

## TAX ABATEMENT PROGRAM FOR THE CITY OF RED LAKE FALLS

1. The tax abatement program will be available to qualified applicants effective June 1, 2015 and shall run until December 31, 2020;
2. The tax abatement program will apply to new residential construction only. Residential is defined as a single family residence or twin home either occupied by the owner or built as a rental unit(s);
3. New construction is defined as:
  - Modular Homes: A new modular home built within the operating time frame of the Abatement Program – 2015 or newer qualifies provided it is placed on an approved foundation.
  - Manufactured Homes: A new manufactured home built within the operating time frame of the Abatement Program – 2015 or newer qualifies provided it is placed on an approved foundation.
  - Stick Built Homes: New construction for Stick Built Homes is defined as any home that is built from scratch and is placed upon an approved foundation. Stick Built also pertains to a Stick Built home that is moved onto the property within the City limits (having never been in the City limits prior to) and which has been renovated to over 1/3 of its assessed value as certified by the City's Building Official - the Stick Built Home must be placed upon an approved foundation.
4. The new construction home must be owned by the party requesting the abatement. However, the home may be used as a rental property.
5. Occupancy of the new construction home must take place within two years of acquisition of the undeveloped real property (lot).
6. The new construction home can be built on any approved undeveloped lot located anywhere within the City limits of Red Lake Falls. The constructed cost of the new construction home cannot exceed \$275,000.00 – the cost of the lot is not to be included in the construction cost of the home.
7. The Tax Abatement Program is only eligible for the original Tax Abatement Applicant(s) (property owners) and will not transfer if the real property is sold.
8. The homeowner is reimbursed for taxes paid to the City of Red Lake Falls when the home is occupied and valued after one year of occupancy and certified as such by the Red Lake Falls Building Official and the Red Lake County Assessor's Office.
9. The abatement of City real property taxes will be for a period of three consecutive years.
10. The City Administrator is responsible for notifying the Council as to which properties qualify for the Tax Abatement Program, when the real property was acquired, who acquired it, when the real property reached its full assessed value, what that value is, the amount of the requested tax abatement, how many years of eligibility are left and arranging for notice and public hearing on any request.
11. The applicant taxpayer would pay the property taxes. The applicant taxpayer would then submit a copy of their tax statement and verification of payment to the Red Lake Falls City Administrator.
12. Upon receipt of the paid tax statement, the City Administrator shall arrange for notice and public hearing and inform the applicant taxpayer of the time and date of said hearing and request the applicant's attendance. If approved by the City Council, the City Administrator would send the rebate check to the applicant taxpayer.
13. As of December 31, 2020, the Tax Abatement Program shall cease of its own accord and shall then be reviewed and evaluated by the City Council.