

Wichita County, Kansas

Neighborhood Revitalization Plan

Effective Date

July 1, 2021

IN THE MATTER OF THE ADOPTION OF A
NEIGHBORHOOD REVITALIZATION PLAN

The Board of County Commissioners of Wichita County, Kansas, (herein sometimes called "Governing Body") pursuant to the Kansas Neighborhood Revitalization Act, K.S.A.

12-17, 114 et. seq. does hereby adopt a Neighborhood Revitalization Plan (herein sometimes called "Plan") for the County of Wichita as follows:

KANSAS NEIGHBORHOOD REVITALIZATION ACT

K.S.A. 1996 Supp. 12-17, 114 et seq.

This law authorizes any municipality covered by the cash basis law to designate an area within its boundaries as a neighborhood revitalization area and to provide rebates to taxpayers in the amount of the incremental increases in property taxes resulting from improvements made to the property. The term "municipality" may include a city, township, school, county or other political subdivision.

Neighborhood revitalization area means in part, an area in which buildings or improvements by reason of dilapidation or obsolescence are detrimental to the public health, safety, or welfare; or an area where there is a substantial number of deteriorating or defective structures and other improvements which impairs or arrests the sound growth of a city or constitutes an economic liability; or an area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use. See K.S.A. 1996 Supp.12-17, 115 (b), (1) (2) and (3).

Prior to designation of such an area, the municipality must adopt a plan for the area which shall include, among other things, any proposals for improving or expanding various municipal services within the area, criteria to be used by the governing body for eligibility for rebates, and the application process. Notice and public hearings are required prior to adoption of the plan.

Municipalities are authorized to create a neighborhood revitalization fund for this purpose and to place monies in said fund from any lawful source and from the general fund. Any two or more municipalities may enter into interlocal cooperation agreements to exercise the powers under this act.

Refer to KSA 12-17,118.

STATEMENT OF FINDINGS

Pursuant to K.S.A. 12-17. 116, the Governing Body FINDS:

1. That growth and revitalization of rural areas, such as Wichita County, needs to happen for survival. Lack of housing, deteriorated residential, commercial and industrial structures, low housing vacancy rates, loss of population, and declining real wages contribute to conditions of a “blighted” community.
2. Wichita County currently suffers from poor economic conditions as evidenced by the following:

(a) Wichita County wages are below statewide averages. The median household income in Wichita County in 2018, the latest available data, was \$57,566, below the state average of \$58,218. In 2019, the U.S. Census Bureau estimated that 11.0% of our population, earned incomes below the poverty level in Wichita County.

(b) Wichita County’s population growth is below state and national norms and has actually dropped 3.7%, from 2,234 to 2,152 between 2009 and 2020 according to the latest U.S. Census figures. This is an estimated figure by the Census Bureau since the official figures are not released for 2020. The State of Kansas grew by over 2.1 percent during the same period. Out of 105 counties, Wichita County ranks 98th in population. Since 1970, the population of Wichita County has fallen by over 1,150 people.

(c) The median age of Wichita County residents is 45 years of age. 20.2 percent of the population of Wichita County is 65 years of age or older while 26.3 percent is under the age of 18. With almost one half of the population not in the labor force, and many living on fixed incomes, renovating and rehabilitating existing housing is not possible.

(d) According to 2019 Census figures, 30.7 percent of Wichita County’s population was Hispanic, an increase from 18.4 percent in 2000.

(e) According to 2019 Census figures, 86.6 percent of Wichita County’s population over 25 years of age has graduated from high school.

(f) Coupling the aging population with the out-migration of youth to urban areas poses problems for future income earnings, the number of available employees and the future leadership of the County. If this decreasing trend continues, either tax rates must increase, or cut backs will be made to public services. The County’s most glaring weakness is the inability of the tax base to support the levels of governmental services residents have come to expect.

(g) The number of housing units has gone from 1,119 in 2000 to 1,051 in 2019. The number of occupied households has gone from 967 in 2000 to 934 in 2019. The median value of a home in 2018 in Wichita County is \$88,900, well below the \$159,400 level for the State of Kansas.

(h) The total assessed valuation for Wichita County in 2020 was \$50,378,097, down from \$53,172,267 in 2019. In 2016, the total assessed valuation for Wichita County was \$44,059,831.

3. Notice of hearing on this Plan has been given pursuant to K.S.A., 12-17,117(c) by publication in the Wichita County Native Sun, official county newspaper, and proof of such publication has been filed in the office of the County Clerk of Wichita County.

4. By reason of the findings made in paragraphs 1, 2, and 3 above, the Governing Body further finds that a majority of the conditions as described in subsection (c) of K.S.A. 12-17, 115 exist in the entire County of Wichita as a single unit or area eligible for designation under the Kansas Neighborhood Revitalization Act and that the rehabilitation, conservation and redevelopment thereof is necessary to protect the public health, safety and welfare of the residents of Wichita County.

PLAN

1. LEGAL DESCRIPTION OF AREA IN PLAN.

- (a) A legal description of the real estate forming the boundaries of the area included within the Plan is the entire area of Wichita County, Kansas, as set forth in K.S.A 18-1,101 and such statute is adopted herein by reference.
- (b) Maps depicting the existing Parcels of real estate covered by this Plan have been prepared and are on file in the office of the County Appraiser of Wichita County and the same are adopted as a part of the Plan by reference.

2. ASSESSED VALUATION. The existing (i.e. 2021) assessed valuation of the real estate included in the Plan, listing land and building values separately, is as follows:

Buildings	<u>\$ 18,328,761</u>
Land	<u>\$ 25,485,755</u>
Total	<u>\$ 43,814,516</u>

3. NAMES AND ADDRESSES OF OWNERS. A list of the names and addresses of the Owners of record of the real estate included within the Plan constitutes a part of the records in the office of the County Appraiser of Wichita County, and such list is adopted in and made a part of this Plan by reference.

4. ZONING CLASSIFICATIONS. The existing zoning classifications and zoning district boundaries and the existing land uses within the area included in the Plan (exclusive of those cities within the County of Wichita which have not adopted zoning plans and ordinances) are as set forth in the official zoning maps, records, resolutions and ordinances of the County of Wichita and the City of Leoti.

5. MUNICIPAL SERVICES. The Plan does not include any proposals for improving or expanding municipal services as described in K.S.A. 12-17,117(a)(5) and, if any proposals for any such improvements or expansions of municipal services are hereafter proposed by the Governing Body, then any such proposal will be prepared and considered independently of this Plan.

6. REAL PROPERTY ELIGIBLE.

- (a) All real property and all improvements thereon situated in Wichita County are eligible to apply for Revitalization under the Plan.
- (b) Rehabilitation of and additions to existing buildings and, also, construction of new buildings are each and all eligible to apply for Revitalization under the Plan.

TAX REBATE PLAN

PURPOSE: This plan is intended to promote the revitalization and development of Wichita County by stimulating new construction of residential, commercial and agricultural properties, and the rehabilitation, conservation or redevelopment of residential, commercial and agricultural properties within the area by offering certain incentives, which include tax rebates.

CRITERIA FOR DETERMINATION OF ELIGIBILITY

- (A) "Structure" means construction of new residential, commercial or agricultural real estate to which building additions, remodeling, renovations, improvements and permanent fixtures are assimilated to the existing properties. In regard to residential projects, the addition of square footage will be considered; interior improvements or general maintenance, such as replacing windows and/or roofs, will **not** significantly or necessarily affect valuation.
- (B) Any structure, which does not lend itself to obvious inclusion within the above meaning, should be cleared with the offices of the Wichita County Appraiser prior to application.
- (C) Construction of an improvement may begin after application is submitted.
- (D) To be eligible for any tax rebates under this plan:
 - a. Parts 1 and 2 of the Application For Tax Rebate (Exhibit A) must be completed in full and filed with the Wichita County Appraiser's Office, including the payment of a non-refundable \$300.00 fee;
 - b. Prior to the commencement of all new construction and all improvements to existing properties, an inspection of the site of the project shall have been completed by the Appraiser to establish the baseline valuation between non-qualifying portions and the eligible portions under this Plan;
 - c. Part 3a of Application must be completed and filed with the office of Wichita County Appraiser no later than the 20th day of December of the year property improvements are completed; **As to any Construction and Improvement which is only partially completed at that time, the owner shall report such fact in person to the County Appraiser and shall complete Part 3b of the Application. Such report shall be completed within fifteen (15) working days following January 15th.**
 - d. There shall be no exceptions granted for noncompliance with this paragraph.
- (E) The minimum increase to appraised value for eligibility in order to receive a tax rebate for residential, commercial, or agricultural new construction or improvement to existing properties is \$50,000.00.
- (F) New construction as well as improvements to existing properties must be in compliance with all applicable building permit requirements; building codes and zoning regulations in effect within its location at the time the application is submitted. Tax rebates may be denied or terminated for noncompliance with this paragraph.
- (G) **No applicant having property with delinquent ad valorem or special assessment taxes due in Wichita County will be eligible for this program. In the event any such taxes are not timely paid and become delinquent during the five (5) year period, all-current and future tax rebates shall be forfeited in full.**
- (H) Multiple qualified improvements to the same property within one calendar year shall be treated as one improvement.

- (I) All tax rebates are subject to the approval of this Plan by each taxing unit. See the Wichita County Clerk for taxing units which have adopted the Tax Rebate Plan of the Neighborhood Revitalization Plan.
- (J) The amount of the Rebate is the resulting increase in the ad valorem tax, if any, which is directly attributable to the Construction and Improvement to the qualified Parcel and the increase in assessed valuation directly resulting therefrom, in any given year during the period of eligibility, calculated in accordance with the applicable percentage amounts as set forth in the following table:

Years of Eligibility	Percentage of Property Tax Increment Rebatable*
Year 1	90%
Year 2	70%
Year 3	50%
Year 4	30%
Year 5	10%

* Percentage Rebatable is of the increase in the amount of ad valorem property tax (tax increment) directly resulting from the qualified Construction and Improvement.

- (K) All tax rebates under this plan shall be made only from the resulting increase in ad valorem taxes generated and collected by reason for the new construction or improvements to existing properties and may not equal the amount of the actual dollars spent.
- (L) All tax rebate benefits under this Plan shall NOT transfer with a change of ownership of qualifying property for the remainder of the rebate period.
- (M) Rebates will be paid to the legal ownership of record of the qualified property.
- (N) Any Owner of other property within the County that is delinquent or becomes delinquent in the payment of any ad valorem or special tax assessments will make subject property ineligible for Rebate and will disqualify the Owner’s application in the Neighborhood Revitalization Program.
- (O) Upon payment of the real estate tax for the subject property and all other properties under the same ownership for the initial year and each succeeding year, extending through the specified rebate period, and within a thirty (30) day period following the next distribution date, the tax rebate will be made by the County Treasurer of Wichita County in conjunction with the other taxing units participating in an inter-local agreement.
- (P) New construction and improvements to existing properties must be completed within two (2) years of the date of application. **No tax rebate will be issued until the tax year following completion of the project.**
- (Q) No amount levied by a uniform state statute or those levies to pay for “special improvements” shall be eligible for rebate.
- (R) This plan will only consider a rebate in taxes on the revitalization of structures and not on any change in use of the land.
- (S) Review and Acceptance/Non-acceptance of each application will be made on a monthly basis by a Neighborhood Revitalization Working Group comprised of the Wichita County Economic Development Director, the Wichita County Clerk, the Wichita County

Treasurer, the Wichita County Appraiser, and a Wichita County Commissioner. Those Projects with an estimated appraised value increase over \$500,000 will be reviewed by the Board of Commissioners, Wichita County, Kansas.

WICHITA COUNTY TAX REBATE PROGRAM UNDER THE NEIGHBORHOOD REVITALIZATION PLAN

There is a five (5) year open application period. The tax rebate will be of a length of five (5) years. Rebates will be figured on County, City, and USD 467 mill levy only. The State mill levy will NOT be rebated.

1st Year - Rebate would be 90% of the incremental increase in the ad valorem tax.

2nd Year- Rebate would be 70% of the incremental increase in the ad valorem tax.

3rd Year-Rebate would be 50% of the incremental increase in the ad valorem tax.

4th Year-Rebate would be 30% of the incremental increase in the ad valorem tax.

5th Year-Rebate would be 10% of the incremental increase in the ad valorem tax.

On the sixth (6th) year and each year thereafter, the property owner would be paying the full tax.

A minimum appraised value increase of fifty-thousand dollars (\$50,000.00) is required.

A three-hundred dollar (\$300.00) non-refundable application fee will be charged by Wichita County.

Rebates will apply to rehabilitation of existing structures, additions to existing structures and new constructions. Rebates are available to residential, commercial, and agricultural structures.

NEIGHBORHOOD REVITALIZATION APPLICATION PROCEDURE

NOTE: No applicant having property with delinquent taxes (real, personal or special assessments) due in Wichita County will be eligible for this program. In the event any such taxes become delinquent during the five (5) year period, all current tax rebates shall be forfeited in full.

1. Obtain an application from the Wichita County Economic Development Director, Wichita County Appraiser, or City of Leoti.
2. Meet with the City Planning and Zoning Committee member, if applicable.
3. Submit completed application and have it reviewed by the Neighborhood Revitalization working group, or the Wichita County Commissioners, depending on the project size.
4. Prior to commencement of construction on any improvement or new construction for which a tax rebate will be requested, the applicant-owner will complete Part 1 of the application. **There will be no exceptions.**

5. Part 1 of the application must be filed with the Wichita County Appraiser's office with a non-refundable Three Hundred Dollar (\$300.00) application fee made out to the Wichita County Appraiser prior to commencement of construction.
6. The Appraiser's clerk will return a copy of Parts 1 and 2 to the applicant after meeting with the working group, indicating eligibility for the project pending the actual appraised value increase in valuation.
7. The Neighborhood Revitalization Working Group will forward a copy of Parts 1 and 2 to the County Clerk and County Treasurer for notification and information purposes.
8. The applicant-owner will notify the Appraiser's Office of the completion of construction by signing Part 3 of the application after the project is completed.
9. For any improvement that is only **partially** completed as of January 1st, following the commencement of construction:
 - a. The owner-applicant will file Part 3 of the application with the Appraiser's Office indicating the status of construction on January 1st.
10. For any project that is **completed** on or before January 1st, following the commencement of construction:
 - a. The owner applicant will file Part 3 of the application with the County Appraiser on or before December 20th, preceding the commencement of the tax rebate period, certifying the completion of construction.
11. Soon after January 1st, the County Appraiser will conduct an on-site inspection of the project (improvement, rehabilitation, or new) and determine the new valuation of the real property accordingly. The valuation is then reported to the County Clerk. The improvement will be added to the Neighborhood Revitalization Plan.
12. Upon payment in full of the real estate tax and any special assessments for the subject property and all other properties under the same Ownership; and upon approval of Owner's Application for Rebate; the rebate will be processed for payment by the County Treasurer. The Rebate will be paid through the Neighborhood Revitalization Fund established in conjunction with other taxing units participating in a contractual agreement. "Upon payment of taxes by the taxpayer, the rebate must be made within 30 days after the next distribution date as specified in K.S.A. 12-1678a, and amendments thereto."

CONTENT OF APPLICATION FOR REBATE

The content of an "Application for Rebate" as authorized under K.S.A 12-17,118 is as set forth in the document which is entitled "Application for Rebate Neighborhood Revitalization Plan" and is hereby approved and adopted as a part of the Plan by reference.

PROCEDURE FOR APPLYING FOR REBATE

The procedure for submission of an Application for Rebate of Property Tax Increments is as follows:

- (a) (i) On each November 1st hereafter, concurrently with the mailing of annual real estate tax statements, the County Treasurer will mail to the Owner of each Parcel of real estate approved for Revitalization, an Application for Rebate form.
- (ii) Should any approved Owner, for whatsoever reason, fail to receive an Application for Rebate, then such Owner may secure an Application for Rebate form from the County Treasurer's Office.
- (b) (i) The taxpayer will complete the Application for Rebate and shall submit the completed application to the County Treasurer for consideration and approval.
- (c) (i) Upon the County Treasurer's receipt of a completed Application for Rebate, the County Treasurer shall determine whether or not such Application meets all of the criteria to qualify for a Rebate.
- (ii) (A) If the County Treasurer approves the Owner's Application for Rebate, then the County Treasurer shall file such Application with the County Clerk. The County Clerk shall thereupon proceed to process such Application as a Claim in the manner authorized and provided in K.S.A 12-105a and 12-105b. An administrative fee of 3% of the tax rebate will be retained in the County General Fund.

(B) If the County Treasurer disapproves the Application, then the Owner, if possible, shall amend the Application as necessary to secure the approval of County Treasurer who shall then proceed to file the approved Application report with the County Clerk. If the County Treasurer will not approve the Application, then the Owner may appeal the County Treasurer's decision to the Board in the manner provided for the filing of appeals by Taxpayers in K.S.A. 79-1606(a) and (b). On the filing of any such appeal, the same shall be heard by the Board prior to the September 1st next following filing of any such appeal. If the Board likewise disapproves such Application, then the Taxpayer may appeal to the District Court in the manner authorized by K.S.A.19-223.

(C) An application for Rebate approved for payment as a Claim pursuant to (a) through (c) above shall be processed by the County Clerk, but such payment shall be made within 30 days of the occurring time provided for the distribution of taxes by the County Treasurer pursuant to K.S.A.12-1678a.

DEFINITIONS

1. When the words "*Applicant*", "*Applicant for Rebate*", "*Owners*" and "*Taxpayer*" are used and referred to in the Plan, the same, where applicable, include the plural, as well as the singular.
2. As used in this Plan:
 - (a) *Applicant* means and refers to each and every person filing an Application pursuant to the Criteria for Determination of Eligibility and Procedure for Applying for Rebate Sections of this Plan. Such word also means and refers to "*Owner*" and "*Taxpayer*" as defined in this Plan.
 - (b) *Application* means and refers to each and all Applications filed pursuant to Criteria for Determination of Eligibility Section of this Plan.
 - (c) *Application for Rebate* means and refers to Applications filed pursuant to Content of Application for Rebate and Procedure for Applying for Rebate Sections of this Plan.
 - (d) *Board* means and refers to the Board of County Commissioners of Wichita County, Kansas.
 - (e) *Construction and Improvement* means and refers to rehabilitation of and additions to existing buildings or new construction, or both, which are completed and qualified under the Plan.
 - (f) *County Appraiser* means and refers to the County Appraiser of Wichita County, Kansas.
 - (g) *County Clerk* means and refers to the County Clerk of Wichita County, Kansas.
 - (h) *County Treasurer* means and refers to the County Treasurer of Wichita County, Kansas.
 - (i) *Delinquent* for the purpose of Neighborhood Revitalization begins December 21st for 1st half taxes and May 11th for 2nd half.
 - (j) *District Court* means and refers to the District Court of Wichita County, Kansas.
 - (k) *Governing Body* means and refers to the Board of County Commissioners of Wichita County, Kansas.
 - (l) *Increment* means and refers to that amount of ad valorem taxes collected from the Parcel qualified under the Plan which is in excess of the amount which was produced from such Parcel and was attributable to the assessed valuation of such Parcel prior to the qualification of the Parcel under the Plan and which is directly attributable to that part of the assessed valuation of the Parcel directly resulting from Revitalization of the Parcel under the Plan. The term "*Property Tax Increment*", where used in the Plan, is synonymous with the word "*Increment*" as defined herein.

- (m) *NRA* means and refers to the Kansas Neighborhood Revitalization Act as set forth in K.S.A. 12-17,114 et seq.
- (n) *Owner* means the Owner or Lessor of real estate which is described in an Application and in an Application for Rebate when filed pursuant to the Plan. *Owner* also means and refers to “Applicant” and “Taxpayer” as defined in this Plan.
- (o) *Parcel* means and refers to the tract or piece or parcel of real estate which is described by County Appraiser parcel number and by legal description in the Application and in the Application For Rebate.
- (p) *Plan* means and refers to this Revitalization Plan adopted pursuant to the NRA.
- (q) *Rebate* means and refers to that part of the ad valorem property tax paid by a Taxpayer on a Parcel qualified under the Plan that is attributable to the increase in the assessed valuation of the Parcel which is directly attributable to Revitalization and which is refundable to the Taxpayer by a taxing district which has adopted a plan under the NRA.
- (r) *Revitalization* means and refers to all Construction and Improvement completed on a Parcel which is qualified under the Plan.
- (s) *Taxpayer* means and refers to the Owner of a qualified Parcel who pays the ad valorem property taxes levied and assessed thereon.
- (t) *Taxing District* means and refers to the County of Wichita and any and every other unit of local government within Wichita County which shall have adopted an NRA Plan and for whose use and purposes any Property Tax Increment shall be hereafter levied and collected.

AMENDMENT OR REPEAL

1. This Plan may at any time hereafter, in whole or in part, be amended, supplemented, or repealed using the procedures set forth in subparagraph (2) of this section.
2. Prior to amending, supplementing, or repealing this Plan, or any part thereof, the Governing Body shall first conduct a public hearing upon the feasibility of any such amendment or repeal after first publishing notice of any such hearing at least once each week for two (2) consecutive weeks in the official county newspaper of Wichita County. Such notice shall set forth the specific change or changes proposed, or a summary thereof, and shall advise of the time and place at which such proposed supplement, amendment or repeal shall be heard.

QUESTIONS AND ANSWERS

1. What is the Neighborhood Revitalization Plan?

During the 1994 legislative session, lawmakers passed Senate Bill 732, which provides tax rebates for new construction and the rehabilitation of existing structures. Each

municipality must adopt a plan and designate an area in which they want to promote revitalization and development or redevelopment with the county.

2. What is a “tax rebate”?

It is a refund of the property taxes which would otherwise be payable on the actual value added to a property due to a qualified improvement. The rebate only applies to the additional taxes resulting from the increase in assessed value of the property due to the improvement. Under the Neighborhood Revitalization Plan, the taxes relating to the assessed value on the property prior to the improvement may not be reduced and will continue to be payable.

3. What is a “qualified improvement”?

Qualified improvement to a structure includes new construction, rehabilitation and additions with the requisite increase in value. Repairs generally will not increase the appraised value unless there are several major repairs completed at the same time.

4. How is “structure” defined?

“Structure” means construction of new residential, commercial or agricultural real estate to which building additions, remodeling, renovations, improvements and permanent fixtures are assimilated to the existing properties.

5. How long does the tax rebate run under the Neighborhood Revitalization Plan?

The plan will remain in effect through June 30, 2026 and will be re-evaluated prior to expiration. A property owner may apply for tax rebate as appropriate any time during the program. The length of the tax rebate will be for five (5) years. Any application approved by June 30, 2026 will receive the tax rebate if all annual requirements have been met.

6. Can property taxes be eliminated using the tax rebate?

There will always be some taxes on property. Under Neighborhood Revitalization, the existing appraised value of the property and resulting taxes prior to the improvements continue.

7. How do the terms Assessed Valuation and Appraised Value differ?

Assessed valuation is the value of the property for taxing purposes, not the appraised value. For example, if the appraised value on a residential building is \$100,000; the assessed value is \$11,500. $\$100,000 * 11.5\%$ (residential assessment %) = \$11,500. Please visit with the Appraiser’s Office to determine your property’s assessment rate.

8. How often do I need to apply?

Apply each year that you make a qualifying improvement to the property, even though the improvements may not actually be completed during the year. If no further improvements are made, the initial application will be sufficient without the property owner filing an additional application for succeeding years when a tax rebate is received.