

Pipestone County Home Initiative

Intent

The purpose of Pipestone County Home Initiative (PHI) is to provide incentives to encourage the construction of new single-family homes and to encourage replacement of dilapidated housing structures with newly constructed single-family homes, thereby increasing the tax capacity within Pipestone County.

Tax Abatement Availability

Minnesota Statute 469.1813 Subdivision 8 places limitations on tax abatement. In any given year, the total amount of taxes abated by a municipality shall not exceed 10% of the net tax capacity (NTC) of the political subdivision for the taxes payable year to which the abatement applies, or (2) \$200,000, whichever is greater.

Eligibility

Any person who constructs a new single-family home, files an application (with supporting documentation) and seeks formal approval from the county board between January 1, 2023 and December 31, 2025 may be eligible to receive 100% tax abatement of the County's share of increased real estate taxes. The abatement commences upon the completion of the single-family home and will be for a period of three (3) years provided all of the following are met:

1. Property is located within Pipestone County and zoned properly for the proposed development project.
2. The applicant/owner shall not have received other local financial assistance (tax increment financing (TIF), Workforce Housing, SCDP, etc.).
3. Project is built to building codes adopted at the time building permit is obtained.
4. Property taxes are current and paid on time and in full.
5. Program approval by the county board must be obtained prior to the start of construction (including dirt work).
6. Application is for new construction only.
7. As per tax abatement policy, any abatement resulting in a tax reduction or refund of less than \$50.00 shall be denied.
8. Manufactured/mobile homes (single wide, double wide, triple wide, sectional) do not qualify.

The real estate taxes to be abated shall be for up to the full amount of the county real estate taxes collected from added tax base of the newly constructed home annually. Real estate taxes collected for the value of the land, any current structures, or previous home value are not eligible for tax abatement and will not be abated as part of this program.

This abatement will transfer with the sale of the property for the balance of the three (3) year abatement period.

The tax refund is the county portion only; property taxes levied by other units of government are not eligible. This abatement will not include voter approved referendums. This abatement does not apply to, or include, existing and/or new assessments to the property.

The County shall provide the awarded abatement payment following payment of the total real estate taxes due annually. One single payment shall be made to the owner of record at the time of the payment by December 31st for that calendar year.

Application

Statute requires the County to approve each abatement application. Thus, all applications will be considered on a “first come - first served” basis. The acceptance of new applications will be contingent upon board approval and abatement capacity as defined above.

Property Information:

Location/Property Address: _____

Section: ____ Township: _____ Range: ____ Parcel Identification Number: _____

Legal Description: _____

Please attach the following documentation:

- Map or site plan, prepared by an architect or engineer, showing the boundaries of the proposed development, the size and location of the building(s) and parking areas.
- Professional sketch or blueprint of structure(s) to be constructed.
- Written narrative describing the project, the size and type of building, any existing houses or structures that will be torn down or moved, project timing (including anticipated start date of construction), and estimated cost.
- Building Permit (City or County depending on location)
- Other information as requested

I attest to the following:

- Property is located within Pipestone County and zoned properly for the proposed development project.
- I have/will not receive other local financial assistance (tax increment financing (TIF), Workforce Housing, SCDP, etc.).
- Project is built to building codes adopted at the time building permit is obtained.
- Property taxes are current and paid on time and in full.
- Program approval by the county board will be obtained prior to the start of construction (including dirt work).
- Application is for new construction only.

Applicant Information:

Applicant Name: _____ Phone: _____

Mailing Address: _____

Applicant Signature: _____ Date: _____

Owner Information (if different than applicant):

Owner Name: _____ Phone: _____

Mailing Address: _____

Owner Signature: _____ Date: _____

Contractors or Contract for Deed Holders – owner must sign the application.

Return Completed Applications to:
Pipestone County Auditor/Treasurer
416 S Hiawatha Ave
Pipestone, MN 56164