

# **Commercial/Industrial Abatement Policy**

## **Intent**

The purpose of the Cottonwood County Commercial/Industrial Tax Abatement Policy is to remove blight and encourage development or redevelopment of commercial/industrial properties in Cottonwood County and increase the value of the future tax base for Cottonwood County taxpayers.

## **Duration**

This policy is in effect from October 18, 1990, updated March 2, 2021, and may be modified or rescinded at any time by the Cottonwood County Board of Commissioners.

## **Tax Abatement Authority**

Minnesota Statute § 469.1813 grants a political subdivision the authority to abate property taxes.

## **Eligible Participants**

Any person or entity who constructs a new commercial/industrial building, constructs a building addition, or completes a qualifying remodel that meets all criteria and may have been granted a tax abatement on the same property or properties by the applicable city or township, and who files a complete application to seek formal approval from Cottonwood County, may be eligible to receive a tax abatement of the County's share of increased real estate taxes as a result of the building construction, addition, or remodel, for a period of four (4) years provided all of the above and the following additional criteria are met:

1. Property is located within Cottonwood County and zoned and permitted properly for the proposed development project.
2. The applicant has not and will not receive other local public financial assistance (tax increment financing/TIF, Workforce Housing, Small Cities Development Program), however, this program will coordinate with other local government tax abatement programs.
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 is obtained for construction beginning after January 2, 2021.
6. To be a qualifying remodel, the applicant must schedule the property be viewed and assessed by the County Assessor's office immediately prior to and upon completion of the remodel.

Each abatement application will be individually considered by the Cottonwood County Board of Commissioners. The county board reserves the right to accept or reject any application for any reason.

When an abatement is approved, a percentage of the county portion of annual real estate taxes will be returned via a single payment made to the taxpayer of record as of the date of payment issuance and by December 30 for that calendar year. The abatement of the county portion of property taxes will be:

- Year 1 - 80%
- Year 2 - 60%
- Year 3 - 40%
- Year 4 - 20%

The abatement will transfer with the sale of the property for the balance of the four-year abatement period.

This abatement does not apply to, or include, existing and/or new special assessments to the property.

### **Application Procedure**

Statue requires the County to approve each abatement application. Thus, all applications will be considered on a “first come – first served” basis.

A complete application for Abatement shall consist of:

- An application form requesting abatement for eligible projects addressed to the Cottonwood County Auditor/Treasurer.
- Legal description of the subject property, including address and property identification number.
- A site plan and construction plans for the proposed project.
- A copy of the building permit/setback permit or conditional use permit.

Applications are to be submitted to the Cottonwood County Auditor/Treasurer. The Auditor/Treasurer will forward the completed application to the County Board for consideration. The County Board shall schedule a date for a public hearing on the abatement request(s) pursuant to Minn. Stat. § 469.1812 to § 469.1815 to receive input on each abatement request and shall pass a resolution to approve or deny said application.

The County is solely responsible for its share of property tax abatements and this policy does not allow the County to abate City/Township or School District property taxes.

The abatement period will begin with taxes payable for the assessment year after construction is completed and shall continue for four (4) years.