

Application Q & A:

1. How does one apply?

Application forms can be obtained in the City Clerk's office or downloaded from the City's web site, www.oskaloosaiowa.org. Fill out the required information (owner's name, address, phone number, legal description of the property, description of the improvements including costs and completion date). Sign and date the form and file with the City Clerk.

2. When does one apply?

Applications must be filed with the City Clerk between January 1 and February 1 of the year in which the improvements would appear on the assessor's rolls.

3. Who makes the application?

The property owner. Even if the lessee is making the improvement and the lease agreement has the lessee paying taxes, the property owner must apply. The tax abatement will then be included as part of the property's tax record for the term of the tax abatement regardless of who owns or occupies the property.

4. How often should applications be made?

Applications may be made each year qualifying improvements to the property are being made even though such improvements may not be actually completed during that year. If no further improvements are made, the initial application will be sufficient without the property owner having to file additional applications for succeeding years in which the tax abatement is received.

5. Will the County Assessor need to see the improvements? Yes. The improvements will need to be verified and assessed before the abatement is granted.

Briefly Noted:

- Oskaloosa's Urban Revitalization Citywide Housing Tax Abatement Program is applied city wide to help improve existing housing and spur new construction.
- Tax Abatement is "a reduction in property taxes which would otherwise be payable on the actual value added to a property due to qualified improvement."
- The residential tax abatement plan calls for a five-year abatement schedule (see inside for specific percentages).
- Qualified improvements are limited to new construction of residential properties and rehabilitation and additions to existing residential properties.
- Applications forms can be obtained from City Hall and must be filed with the City Clerk between January 1 and February 1 of the year in which improvements would first appear on the Assessor's rolls.
- The County Assessor will need to see, verify, and assess the improvements before an abatement is granted.

Useful Numbers:

Oskaloosa City Hall

220 South Market Street
City Clerk 641.673.9431

Mahaska County Assessor

1st Floor, Mahaska County Courthouse
106 South 1st Street 641.673.5805

Oskaloosa Building & Zoning Division

Akhilesh Pal, P.E., City Engineer
or Building Official
804 South D Street 641.673.7472



GOOD TO NOTE: URBAN REVITALIZATION CITYWIDE HOUSING TAX ABATEMENT PROGRAM



A "Good to Note" Publication
brought to you by The City of Oskaloosa
City Hall • 220 South Market Street
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www.oskaloosaiowa.org

Introduction:

In an effort to help improve existing housing and to spur construction of new housing within the City of Oskaloosa, the City Council implemented a partial property tax abatement program in 1991. This brochure is intended to provide information about the program, how to apply, and answer additional questions you might have. The program information is also available on the city's web site where downloadable applications are also available. Visit www.oskaloosaiowa.org.

Qualifications:

Improvements that qualify for tax abatement are limited to new construction of residential properties as well as rehabilitation and additions to existing residential properties.

Residential properties are those residentially assessed (such as single family homes, duplexes, and condominiums) as well as commercially assessed properties consisting of 3 or more separate living units with at least 75% of the space used for residential purposes (apartment buildings).

Requesting Approval for Future Projects

If an applicant is planning to undertake a project at some future date and would like to be assured the abatement program will apply, they may request prior approval of the City Council.

However, the applicant will still be required to file an application when the improvements are completed.



No Surprises

Will the taxes accumulate and then surprise me at the end of the abatement?

No. The taxes normally due during the abatement period are forgiven in accordance with the abatement schedule; they are not postponed.

Can property taxes ever be eliminated using tax abatement?

There will always be some taxes on property. Under urban revitalization, the existing assessed value of the property and the resulting taxes prior to the improvements will continue unabated.

Is there a possibility my taxes will increase even if I qualify for tax abatement?

Yes. Remember, this is a *partial* property tax abatement program. You will be partially taxed upon the improvements made to the property. Taxes may also go up on the property if:

- The owner makes improvements but fails to apply for tax abatement. (It is the property owner's responsibility to apply for the program as it does not automatically kick in for qualified improvements).
- The value of the property and the resulting taxes increase due to some other reason other than improvement (i.e. reassessment or assessment category change);
- The property acquires a special assessment for public improvements such as sidewalks, sewer, or streets; or
- The tax formula components change such as a change in millage rates or roll back values.

Abatement Schedule:

The Urban Revitalization Citywide Housing Tax Abatement Program calls for a (5) five-year tax abatement schedule. Eligible improvements on residential property will receive the following:

- 80% abatement the first year
- 65% abatement the second year
- 50% abatement the third year
- 35% abatement the fourth year
- 20% abatement the fifth year
- On the sixth year and every year thereafter, taxes on the full value of the property will be due.

The reduction only applies to the additional taxes resulting from the increase in assessed value of the property due to the improvement.



Under urban revitalization, the taxes relating to the assessed value of the property prior to the improvement cannot be reduced and will continue unabated.

Requirements:

- The assessed valuation of your property must increase at least 15% after the improvements have been made.
- The improvements must conform to the City's Zoning Ordinance and all other applicable codes.
- A building permit should be secured for most improvements that will increase the property's value.

Note: The City Council has removed the sunset provision for this property tax abatement program. Therefore, it will remain in effect until the City Council decides the program is no longer serving a useful purpose and repeals or modifies the ordinance.