

Property Tax Abatement Program



- 1. Why is the City doing this?** To provide incentives for construction of new owner-occupied and rental residential housing units within the City of Albert Lea. There is a shortage of housing options available for current residents and those being recruited to come to Albert Lea.
- 2. Who is eligible? How long will this policy be in place?** Any person who builds a single family home, duplex, or multi-family complex (under 4 units), files application, and obtains approval from the appropriate local jurisdictions between January 1, 2017 and December 31, 2019 shall be eligible to receive 100% tax abatement of the City, County and School District's share of the increased real estate taxes resulting from the newly constructed housing unit for a period of 5 years.
- 3. What are the requirements?** All new housing approved by the City of Albert Lea should meet the following mandatory minimum approval criteria:
 - a. The assistance shall be provided within state restrictions, guidelines, and requirements.
 - b. The project must comply with the Comprehensive Land Use Plan and Zoning Ordinances.
 - c. The property is located in Albert Lea and zoned properly.
 - d. The applicant cannot have received other local financial assistance.
 - e. Construction must start no later than 6 months from date of approval, which includes obtaining building permit(s).
 - f. Property taxes are up to date.
 - g. Approval must be obtained prior to the start of construction of the housing unit/home.
- 4. How does one submit an application?** A complete application for Abatement shall consist of (1) a letter requesting abatement for eligible housing project(s) addressed to the City Manager, (2) a completed Housing Tax Abatement application from the City, (3) a set of construction plans for the proposed development, including site plan.
- 5. What happens next?** The City will forward the application to the County and School District, for each entity to schedule a date to consider the application. Each entity will establish a hearing date within 30 days. The applicant will be notified of this. After consideration, the City Council will adopt a resolution outlining the details of the abatement program and authorize staff to enter into a tax abatement agreement with developer/builder/owner. The City Council will grant final approval or denial of the request.
- 6. How will I get reimbursed for taxes paid?** Tax abatement assistance will be refunded to the property owner upon receipt of payment to the City by the County, otherwise referred to as the "pay-as-you-go" method. The property owner shall provide to the City evidence of real estate taxes paid by November 15th annually. The City will reimburse the owner of record for real estate taxes paid in one single payment by December 30th for that calendar year.
- 7. What happens if I sell the housing unit(s)/home?** The policy will be transferrable to the new owner(s).