

QUESTIONS & ANSWERS

Q: Can I simply paint my house or do some minor remodeling and be eligible for this program?

A: It is unlikely that minor repairs such as painting will enable a property to qualify for this program. Any improvements must increase appraised value by at least 15% or \$5,000, whichever is greater. In addition, the 15% or \$5,000 increase in appraised value must be a direct result of the improvements.

Q: What is the application process?

A: Obtain an application for the Neighborhood Revitalization Program when applying for a building permit. After reviewing the program criteria, complete the application form and sign the statement that you have read and understand the Neighborhood Revitalization Plan. After final inspection is performed, City staff will forward the application to the County Appraiser's office for review and appraisal of the project. Applicants will receive their tax rebate, minus a 5% administrative charge, after their property taxes are paid in full. Building permits and Neighborhood Revitalization Program applications are available at Walton City Hall.

Q: What types of property are eligible?

A: Residential or commercial/industrial property within the Neighborhood Revitalization Area is eligible for the Neighborhood Revitalization Program.

MORE Q & A

Q: Are the rebates transferable if I sell my property?

A: Rebates are transferable if a property is sold. The rebate will continue on schedule. If an individual has received two years of the five-year rebate, the party buying the property will receive the last three years of the rebate.

Q: Can I still take advantage of the program if I don't live in the project area?

A: Yes. Properties outside the Neighborhood Revitalization Area may be eligible for the program. However, those structures must meet stricter criteria for approval. For a structure to be eligible, a property owner must either improve a structure in a generally dilapidated condition or a structure with historical significance.

Q: Can this program be used in conjunction with tax abatement programs?

A: No. A criteria of the Neighborhood Revitalization Plan is that no property involved in the program can receive other tax abatement benefits.

For more information or to apply contact:

Walton City Hall
122 Main
PO Box 200
Walton, KS 67151
620-837-3252

City of Walton

NEIGHBORHOOD
REVITALIZATION
PROGRAM



THE PLAN

TAX INCENTIVE

Tax incentives are a valuable tool for neighborhood revitalization. New infill construction, as well as rehabilitation of existing housing, commercial and industrial properties, produces benefits not only to the immediate neighborhood, but to the entire community. With the adoption of the Neighborhood Revitalization Program, the City of Walton, USD 373, and Harvey County have provided a tax incentive program to address the needs of a large portion of Walton.

The program is designed to give property owners in the Neighborhood Revitalization Program Area (NRPA) the opportunity to receive up to a 10 year tax rebate. This incremental rebate is applied to the additional property taxes incurred as a result of new construction or improvements to existing structures.

If you are building a new structure or making significant improvements to RESIDENTIAL, COMMERCIAL or INDUSTRIAL property in the NRPA, your project may be eligible for the tax rebate program.

Tax Rebates are based on the increase in APPRAISED VALUE of a property as of the January following completion of the project. The tax rebate is based solely on the improvements, not on any market factors.

The example at the right illustrates which improvements to a \$100,000 home may qualify for the rebate:

THE REBATE

| | Commercial & Industrial | *Extensive Commercial & Industrial | Residential Rehabilitation | New Residential |
|---------|-------------------------|------------------------------------|----------------------------|-----------------|
| Year 1 | 100% | 100% | 100% | 50% |
| Year 2 | 90% | 100% | 100% | 50% |
| Year 3 | 80% | 100% | 100% | 50% |
| Year 4 | 70% | 100% | 100% | 50% |
| Year 5 | 60% | 100% | 100% | 50% |
| Year 6 | 50% | 100% | N/A | N/A |
| Year 7 | 40% | 100% | N/A | N/A |
| Year 8 | 30% | 100% | N/A | N/A |
| Year 9 | 20% | 100% | N/A | N/A |
| Year 10 | 10% | 100% | N/A | N/A |

* To qualify for the extensive commercial & industrial rebate period, the improvements must increase the appraised value of the subject property by at least 50% and the actual cost of the improvements must be in excess of \$100,000.

| | |
|--------------------------------------|-----------|
| Appraised value before improvements | \$100,000 |
| *Increased value due to improvements | 25,000 |
| Increased value due to market forces | 5,000 |
| Total appraised value | \$130,000 |

***Amount eligible for tax rebate \$25,000**

ELIGIBILITY

TO BE ELIGIBLE FOR A TAX REBATE . . .

- ◆ Obtain a Building Permit and Tax Rebate application from the City of Walton.
- ◆ All improvements must conform to zoning, building and any other applicable regulations in effect in the Neighborhood Revitalization Program Area (NRPA).
- ◆ Construction must begin on or after the date of inclusion of the property in the NRPA.
- ◆ Improvements must increase the appraised value of the property by at least 15% or \$5,000, which ever is greater.
- ◆ Properties for which taxes or special assessments are delinquent or under appeal or protest are not eligible until such delinquent payments or appeals have been resolved.
- ◆ Properties eligible for tax incentives under any other program shall be eligible for only one such program at a time.
- ◆ Only owners of property are eligible to receive a tax rebate.
- ◆ Tax rebates transfer with ownership of a property.
- ◆ Rebates are based on the increase in APPRAISED VALUE as of January 1 of the year following 100% completion of the improvements, contingent upon final inspection or issuance of a certificate of occupancy.