certain incentives, which include tax, rebates:

CRITERIA FOR DETERMINATION OF ELIGIBILITY

- (A) "Structure" means construction of new residential, commercial and agricultural real estate to which building additions, remodeling, renovations, improvements and permanent fixtures are assimilated to the existing properties. In regard to residential projects, the addition of square footage will be considered; interior improvements will not significantly or necessarily affect valuation.
- (B) Any structure, which does not lend itself to obvious inclusion within the above meaning, should be cleared with the offices of the Clark County Appraiser prior to application.
- (C) There will be an open three (3) year application period, beginning January 1, 2010, ending December 31, 2012. At the end of the three (3) year application period, the taxing entities will review the plan and determine its continuation. Those applications approved during the three (3) year period will continue to receive the tax rebate for the full ten (10) years following completion of the project. Construction of an improvement may only begin after final approval of application. There will be no exceptions.
- (D) To be eligible for any tax rebates under this Plan:
 - a. Parts 1 and 2 of the Application For Tax Rebate must be completed in full and filed with the office of the Clark County Appraiser, including the payment of a non-refundable \$100.00 application fee;
 - b. Prior to the commencement of all new construction and all improvements to existing properties, an inspection of the site of the project shall have been completed by the office of the Clark County Appraiser to establish the base line valuation between non-qualifying portions and the eligible portions under this Plan;
 - c. No later than ten (10) days after the project is commenced, Part 3 of the Application For Tax Rebate must be completed in full and filed with the office of the Clark County Appraiser;
 - d. Part 4 of the Application For Tax Rebate must be completed and filed with the office of the Clark County Appraiser no later than the 1st day of December of the year prior to the first year an eligible tax rebate is available;
 - e. There shall be no exceptions granted for noncompliance with this paragraph.

- (E) The minimum investment for eligibility in order to receive a tax rebate for commercial, agricultural, or residential, new construction or improvement to existing properties is \$10,000, which must be established upon request by checks and invoices; the project must be classified and taxable as real estate.
- (F) New construction as well as improvements to existing properties must be in compliance with all applicable building permit requirements; building codes and zoning regulations in effect within its location at the time the improvements begin. Tax rebates may be denied or terminated for noncompliance with this paragraph.
- (G) No applicant having delinquent real, personal or special assessment taxes due in Clark County will be eligible for this program. In the event any such taxes are not timely paid and become delinquent during the ten (10) year period, all-current and future tax rebates shall be forfeited in full.
- (H) Once a project application for new construction or improvements to an existing property has been approved, no modifications to that project shall be allowed for additional benefits under this Plan. Only one (1) application per property will be eligible in any twelve (12) month period.
- (I) All taxes rebates are subject to the approval of this Plan by each taxing unit. See the Clark County Clerk for taxing units, which have adopted the Tax Rebate Plan of the Neighborhood Revitalization Plan.
- (J) 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 mil levies.
- (K) All tax rebates under this plan shall be made only from the resulting increase in ad valorem taxes generated and collected by reason for the new construction or improvements to existing properties and may not equal the amount of the actual dollars spent. Example: a \$10,000 improvement to an existing property may add only \$8,000 to the estimated market value of the property; thus the tax rebate will be based on the \$8,000 increment in value and not on the \$10,000 actually spent.
- (L) All tax rebate benefits under this Plan shall transfer with a change of ownership of qualifying property.
- (M) 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 in conjunction with the other taxing units participating in a Contractual Agreement.
- (N) New construction and 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.**

**CLARK COUNTY TAX REBATE PROGRAM
UNDER THE NEIGHBORHOOD REVITALIZATION PLAN**

There is a three-year open application period. The tax rebate will be for a length of ten years. Rebates will be figured on County mil levy only. The State mil levy will not be rebated.

1st Year -	Rebate	would	be	100%	of the	increase	in	assessed	value
2nd Year -	"	"	"	90%	" "	"	"	"	"
3rd Year -	"	"	"	80%	" "	"	"	"	"
4th Year -	"	"	"	70%	" "	"	"	"	"
5th Year -	"	"	"	60%	" "	"	"	"	"
6th Year -	"	"	"	50%	" "	"	"	"	"
7th Year -	"	"	"	40%	" "	"	"	"	"
8th Year -	"	"	"	30%	" "	"	"	"	"
9th Year -	"	"	"	20%	" "	"	"	"	"
10 Year -	"	"	"	10%	" "	"	"	"	"

By the 11th year, the property owner would be paying the full tax.

- A minimum of \$10,000 must be invested.
- A \$100 upfront, non-refundable application fee will be charged by the county to cover office time and administration.
- Rebates will apply to rehabilitation of existing structures, additions to existing structures and new construction. Rebates will apply to all residential, agricultural, commercial and industrial structures with a few exceptions yet to be determined.
- **Assuming values and mil levy remains the same for the entire 10 year period, the estimated calculations are based on the following hypothetical conditions:**

EXAMPLE: A \$2,000 appraised vacant lot in Ashland City assessed at 11.5% = assessed valuation of 230 X 200.420 mil levy = \$ 46.10 in property tax to the owner. The owner builds a \$100,000 house on the lot X 11.5% = \$11,500, assessed valuation. \$11,500 X 200.420 = \$ 2,304.83 + \$46.10 = \$2,350.93 total tax for this parcel.

Year	Total tax paid	Rebate %	Rebate \$	Actual tax paid on house & lot
1st year	\$2350.93	100%	\$2,304.83	\$ 46.10
2nd year	"	90%	2,074.35	276.58
3rd year	"	80%	1,843.86	507.07
4th year	"	70%	1,613.38	737.55
5th year	"	60%	1,382.90	968.03
6th year	"	50%	1,152.42	1,198.51
7th year	"	40%	921.93	1,429.00
8th year	"	30%	691.45	1, 659.48

9th year	"	20%	460.97	1,889.96
10th year	"	10%	230.48	2,120.45
Total tax paid \$23,509.30			-----	-----
Total rebate over 10 years			\$12,676.57	-----
Actual taxes paid over 10 years				\$10,832.73

- **Assuming values and mil levy remains the same for the entire 10 year period, the estimated calculations are based on the flowing hypothetical conditions:**

EXAMPLE: A \$50,000 appraised house and lot in Ashland City assessed at 11.5% = assessed valuation of \$5,750 X 200.420 mil levy = \$1,152.42 in property tax to the owner. The owner spends \$20,000 on a room addition X 11.5% = \$2,300 assessed valuation \$2,300 X 200.420 = \$460.97 + \$1,152.42 = \$1,613.39 total for this parcel.

Year	Total tax paid	Rebate %	Rebate \$	Actual tax paid on house & lot
1st year	\$1,613.39	100%	\$460.97	\$1,152.42
2nd year	"	90%	414.87	1,198.52
3rd year	"	80%	368.78	1,244.61
4th year	"	70%	322.68	1,290.71
5th year	"	60%	276.58	1,336.81
6th year	"	50%	230.49	1,382.90
7th year	"	40%	184.39	1,429.00
8th year	"	30%	138.29	1,475.10
9th year	"	20%	92.19	1,521.20
10th year	"	10%	46.10	1,567.29
Total tax paid \$16,133.90			-----	-----
Total rebate over 10 years			\$2,535.34	-----
Actual taxes paid over 10 years				\$13,598.56

NEIGHBORHOOD REVITALIZATION APPLICATION PROCEDURE

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

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 Parts 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 1st, following the commencement of construction:
 - a. The owner-applicant will file Part 4 of the application with the County Appraiser indicating the status of construction on January 1st. Part 4 will be filed on or before December 1st, preceding the commencement of the tax rebate period.
8. For any improvement that is completed on or before January 1st, following the commencement of construction:
 - a. The owner-applicant will file Part 4 of the application with the County Appraiser on or before December 1st, preceding the commencement of the tax rebate period, certifying the completion of construction.
9. Soon after January 1st, 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 Clerk and 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.